



**Hinckley & Bosworth
Borough Council**

Forward timetable of consultation and decision making

Finance and Performance Scrutiny 7 November 2022

Wards affected: All

FINANCIAL OUTTURN- JUNE 2022

Report of Section 151 Officer

1. Purpose of report

1.1 Present the financial outturn position as at June 2022

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 2022 and take into account budget movements for the first three months.

3.2 Attached to this report are the monthly outturn reports including the following information for the period ending June 2022:

- 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 2022) it was anticipated that £464,625 would be transferred to balances and a net £531,718 transferred from earmarked reserves. Since that date, the budget has been increased by £10,500 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of June 2022,

the forecast is for the General Fund cost to increase by £1,272,500. This means an estimated £1,273,000 will be required from balances compared against the budgeted position of £464,625 being transferred to balances.

	Budgeted	Forecast	Movement
Contribution (from)/to General Fund Balances (£000)	465	(808)	(1,273)

3.4 The table below shows summarises the movements between Original Budget and the estimated outturn position as at the end of June 2022.

	Outturn variances £000	Explanation
Additional budgets	(11)	To take into account latest contractual commitments
Forecast Outturn Movement	(1,262)	Estimated forecast variance from services (see general fund attachments)
External Interest	(0)	Reduction in borrowing costs and additional investment income
Use of Unapplied and Grants Reserve	0	Grant funding received in advance for ICT.
Use of Reserves	0	
Change in Outturn	(1,273)	Contribution (from)/to General Fund Balances (£000)

Due to level of the change in balances a report is being taken to Council on 1 November requesting the appropriate budget movement.

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 been summarised as follows:

	Outturn variances £000	Explanation
Homelessness	(120)	Additional Bed and Breakfast due to an increase in demand
Leisure Centre	(75)	Additional Utilities costs due to contractor under management contract
Benefit fraud and Rent Allowances	(50)	Reduction in benefit overpayment income due to Universal Credit
Recycling	(77)	Increased cost of fuel
Refuse	50	Additional Trade Waste Income
Refuse	(52)	Increased cost of fuel
Building Inspection	(262)	Income shortfall due to income to be transferred to Building Control Partnership

Building Inspection	187	Reduction in salary costs as these are now met by the Building Control Partners
Car Parks	(90)	Shortfall in pay and display income
Development Control	70	Additional income from planning applications
Development Control	(50)	Increase in Appeals provision required arising from Planning refusals
Development Control	(170)	Additional Agency staff to cover vacancies
All Services	86	Impact due to vacancy factor and vacant posts
All Services	(520)	Impact of pay award proposal over and above budgeted pay award
All Services	(110)	Impact of increased utility and fuel costs over and above variations noted above

Capital

- 3.6 £5,222,948 has been spent on capital schemes to the end of June 2022 against a budget for that period of £7,536,851. It is envisaged that most of the schemes will still be completed by year-end. To date there are no estimated Year-end variations above £50,000

Housing Revenue Account

- 3.7 As at June 2022 it is anticipated that the HRA outturn will be in deficit by £16,058 compared against a budgeted deficit of £9,058. Major variances are explained below-

	Outturn variances £000 Under/(Over) Spend	Explanation
Income	100	Additional rent due to fewer dwelling sales and additional hostel rent
Employee Costs	(50)	Overspend due to overtime at control centre and salary overspend due to vacancy factor (for fully staffed service)
Premises Costs	(70)	Increased costs on Gas and Electricity

- 3.8 The Housing Repairs Account is currently forecasted to make a deficit of £223,570, which is an over-spend of £25,000 compared to the latest budget of £198,570. This is due to an estimated overspend in the responsive and programmed repairs budgets due to increased demand.

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. Budget holders ensure any implications are assessed as part of their service delivery.

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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