



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance & Performance Scrutiny 22 March 2021

Wards affected: All Wards

FINANCIAL OUTTURN- DECEMBER 2020

Report of Section 151 Officer

1. Purpose of report

1.1 Present the financial outturn position as at December 2020

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 2020 and take into account budget movements for the first nine months.

3.2 Attached to this report are the monthly outturn reports including the following information for the period ending December 2020:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- Capital Programme outturn by scheme

General Fund

3.3 Based on the approved budget (Council February 2020) it was anticipated that £43,487 would be transferred from balances and a net £426,033 transferred from earmarked reserves. Since that date, the budget has been increased by £134,663 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of December

2020, the forecast is for the General Fund cost to decrease by £219,000. This means an estimated £84,337 will be transferred to balances compared against the budgeted position of £43,487 being transferred from balances. The position shows that an estimated £40,850 will be added to reserves.

	Budgeted	Movement	Forecast
Contribution (from)/to General Fund Balances	(£43,487)	£84,337	40,850

- 3.4 The table below shows summarises the movements between Original Budget and the estimated outturn position as at the end of December 2020.

	Outturn variances £000	Explanation
Additional budgets	(135)	To take into account latest contractual commitments
Forecast Outturn Movement	424	Estimated forecast variance from services (see general fund attachments)
External Interest	(69)	Reduction in borrowing costs and additional investment income
Use of Unapplied and Grants Reserve	(110)	Homelessness funding that be carried forward into future years
Use of Reserves	(26)	Additional funding due to covid 19 that will be matched against future support.
Change in Outturn December	84	Amount to be added to 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	(150)	Additional Bed and Breakfast expenditure
Homelessness	70	Underspend on Prevention Fund
Leisure Centre	(1,375)	Revision to Leisure Centre Management Fee and contractor support due for year arising from Covid 19 closure
Covid 19 Funding	1,473	Receipt of Covid 19 Funding
Covid 19 Funding	289	Other contributions to support additional covid 19 costs
Covid 19 Funding	880	Estimated income from MCHLG for loss of fees and charges income
Council Tax Support	(100)	Lower income from legal fees due to closure of courts
Benefits Fraud and Rent Allowances	(80)	Reduction in income from benefit overpayments due to Universal Credit

Benefits Fraud and Rent Allowances	52	Additional income from Discretionary Housing Payments
Finance Support	(50)	Additional bad debt provision due to Covid 19
IT Support	50	Additional Telephone costs
Parks	(80)	Impact of delay in Crematorium build
Recycling	(70)	Additional Agency cover costs
Recycling	(130)	Shortfall in income from Green bin charging
Refuse	(67)	Additional Agency cover costs
Building Inspection	(52)	Shortfall in building inspection income
Building Inspection	(77)	Payments to Building Control Partnership (met from Salary savings)
Car Parks	(320)	Shortfall in pay and display income arising from Covid
Development Control	180	Additional Planning Application income
Salaries	229	Salary savings due to vacant posts

3.6 The position is dependant upon the Council being reimbursed £880k from MHCLG for loss of income compensation arising from Covid 19.

3.7 The position excludes any additional costs and funding that will arise any post December 2020 Covid related changes.

Capital

3.8 £4,987,079 has been spent on capital schemes to the end of December 2020 against a budget for that period of £14,748,421. The current budget for the year is £19,656,981. The major service variations in excess of £50,000 have been summarised as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
New Crematorium	3,493	Budget to be re-profiled due to delays in procurement
Parish and Community Initiatives	60	Works should commence over the next few months for which a carry forward will be required.
Developing Communities Fund	257	Awaiting Evidence before payment can be made
Heritage Action Zone	115	Budget to be re-profiled
Electric Charging Points	100	Report on the scheme to be considered by SLT at its meeting in December 2020
Clarendon Park	113	Budget likely to be carried forward next year.
The Greens	113	Negotiations are ongoing as to what the money can be spent on. All budget to be carried forward.

Waterside Play Area	53	Adoption of land is likely to be in January. Budget will not be spent this financial year. Unspent balance to be carried forward.
Sports Facility Improvement Fund	114	Scheme delayed due to Covid 19. Whilst some work has been undertaken to progress the scheme it is anticipated that only £10k out the council total funding of £20k will be spent. The remainder will be rephased when the capital programme is revised.
Major Works	103	Current level of Committed expenditure plus estimated cost of grant enquires received to date totals £110k
Green Deal Capital Fund	88	Scheme linked to residual grant monies.
Disabled Facilities Grant	442	Current level of Committed expenditure plus estimated cost of grant enquires received to date totals £668k
CCTV Upgrade 2020-21	142	Scheme to be reprofiled when capital programme revised
Hoarding Project	78	Scheme to be reprofiled when capital programme revised
Bosworth 1485 Sculpture Trail project	187	Scheme to be reprofiled when capital programme revised
HRA Aids and Adaptation	278	Reduction in demand
Major Voids	170	Reduction in demand due to Coronavirus
Asbestos Works	121	Lower than expected works
Electrical Rewires	247	Delayed due to the Coronavirus
Re-roofing	266	Budget committed to be reprofiled in current year
Kitchen Upgrades	351	Upgrade programme delayed due to Coronavirus
Boiler Replacement	69	Delayed due to the Coronavirus
Bathroom Upgrades	161	Delayed due to the Coronavirus
Fire Risk Assessments	257	Re assessment of works being undertaken
Affordable Housing	109	Budget may be required for additional purchases in year
Ambion Court	1,797	Budget to be reprofiled
Total Major Variations	9,285	

Housing Revenue Account

- 3.9 As at December 2020 it is anticipated that the HRA outturn will be a deficit of £207,821 compared against a forecast deficit of £56,821. Major variances are explained below:-

	Outturn variances £000	Explanation
Rents	20	Additional income due to lower than anticipated dwelling sales and additional hostel rents.
Employee Costs savings	(80)	Overspend due to overtime at control Centre and additional overtime to cover shielding and long term sickness plus salary overspend for fully staffed service
Premises related costs	(52)	Additional costs for council tax offset plus overspend on caretaking/cleaning costs
Supplies and Services	31	Underspend on Tenants Association and equipment maintenance expenditure
Revenue Income	17	Additional lifeline income offset by reduction in income from service charges and hire fees

3.10 The Housing Repairs Account is currently forecasted to make a surplus of £171,860 which is an underspend of £120,000. This is due to an estimated underspend in the responsive and programmed repairs budgets.

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 None

9. Risk implications

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

- 9.2 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.
- 9.3 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

10. Knowing your community – equality and rural implications

- 10.1 There are no direct implications arising from this report

11. Climate implications

- 11.1 There are no direct implications arising from this report

12. Corporate implications

- 12.1 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
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