



## Hinckley & Bosworth Borough Council

### FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Finance Audit and Performance

20 January 2020

WARDS AFFECTED:

ALL WARDS

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### FINANCIAL OUTTURN OCTOBER 2019

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#### Report of Head of Finance

##### 1. PURPOSE OF REPORT

- 1.1 Present the financial outturn position as at October 2019.

##### 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 2019 and take into account budget movements for the first four months.
- 3.2 Attached to this report are the monthly outturn reports including the following information for the period ending October 2019:
- 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 2019 it was anticipated that £155,528 would be transferred to General Fund balances and a net £74,481 transferred to earmarked reserves. Since that date, the budget has been increased by £111,926 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of October 2019, the forecast is for the General Fund cost to increase by an additional £219,866. This means an estimated

£219,866 will be transferred from balances compared against the budgeted position of £155,528 being transferred to balances. This will potentially have an impact on the MTFS longer term position as well as the in-year position. The table below is as at October 2019 compared to the original budget, and shows a worsening position. Since the last reported position (August Outturn) the position shows an additional deficit of £54,597

	Budgeted	Movement	Forecast	Direction
<b>Contribution to General Fund Balances</b>	£155,528	(£219,866)	(64,338)	

- 3.4 The table below shows summarises the movements between Original Budget and the estimated outturn position as at the end of October 2019.

	Outturn variances £000	Explanation
Additional budgets	(112)	To take into account latest contractual commitments
Forecast Outturn Movement	(39)	Estimated forecast variance from services (see general fund attachments)
External Interest	65	Reduction in borrowing costs and additional investment income
Use of Reserves	(83)	Use of unapplied grants and contributions from prior years
Carry Forwards	(51)	Movements in Carry forwards.
<b>Change in Outturn</b>	<b>(220)</b>	<b>Additional amount to be taken from General Fund balances</b>

- 3.5 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
Homelessness	110	Flexible Homelessness grant carried forward meet commitments in future years. A carry forward will be required at the year end.
Development Control	(150)	Reduction in planning income due to a reduction in large applications.
Planning Policy	65	Reduction in spending on Local Plan to date

### Capital

- 3.6 £3,659,506 has been spent on capital schemes to the end of October 2019 against a budget for that period of £6,844,971. The current budget for the year is £19,159,862. The major service variations in excess of £50,000 have been summarised as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Clarendon Park	90	Scheme design dependent on external funding
The Greens	88	Negotiations being held with developer with regard to final scheme design
Parish and Community Initiatives	120	Awaiting evidence of works before payments are released
Hinckley Community Development Fund	56	Underspend due to no applications being approved to date
Major Works Grants	62	Demand led budget. Based on commitment to date it is estimated that there will be an underspend
Disabled Facilities Grants	335	Demand Led. Based on latest commitment it is estimated that there will be an underspend.
Green Deal Capital Fund	94	Grants schemes in the process of being developed to utilise these monies
Private Sector Housing Enforcement	80	Enforcement action taken as and when required. Potential cases are being investigated at present

#### Housing Revenue Account

- 3.7 As at October 2019 it is anticipated that the HRA outturn will be a surplus of £124,385 compared against a forecast deficit of £32,615. Major variances are explained below:-

	Outturn variances £000	Explanation
Rents	50	Additional income due to lower than anticipated dwelling sales and additional hostel rents.
Employee Costs savings	56	Estimated savings in severance budget and savings on vacant posts offset by increased overtime costs and vacancy factor
Premises related costs	(35)	Additional costs for council tax offset by savings on utilities costs and insurance
Supplies and Services	(20)	Additional legal costs
Revenue Income	106	Additional lifeline income and increased Council Tax Refunds

- 3.8 The Housing Repairs Account is currently forecasted to spend £90,979 which is an underspend of £10,000. This is due an estimated underspend in the responsive repairs budget.

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

- 4.1 Report taken in open session.

5. FINANCIAL IMPLICATIONS [IB]

5.1 Contained in the body of the report

6. LEGAL IMPLICATIONS [MR]

6.1 None

7. CORPORATE PLAN IMPLICATIONS

7.1 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

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Background papers: Civica reports

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Executive Member: Cllr K Lynch