



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE AND PERFORMANCE SCRUTINY 21 November 2016

WARDS AFFECTED: ALL WARDS

Revenue & Capital Outturn quarter 2 (April 2016 – Sept 2016)

1. **PURPOSE OF REPORT**

1.1 To inform members of the revenue and capital outturn at the end of the 2nd 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 September 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 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 £281,656, representing supplementary budgets that have been approved in line with financial procedures rules. Therefore, as at the end of quarter two the forecast is for the General Fund will increase by £165,722.

	£
Mvt to/(from) Balances Budget	(115,934)
Mvt to/(from) Balances Budget (Sept Outturn)	165,722
Outturn change	281,656

- 3.3 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	289	Additional garden waste income
Car Parking	106	Additional car parking income of £80k and season ticket income of £26k
Planning income.	(104)	Reduction in income due to slowdown in development activity resulting from the Brexit vote.
Block C	(140)	Reduction in forecast due to slowdown in activity.
IT Support	(50)	Start-up Costs incurred as a result of new contract being withdrawn

- 3.4 Based on these forecasts the current 2016/17 outturn shows £11,207,646 being spent on services with £1,318,795 net being transferred to earmarked reserves and £165,722 being transferred to General Fund balances. On this basis a net under spend of £281,656 is forecast to year end.

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 been summarised as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Leisure Centre Demolition	228	Major works to commence in August, budget to be re-profiled.
Leisure Centre Car Park	95	Budget now not required for 2016/17
Block C Fit Out	491	Budget set aside for future incentives.
Crescent Development	440	Budget set aside for Block C capital works
IT Hardware	107	Procurement delayed due to Channel Shift Project.
Major Works Grants	59	Budget committed but work not yet started
Housing Repairs (Cumulative repairs schemes)	1,062	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. £0.2m of Funds are being held to potentially assist the Ambient Court Project.
Affordable Housing	2,771	Tendering process for Martinshaw Lane now commenced. Southfields Rd scheme due for completion in 2016.

Housing Revenue Account

3.6 As 30 June 2016 it is anticipated that the HRA outturn surplus will be £ 126,001 against a latest budget showing a deficit of £ 8,819. This is mainly due the latest rent forecast being £84,000 higher than expected. This represents a 0.64% variance on the rent budget.

3.7 The Housing Repairs Account is currently forecasting to be £ 224,393 in deficit which compares to the Latest budget for 2016/17 which is a deficit of £222,373.

4. **FINANCIAL IMPLICATIONS (AW)**

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

5. **LEGAL IMPLICATIONS (AR)**

No legal implications.

6. **CORPORATE PLAN IMPLICATIONS**

The budget ultimately addresses all Corporate Plan objectives.

7. **CONSULTATION**

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

8. **RISK IMPLICATIONS**

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

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.

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	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	Julie Kenny

	maintained to ensure financial resilience	
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9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

None

10. **CORPORATE IMPLICATIONS**

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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