



Hinckley & Bosworth
Borough Council

Forward timetable of consultation and decision making

Finance & Performance Scrutiny 18 December 2023

Wards affected: All

FINANCIAL OUTTURN- SEPTEMBER 2023

Report of Section 151 Officer

1. Purpose of report

1.1 Present the financial outturn position as at September 2023

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 2023 and allow for budget movements for the first six months. These variances have been taken into account when compiling the MTFS that was approved by Council on the 28th November 2023.

3.2 Attached to this report are the monthly outturn reports including the following information for the period ending September 2023:

- 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 2023) it was anticipated that £227,961 would be transferred to balances and a net £1,360,642 transferred from earmarked reserves. Since that date, the budget has been increased by £59,269 representing supplementary budgets that have been

approved in line with financial procedures rules. As at the end of September 2023, the forecast is for the General Fund cost to increase by £608,042. This means an estimated £380,081 will be taken from balances compared against the budgeted position of £227,961 being transferred to balances.

Table 1	Budgeted	Forecast	Movement
Contribution (from)/to General Fund Balances (£000)	228	(380)	(608)

3.4 The table below shows summarises the movements between Original Budget and the estimated outturn position as at the end of September 2023.

Table 2	Outturn variances £000	Explanation
Additional budgets	(59)	To take into account latest contractual commitments
Forecast Outturn Movement	213	Estimated forecast variance from services (see general fund attachments)
External Interest	40	Reduction in borrowing costs and additional investment income
Transfer to reserves	(1,205)	Estimated income from Business Rates Pool to be set aside for regeneration
National Non-Domestic Rates	403	Additional S31 Grant
Change in Outturn	(608)	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 are summarised below:

Table 3	Outturn variances £000	Explanation
Homelessness	(450)	Additional Bed and Breakfast due to an increase in demand
Homelessness	90	Additional income from bed and Breakfast contributions
Leisure Centre	(77)	Estimated reduction in Leisure Centre Management Fee due
Leisure Centre	50	Predicted lower expected cost of Energy Benchmarking
Development Control	(125)	Reduction in income from planning applications
Development Control	(140)	Agency staff overspend

Development Control	(50)	Cost relating to planning enforcement action
Development Control	(105)	Forecast overspend on appeal costs
Planning Policy	75	Predicted underspend on the Local Plan
Corporate Management	1,100	Estimated income from Business Rates Pool to be set aside for regeneration
Industrial Estates	60	Additional rental income
Misc Property	(50)	Service charge and rental income lower due to vacant units
Council Offices	(225)	Net pressure due to delay in NHS move to Hinckley Hub
Recycling	165	Estimated additional income from Green Waste
Refuse Collection	62	Estimated additional income from Trade and Bulky Waste
All Services	309	Forecast underspend on salaries due to vacant posts
All Services	70	Estimated saving on Utility Costs
Crematorium	(590)	Net cost to general fund from decision to discontinue with current construction partner on the Crematorium project.

Capital

3.6 £4,620,902 has been spent on capital schemes to the end of September 2023 against a budget for that period of £7,310,530. It is envisaged that most of the schemes will still be completed by year-end.

Housing Revenue Account

3.7 As at September 2023 it is anticipated that the HRA outturn will be in deficit by £38,129 compared against a budgeted deficit of £106,129. Major variances are explained below-

Table 4	Outturn variances £000 Under/(Over) Spend	Explanation
Employee Costs	(119)	Overspend due to overtime and salary overspend due to vacancy factor and pay award (for fully staffed service)
Utility Costs	90	Electricity & gas underspend
Additional Funding	53	Additional new burdens and Domestic Abuse funding

3.8 The Housing Repairs Account is currently forecasted to make a deficit of £151,278, which is an overspend of £20,000 compared to the latest budgeted surplus of £131,278. This is due to an estimated overspend in the responsive repairs budgets due to increased demand of £45,000 offset by an underspend of £25,000 in employee costs due to vacant posts.

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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