



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Finance Audit and Performance

10 September 2018

WARDS AFFECTED: ALL WARDS

FINANCIAL OUTTURN JUNE 2018

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 Present the financial outturn position as at June 2018.

2. RECOMMENDATION

- 2.1 The report is noted.


3. BACKGROUND TO THE REPORT

- 3.1 The financial reports attached to this report are based on the Original budget taken to Council in February 2018 and take into account budget movements for the first three months of the financial year and carry forward of budgets from the prior year that were approved by Council in June 2018.
- 3.2 Attached to this report are the monthly outturn reports including the following information for the period ending June 2018:
- General Fund budget monitoring summary
 - General Fund detailed variance analysis
 - Capital Programme outturn by scheme

General Fund

- 3.3 When the budget was approved by Council in February 2018 it was anticipated that £688,276 would be taken from General Fund balances and a net £1,713,189 transferred to earmarked reserves. Since that date, the budget has been increased by £69,372 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of June 2018, the forecast is for the General Fund to increase by an additional £10,628. This means an estimated £10,628 will be

transferred to balances compared against the budgeted position of £688,276. The position as at June 2018 compared to the original budget is summarised below:

	Budgeted	Actual	Movement	Direction
Contribution from General Fund Balances	(£688,276)	(£677,648)	£10,628	

3.4 The table below shows summarise the movements between Original Budget and the estimated outturn position as at the end of June 2018.

	Outturn variances £000	Explanation
Additional budgets	(69)	To take into account latest contractual commitments
Forecast Outturn Movement	15	Estimated forecast variance from services (see general fund attachments)
External Interest	65	Reduction in borrowing costs
Business Rates	(190)	Estimated additional income from additional growth
Estimated additional Contribution to Reserves	190	Additional funds to be set aside to fund future expenditure
Change in Outturn	11	Additional amount to be put into General Fund balances

3.5.0 Explanations for variances against both profiled budget and estimated outturn have been detailed in the monthly outturn reports appended. The major service variations in excess of £50,000 have be summarised as follows:

	Outturn variances £000	Explanation
Refuse	50	Additional trade waste income
Car Parks	(52)	Shortfall in Car Parking pay and display and income.
Salary	60	Arising from vacant posts and staff turnover
Insurance	48	Savings on insurance contract following tendering exercise

3.6 Additionally, It is estimated that there will be a reduction in Business Rate growth of £190,300 in Business Rates. This shortfall will be covered by drawing on the Business rates Equalisation Reserve. This reserves was higher than forecast at the end of 2017/18 due to higher than estimated growth in 2017/18 that had been created by late central government changes to relief for small businesses.

Capital

3.7 £ 867,232 has been spent on capital schemes to the end of June 2018 against a budget for that period of £2,673,058. This represents an under-spend of £1,805,826. The major service variations in excess of £50,000 have been summarised as follows:

Scheme	£000's Under	Explanation
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	spend/ (Overspend)	
Community Development Fund	119	Awaiting for works to be completed before funding will be released
Grounds Machinery	50	Budget committed.
Disabled Facilities Grant	123	Budget committed.
HRA Schemes	1,144	Budget committed.
Affordable Housing Schemes	141	Final procurement decision pending for Ambion Court scheme.

Housing Revenue Account

- 3.8 As at June 2018 it is anticipated that the HRA outturn will be (£65,630) against a latest budget of (£78,630). Major variances are explained below:-

	Outturn variances £000	Explanation
Rents	(39)	Estimated under recovery on rent due to vacant properties.
Salary savings	41	Severance Budget not required.
Salary costs	(25)	Salary overspend due fully staffed service (5% vacancy budgeted for) and (£16k) additional overtime

- 3.9 The Housing Repairs Account is currently forecasted to spend £25,166 which is a break even position.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

Report taken in open session.

5. FINANCIAL IMPLICATIONS [IB]

Contained in the body of the report

6. LEGAL IMPLICATIONS [AR]

None

7. CORPORATE PLAN IMPLICATIONS

The Budget and outturn contributes to the achievement of all Corporate Plan Priorities.

8. CONSULTATION

- 8.1 No direct consultation

9. RISK IMPLICATIONS

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation. The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance. Sufficient levels of reserves and balances are maintained to ensure financial resilience	Julie Kenny

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 There are no direct implications arising from this report

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: Civica reports

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