



Hinckley & Bosworth
Borough Council

Forward timetable of consultation and decision making

Finance and Performance Scrutiny 13 March 2023

Wards affected: All

FINANCIAL OUTTURN- DECEMBER 2022

Report of Section 151 Officer

1. Purpose of report

1.1 Present the financial outturn position as at December 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 nine months.

3.2 Attached to this report are the monthly outturn reports including the following information for the period ending December 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 £99,540 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of December

2022, the forecast is for the General Fund cost to increase by £529,870. This means an estimated £65,246 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	(65)	(530)

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

	Outturn variances £000	Explanation
Additional budgets	(730)	To take into account latest contractual commitments
Forecast Outturn Movement	(444)	Estimated forecast variance from services (see general fund attachments)
External Interest	240	Reduction in borrowing costs and additional investment income
Use of Unapplied and Grants Reserve	(25)	Carried forward in respect of external community safety funding
Use of Reserves	658	Use of reserves including carry forward reserve
Collection Fund Surplus/Deficit	(229)	Use of CARF funding
Change in Outturn	(530)	Contribution (from)/to General Fund Balances (£000)

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	(280)	Additional Bed and Breakfast due to an increase in demand
Homelessness	(50)	Overspend in respect of homelessness prevention
Community Safety	54	Underspend on grant funded projects
Leisure Centre	(61)	Additional Utilities costs due to contractor under management contract offset by adjustment in respect of prior year
Benefit fraud and Rent Allowances	(60)	Reduction in benefit overpayment income due to Universal Credit

Misc Property	(98)	Lower rental and service charge income plus higher than anticipated costs for utility costs and premises insurance
Recycling	(78)	Increased cost of fuel and increased costs of staff agency
Refuse	72	Additional Trade Waste Income
Building Inspection	(262)	Income shortfall due to income to be transferred to Building Control Partnership
Building Inspection	(145)	Hinckley element of partnership loss
Building Inspection	187	Reduction in salary costs as these are now met by the Building Control Partners
Car Parks	(120)	Shortfall in pay and display and season ticket income
Development Control	190	Additional income from planning applications
Development Control	(110)	Increase in Appeals provision required arising from Planning refusals
Development Control	(470)	Additional Agency staff to cover vacancies
All Services	364	Salary savings across all directorates excluding building control disclosed separately
All Services	90	Impact of increased utility and fuel costs over and above variations noted above

3.6 Compared to the report taken to Council in February 2023, which forecasted £74,994 being transferred into balances, there is an adverse variation of £140,240. The main variances are summarised below:-

	Outturn variances £000
Additional pressure on homelessness	(50)
Reduction in building Control Income	(143)
Estimated utility clause refund on leisure contract	144
Loss of rent and utility impact on industrial properties	(73)

Capital

3.9 £8,999,114 has been spent on capital schemes to the end of December 2022 against a budget for that period of £18,250,186. It is envisaged that most of the schemes will still be completed by year-end. To date there is only one scheme with an anticipated variation of over £50,000 in respect of the Bosworth 1485 Sculpture Trail project where the budget will be re-profiled to match the anticipated spending profile for the project when the capital programme is revised.

Housing Revenue Account

3.10 As at December 2022 it is anticipated that the HRA outturn will be in deficit by £102,388 compared against a budgeted deficit of £51,388. Major variances are explained below-

	Outturn variances £000 Under/(Over) Spend	Explanation
Income	75	Additional rent due to fewer dwelling sales and additional hostel rent
Employee Costs	(127)	Overspend due to overtime at control centre and salary overspend due to vacancy factor and pay award (for fully staffed service)
Premises Costs	(95)	Increased costs on Gas and Electricity
Bad Debt Provision	(170)	Forecast increase in contribution to bad debt provision for rents

3.11 The Housing Repairs Account is currently forecasted to make a deficit of £337,879, which is an overspend of £104,000 compared to the latest budget of £233,879. This is due to an estimated overspend in the responsive and programmed repairs budgets due to increased demand and the impact of the agreed pay award for this year.

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
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Background papers: Civica Reports

Contact officer: Ilyas Bham, Accountancy Manager x5924

Executive member: Cllr K Lynch