

HINCKLEY AREA COMMITTEE – 28 MAY 2012

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION) **RE: HINCKLEY (SPECIAL EXPENSES) AREA REVENUE AND CAPITAL OUTTURN** **2011/12**

1. PURPOSE OF REPORT

To report on the revenue and capital outturn for the Hinckley (Special Expenses) area.

2. RECOMMENDATION

That the outturn for 2011/12 for the Hinckley (Special Expenses) Area accounts be noted.

3. BACKGROUND TO THE REPORT

3.1 Introduction

The actual revenue and capital expenditure and income figures for the Hinckley (Special Expenses) Area for 2011/12 have now been determined and are attached to this report as Appendices 1 and 2.

These figures will be included in the outturn reports which are presented to Council on 19 June 2012.

3.2 Revenue Outturn (Appendix 1).

The Special Expenses summary revenue account shows that there was a net underspend of £57,692 in 2011/12. The explanations for the major items of variance are listed below (reference numbers correspond to details in Appendix 1):

3.2.1 New Homes Bonus £22,613

Under the New Homes Bonus scheme it was agreed that a proportion of the receipt received by HBBC would be divided among the parish councils and the Special Expenses area. This has meant additional funding for the Hinckley Area Committee of £22,613 which will form part of the contribution to balances for the year.

3.2.2 Parks - Other Premises Related Expenditure £19,045

There was a variance of £17,751 for electricity costs against the budget for the year. This was made up of a £13,751 accrual entered in 2010/11 and reversed out in 2011/12, and a £4,000 underspend due to electricity costs being lower than anticipated. The accrual was in anticipation of an expected bill from E.on for unmetered electricity in the parks dating back to 2001, however, this allowance proved to be more prudent than required.

3.2.3 Cemeteries Burial Fees £6,596

This increase in income is due to higher than anticipated demand for the service.

3.3 Revenue Balances

When the Revised Budget was approved in February 2012 it was anticipated that £25,890 would be added to balances bringing them up to £165,848. With the underspend of £57,692, referenced to above, the transfer to balances has increased to £83,582 which means that the carried forward balance at 31 March 2012 is £223,540. The Council's policy that balances should be at least 10% of Net Budget Requirement would require minimum balances on the Special Expenses Account to be £54,950. Therefore it can be seen that the balance at 31 March exceeds this minimum requirement.

However, it should be noted that as part of the approved budget for 2012/13 it was agreed that a revenue contribution of £118,500 will be made to fund capital expenditure for works on parks in the area.

3.4 Capital Outturn (Appendix 2).

This appendix shows the expenditure in 2011/12 on the Capital Programme schemes that relate to the Special Expenses Area, together with an explanation of variances from the budget. Although the over and underspends shown relate to one year the projects extend over more than one year and the whole cost of the project is not shown.

The works associated with the underspends, and subsequent carry forwards, shown on the projects are due to take place in 2012/13. However, the overall costs of the projects are not affected and Council will be asked to adjust the Capital Programme for future years to take this into account.

4. **FINANCIAL IMPLICATIONS [CB]**

Considered in the body of the report

5. **LEGAL IMPLICATIONS [AB]**

None

6. **CORPORATE PLAN IMPLICATIONS**

Expenditure incurred to achieve an attractive 'green' borough that minimises its impact on the environment.

7. **CONSULTATION**

None

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
None	None	None

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

All expenditure and income relates to the urban area of Hinckley.

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

Background papers: Civica Authority Financials Reports

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