



**Hinckley & Bosworth  
Borough Council**

Forward timetable of consultation and decision making

Finance & Performance Scrutiny

17 March 2025

Wards affected:

All Wards

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**FINANCIAL OUTTURN- DECEMBER 2024**

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Report of Section 151 Officer

**1. Purpose of report**

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

3.2 Attached to this report are the monthly outturn reports including the following information for the period ending December 2024:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- Capital Programme outturn by scheme
- Details of the Councils current debt portfolio. The reporting of this data is in response to a recommendation arising from the recent Peer review and is included here for the first time.

**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 £60,610 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of December 2024, the forecast is for the General Fund cost to increase by £42,255. This means an estimated £688,168 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             | 688             | (42)            |

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

| <b>Table 2</b>                          | <b>Outturn variances<br/>£000</b> | <b>Explanation</b>   |
|---|-----------------------------------|--|
| Additional budgets                      | (60)                              | To take into account the latest contractual commitments  |
| Forecast Outturn Movement               | (786)                             | Estimated forecast variance from services (see general fund attachments)                                       |
| External Interest                       | (29)                              | Reduction in borrowing costs and additional investment income  |
| Transfer to Unapplied and Contributions | (495)                             | Estimated transfer at year end to the unapplied grant reserve for use on grant funded projects in future years |
| Transfer to reserves                    | 1,366                             | Estimated movement in reserves per table 4   |
| <b>Change in Outturn</b>                | <b>(42)</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<br/>£000</b> | <b>Explanation</b>  |
|---------------------|-----------------------------------|---|
| Homelessness        | 139                               | Additional Homelessness funding provided by MHCLG                           |
| Homelessness        | 120                               | Additional income from Housing Benefits and Bed and Breakfast contributions |
| Homelessness        | (112)                             | Bed and Breakfast overspend net of Home Office funding                      |
| Development Control | (50)                              | Reduction in income from planning applications                              |
| Development Control | (96)                              | Agency staff overspend  |
| Development Control | 115                               | Forecast underspend on appeal costs   |
| Development Control | 90                                | Fund set aside for Enforcements action                                      |

| <b>Table 3</b>                     | <b>Outturn variances<br/>£000</b> | <b>Explanation</b>  |
|------------------------------------|-----------------------------------|---|
| Planning Policy                    | (135)                             | Predicted overspend on the Local Plan   |
| Planning Policy                    | (107)                             | Additional agency costs to cover demand   |
| Council Tax Support                | (84)                              | Reduction in Council Tax Support Admin Grant received   |
| General Grants                     | (800)                             | Reduction in retained pooled business rates income - Budgeted £1.6m income received in 23/24 and additional £0.8m in 24/25. |
| Benefits Fraud and Rent Allowances | 55                                | Additional income from Benefit overpayments arising from review of backdated payments                                       |
| Industrial Estates                 | 120                               | Additional rental income due to fewer vacant units  |
| Misc Property                      | (90)                              | Legal Fees associated with Crescent Development   |
| Misc Property                      | (285)                             | Service charge and rental income lower principally due to delay in NHS move into Hinckley Hub                               |
| Misc Property                      | (78)                              | Additional utility costs at Hub and Atkins buildings  |
| Council Offices                    | (67)                              | Additional utility costs arising from additional depot site   |
| Legal Services                     | (200)                             | Agency staff overspend  |
| Recycling                          | 80                                | Lower cost on fuel due to price being lower than budgeted for   |
| Refuse Collection                  | 50                                | Additional fees & charges income  |
| All Services                       | 564                               | Forecast underspend on salaries due to vacant posts and cost of pay award being lower than budgeted for                     |
| Other net movement                 | 15                                |   |
|                                    | <b>786</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<br/>of £000</b> | <b>From<br/>revenue<br/>£000</b> | <b>Explanation</b>   |
|------------------------------------|-------------------------------|----------------------------------|--|
| <b>Local Plan Procedure</b>        | 97                            |                                  | To allow for additional biodiversity studies   |
| <b>Economic Priorities Reserve</b> | (1,560)                       | 800                              | The £1.560m primarily reflects reductions in amounts set aside for the new crematorium. £0.8m net movement in in year retained pooled income |

| <b>Table 4</b>                          | <b>To revenue of £000</b> | <b>From revenue £000</b> | <b>Explanation</b>   |
|---|---------------------------|--------------------------|--|
| <b>Enforcement and Planning Appeals</b> |                           | (90)                     | £90k to be used for planning enforcement so additional contribution to maintain reserve balance. |
| <b>Environmental Action Reserve</b>     | 19                        |                          | Reduced in year spend requirement  |
| <b>Crematorium Reserve</b>              |                           | 2,100                    | £2.1m reduction in the amount for future capital project.  |
| <b>Total</b>                            | <b>(1,444)</b>            | <b>2,810</b>             |  |

## Capital

3.7 £10,356,420 has been spent on capital schemes to the end of December 2024 against a budget for that period of £19,165,155. It is envisaged that most of the schemes will still be completed by year-end.

## Housing Revenue Account

3.8 As at December 2024 it is anticipated that the HRA outturn will be in a surplus of £44,061 compared against a budgeted deficit of £102,939. Major variances are explained below-

| <b>Table 5</b>         | <b>Outturn variances. £000 Under/Over) Spend</b> | <b>Explanation</b>  |
|------------------------|--|---|
| Employee Costs         | (20)   | Overspend due to overtime and salary overspend (for fully staffed service) due to vacancy factor offset by reduced costs of pay award |
| Premises related costs | (88)   | Overspend on gas and caretaking costs and premises insurance  |
| Revenue income         | 39   | Additional income from Lifeline offset by a small shortfall from sheltered scheme charges   |
| Rental Income          | 313  | Additional rent from dwellings offset by a small shortfall in garage rents  |
| Interest on borrowing  | (75)   | Additional interest costs   |

3.9 The Housing Repairs Account is currently forecasted to make a surplus of £77,470, which is an underspend of £40,000 compared to the latest budgeted deficit of £37,470. 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 these 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.<br>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 | Ashley Wilson |

## 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

Contact officer: Ilyas Bham, Accountancy Manager x5924

Executive member: Cllr K Lynch