



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

## FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE AND PERFORMANCE SCRUTINY

3 April 2017

WARDS AFFECTED: ALL WARDS

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### January 2017 Outturn (April 2016 – Jan 2017)

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#### 1. **PURPOSE OF REPORT**

- 1.1 To inform members of the revenue and capital outturn at the end of the January 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 period ending January 2017:

- 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.

- 3.2 The revised budget has been updated to reflect the new corporate Structure.

#### General Fund

- 3.3 When the latest 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 £241,054, representing supplementary budgets that have been approved in line with financial procedures rules. Therefore, as at the end of January 2017, the forecast is for the General Fund to increase by £158,012. This represents a minor change of £5,267 from the position reported to Council in February 2017 which estimated a contribution to balances of £163,279. The position as at January 2017 compared to the original budget is summarised below:

	Budgeted	Actual	Movement	Direction
Contribution to General Fund Balances	(£115,934)	£158,012	£273,946	↑

- 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:

	<b>Outturn variances £000</b>	<b>Explanation</b>
Staffing Restructure costs	(76)	Additional costs associated with changes in the corporate structure. These can be offset against the additional salary savings reported below
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 <sup>st</sup> 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
Green Deal Grants	327	Externally funded grants for Green energy and fuel poverty. This funding will be rolled forward so does not impact on the general fund balance.
Recycling	373	£261k from additional green bin income £71k from green waste project savings £41k from kerbside contract savings
Refuse	71	Additional trade waste income
Car Parking	106	Additional car parking income of £80k and season ticket income of £26k
Planning income.	(193)	Reduction in income due to slowdown in development activity from economic uncertainty.
Block C	(163)	Reduction in forecast due slowdown in activity.
Planning Policy	175	Site allocation, Strategic growth and neighborhood development (expenditure to be rephrased)
Salary savings	237	Arising from vacant posts and staff turnover.

#### Capital

- 3.5 £ 6,915,066 has been spent on capital schemes to the end of January 2017 against a budget for that period of £9,260,366. This represents an under-spend of £ 2,345,300. The major service variations in excess of £50,000 have been summarised as follows:

<b>Scheme</b>	<b>£000's Under spend/ (Overspend)</b>	<b>Explanation</b>
Leisure Centre	141	Outstanding invoices and retentions
Leisure Centre Car Park	95	Budget now not required for 2016/17
Block C Fit Out	404	Budget set aside for future incentives. These budgets have been

Crescent Development	440	Budget set aside for Block C capital works
IT Hardware	107	Procurement delayed due to Channel Shift Project.
Major Works Grants	124	Budget committed but work not yet started
Private Sector Housing Enforcement	70	£60k of this has been committed.
Disabled Facilities	59	Awaiting invoices from contractors. Budget for the year has been committed
Housing Repairs (Cumulative repairs schemes)	784	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.

### Housing Revenue Account

3.6 As at January 2017 it is anticipated that the HRA outturn deficit will be £126,001 against a latest forecast showing a deficit of £ 51,581. This is mainly due the latest rent forecast being £60,000 higher than expected (a 0.46% variance on the rent budget) and savings in employee related expenditure.

3.7 The Housing Repairs Account is currently forecasting to be £242,312 in deficit which compares to the Latest budget for 2016/17 which is a deficit of £318,312.

### 4. **FINANCIAL IMPLICATIONS (IB)**

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 maintained to ensure financial resilience	Julie Kenny

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

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Background Papers:           Civica Financial Files

Author:                           Ilyas Bham, Accountancy Manager, ext 5924

Executive Member:           Cllr M Hall