



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FINANCE & PERFORMANCE COMMITTEE 19 SEPTEMBER 2016

WARDS AFFECTED: ALL WARDS

Quarter 1 Outturn (April 2016 – June 2016)

Report of Interim Head of Finance

1. PURPOSE OF REPORT

1.1 To inform members of the revenue and capital outturn at the end of the first quarter of 2016/17

2. RECOMMENDATION

2.1 That the committee notes the report

3. BACKGROUND TO THE REPORT

3.1 Attached to this report are the monthly outturn reports including the following information for the quarter ending 30th^t June 2016:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- Capital Programme outturn by scheme
- Outturn position for the Housing Revenue and Housing Repairs accounts

General Fund

3.2 Based on the quarter 1 forecast the current 2016/17 outturn shows £ 10,508,701 being spent on services with net £1.366,094 being transferred to earmarked reserves and £320 being transferred to General Fund balances. On this basis a net under spend of £116,254 is forecast to year end.

The General Fund Position is summarised in the table below.

| | |
|-----------------------------------|-----------|
| Under/(overspend) | £ |
| Budgeted year end G/F balance | (115,934) |
| Forecast year end G/F balances | 320 |
| Outturn change | 116,254 |
| Transfer to/ from reserves | £ |
| Budget | 809,094 |
| Forecast | 1,366,094 |
| Outturn change | 557,000 |

3.3 When the budget was approved by Council in February 2016 it was anticipated that £115,934 would be taken from General Fund balances and a net £809,094 transferred to earmarked reserves. Since that date, the budget has been increased by £85,746, representing supplementary budgets that have been approved in line with financial procedures rules.

3.4 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 been summarised as follows:

| | Outturn variances £000 | Explanation |
|------------------|---------------------------------------|--|
| General Grants | 557 | The Council is awarded a "section 31 grant" to reimburse the cost of offering a number of business rate exemptions. The level of this grant that may be retained depends on the business rates outturn at 31 st March each year. Therefore in order to be prudent, this income is placed into the Business Rates reserve pending any notification. |
| Garden Waste | 234 | Additional garden waste income |
| Car Parking | 106 | Additional car parking income of £80k and season ticket income of £26k |
| Planning income. | (96) | Reduction in income due to slowdown in development activity resulting from |

| | | |
|---------|-------|---|
| | | the Brexit vote. |
| Block C | (140) | Reduction in forecast due slowdown in activity. |

Capital

- 3.5 £1,031,598 has been spent on capital schemes to the end of June 2016 against a budget for that period of £ 1,450,313. This represents an under-spend of £ 418,716. The major service variations in excess of £50,000 have be summarised as follows:

| Scheme | £000's Under spend/ (Overspend) | Explanation |
|--|--|--|
| Disabled Facilities Grant | 68 | The funds are fully committed for the year. Demand is being monitored as demand is high |
| Disabled Facilities Grant | 199 | The funds are fully committed for the year. Demand is being monitored as demand is high. |
| Leisure Centre Demolition | 83 | Major works to commenced in August |
| Block C Fit Out | 52 | Budget set aside for in year incentives. |
| Private Sector Leasing | 85 | Budget reduced at February Council by £50,000 to reflect expenditure |
| Housing Repairs (Cumulative repairs schemes) | 190 | Difference represents the value of "Work in Progress" (WIP) currently sat within the Council's Orchard system. This will be transferred to the financial ledger following completion of works. The value of this WIP is being monitored on a periodic basis to ensure that the outturn on these budgets is accurately forecast. Taking into account this balance as a break even position is forecast to year end. |

Housing Revenue Account

3.6 As 30th June 2016 it is anticipated that the HRA outturn surplus will be £110,245 against a latest budget showing £25,245. This is mainly due the latest rent forecast being £103k higher than expected. This represents a 0.78% variance on the rent budget.

3.7 The Housing Repairs Account is currently forecasting to be £232,743 in deficit which compares to the budget for 2016/17 which is a deficit of £224,763.

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

4.1 [State whether the report is to be taken in open or private session and why. If private session, which parts of Schedule 12A of the Local Government Act 1972 apply – seek advice from the Monitoring Officer or Democratic Services]

5. FINANCIAL IMPLICATIONS [AW]

5.1 The financial implications on the Council's budget position are outlined in the report.

6. LEGAL IMPLICATIONS [AR]

6.1 No legal implications

7. CORPORATE PLAN IMPLICATIONS

7.1 The budget ultimately addresses all Corporate Plan objectives.

8. CONSULTATION

8.1 All budget holders have been consulted in collating the information for this report. This information has previously been reported to Executive Briefing.

9. RISK IMPLICATIONS

9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report / decisions were identified from this assessment:

| 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 | <p>A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation.</p> <p>The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance.</p> <p>Sufficient levels of reserves and balances are maintained to ensure financial resilience</p> | A Wilson |

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 None

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
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Civica Financial Files

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