



Hinckley & Bosworth  
Borough Council

Forward timetable of consultation and decision making

Finance & Performance Scrutiny

2 September 2024

Wards affected:

All Wards

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**FINANCIAL OUTTURN- JUNE 2024**

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Report of Section 151 Officer

**1. Purpose of report**

1.1 Present the financial outturn position as at June 2024

**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 2024 and allow for 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 2024:

- 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 2024) it was anticipated that £730,423 would be transferred to balances and a net £520,868 transferred to earmarked reserves. Since that date, the budget has been increased by £82,380 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of June 2024,

the forecast is for the General Fund cost to increase by £163,425. This means an estimated £566,998 will be taken to balances compared against the budgeted position of £730,423 being transferred to balances.

<b>Table 1</b>	<b>Budgeted</b>	<b>Forecast</b>	<b>Movement</b>
<b>Contribution (from)/to General Fund Balances (£000)</b>	730	567	(163)

3.4 The table below shows summarises the movements between Original Budget and the estimated outturn position as at the end of June 2024.

<b>Table 2</b>	<b>Outturn variances £000</b>	<b>Explanation</b>
Additional budgets	(82)	To take into account latest contractual commitments
Forecast Outturn Movement	(1,330)	Estimated forecast variance from services (see general fund attachments)
External Interest	(29)	Reduction in borrowing costs and additional investment income
Transfer to reserves	1278	Estimated income from Business Rates Pool to be set aside for regeneration
<b>Change in Outturn</b>	<b>(163)</b>	<b>Contribution (from)/to General Fund Balances (£000)</b>

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:

<b>Table 3</b>	<b>Outturn variances £000</b>	<b>Explanation</b>
Homelessness	125	Additional Homelessness funding provided by MHCLG
Development Control	(50)	Reduction in income from planning applications
Development Control	(110)	Agency staff overspend
Development Control	(90)	Cost relating to planning enforcement action
Development Control	(50)	Forecast overspend on appeal costs
Planning Policy	(97)	Predicted underspend on the Local Plan
General Grants	(800)	Retained pooled business rates income - Budgeted £1.6m income received in 23/24 and additional £0.8m in 24/25.
Industrial Estates	90	Additional rental income
Misc Property	(246)	Service charge and rental income lower principally due to delay in NHS move into Hinckley Hub

Council Offices	(67)	Additional utility costs arising from additional depot site
Legal Services	(50)	Agency staff overspend
All Services	39	Forecast underspend on salaries due to vacant posts
Other net movement	(24)	
	<b>1,330</b>	<b>Total</b>

3.6 The table below summarises the major movements in earmarked reserves compared to approved budget.

<b>Table 4</b>	<b>To revenue £000</b>	<b>From revenue £000</b>	
<b>Local Plan Procedure</b>	97		Allow for additional biodiversity studies
<b>Economic Priorities Reserve</b>	(1719)	800	Retained income from the business rates pool of £1.7m now recognised in 2023/24 not 2024/25. A further £0.8m of retained income now agreed as the 2024/25 share from the business rates pool
<b>Enforcement and Planning Appeals</b>	90	(90)	£0.09m to be used for planning enforcement so additional contribution to maintain reserve balance.
<b>Crematorium Reserve</b>		2,100	The £2.1m reserve is now not required, which was created from the Economic Prosperity Reserve. The £2.1m now sits in the Economic Prosperity Reserve which will be used to support economic priorities in the future
<b>Total</b>	<b>(1,532)</b>	<b>2810</b>	

## Capital

3.7 £2,093,042 has been spent on capital schemes to the end of June 2024 against a budget for that period of £4,755,358. It is envisaged that most of the schemes will still be completed by year-end.

## Housing Revenue Account

3.8 As at June 2024 it is anticipated that the HRA outturn will be in surplus of £81,712 compared against a budgeted surplus of £7,712. Major variances are explained below-

<b>Table 5</b>	<b>Outturn variances. £000 Under/(Over) Spend</b>	<b>Explanation</b>
Employee Costs	(70)	Overspend due to overtime and salary overspend due to vacancy factor and pay award (for fully staffed service)
Premises related costs	(70)	Overspend on gas and caretaking costs
Revenue income	35	Additional income from Lifeline
Rental Income	210	Additional rent from dwellings offset by a small shortfall in garage rents
Interest on borrowing	<b>(75)</b>	Additional interest costs

3.9 The Housing Repairs Account is currently forecasted to make a deficit of £57,470, which is an overspend of £20,000 compared to the latest budgeted deficit of £37,740. This is due to an estimated overspend in the responsive 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 [ST]**

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 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	budget is produced to ensure that the objectives of the budget exercise are known throughout the organisation.	SLT

## 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

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