



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY

9 March 2020

WARDS AFFECTED:

ALL WARDS

FINANCIAL OUTTURN DECEMBER 2019

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 Present the financial outturn position as at December 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 December 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 £140,926 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of December 2019, the forecast is for

the General Fund cost to increase by an additional £150,366. This means an estimated £150,366 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 December 2019 compared to the original budget, and shows a worsening position. Since the last reported position (October Outturn) the position shows an improved position of £69,500

	Budgeted	Movement	Forecast	Direction
Contribution to General Fund Balances	£155,528	(£150,366)	5,162	

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

	Outturn variances £000	Explanation
Additional budgets	(141)	To take into account latest contractual commitments
Forecast Outturn Movement	211	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	(216)	Movements in Carry forwards.
Business rates	14	Forecast additional business rate growth
Change in Outturn	(150)	Additional amount to be taken from General Fund balances

- 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	Delay in appointing to 4 fixed term contract posts funded via flexible homelessness grant
Homelessness	75	Reduction in prevention spending & county projects to date
Benefit fraud and Rent Allowances	(50)	Reduction in income from Benefit overpayments due to Universal Credit.
Legal Services	(55)	Agency cover to fund capacity issues and vacant posts
Planning Policy	65	Reduction in spending on Local Plan to date

Capital

- 3.6 £5,037,676 has been spent on capital schemes to the end of October 2019 against a budget for that period of £9,130,782. 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	116	Scheme design dependent on external funding. Budget to be rephrased into 2020-21
The Greens	113	Negotiations being held with developer with regard to final scheme design. Budget to be rephrased into 2020-21
Parish and Community Initiatives	130	Awaiting evidence of works before payments are released. Budget underspent due to lack of demand.
Developing Communities Fund	146	Budget to be rephrased based on phase 2 applications
Hinckley Community Development Fund	94	Underspend due to lack of demand
Waterside Play Area	53	Project will commence once land is adopted. Budget to be rephrased into 2020-21
Major Works Grants	89	Demand led budget. Based on commitment to date it is estimated that there will be an underspend
Disabled Facilities Grants	412	Demand Led. Based on latest commitment it is estimated that there will be an underspend.
Green Deal Capital Fund	147	Grants schemes in the process of being developed to utilise these monies
Private Sector Housing Enforcement	108	Enforcement action taken as and when required. Potential cases are being investigated at present

Housing Revenue Account

- 3.7 As at December 2019 it is anticipated that the HRA outturn will be a surplus of £77,385 compared against a forecast deficit of £32,615. Major variances are explained below:-

	Outturn variances £000	Explanation
Rents	24	Additional income due to lower than anticipated dwelling sales and additional hostel rents.
Employee Costs savings	53	Estimated savings in severance budget and savings on vacant posts offset by increased overtime costs and vacancy factor
Premises related costs	(63)	Additional costs for council tax and utilities
Supplies and Services	(15)	Additional legal costs
Revenue Income	110	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

Background papers: Civica reports

Contact Officer: Ilyas Bham Accountancy Manager.

Executive Member: Cllr K Lynch