



Hinckley & Bosworth
Borough Council

Forward timetable of consultation and decision making

Finance Audit and Performance 17th January 2022

Wards affected: All

FINANCIAL OUTTURN- SEPTEMBER 2021

Report of Section 151 Officer

1. Purpose of report

1.1 Present the financial outturn position as at September 2021

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 2021 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 September 2021:

- 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 2021) it was anticipated that £105,047 would be transferred to balances and a net £379,088 transferred to earmarked reserves. Since that date, the budget has been increased by £89,360 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of September 2021, the forecast is for the General

Fund cost to increase by £636,360. This means an estimated £531,313 will be required from balances compared against the budgeted surplus position of £105,047. The single largest item causing this is the position taken on the Leisure Centre in relation to support expected for 2021/22. PfP are currently wishing continued financial help via a reduced management fee. After lost income compensation from Government, this still leaves a £0.4m pressure. We are in negotiation with PfP and this may change, if full management fee is secured from August 2021 until the March 2022 the year end position will improve.

	Budgeted	Forecast	Movement
Contribution (from)/to General Fund Balances (£000)	105	(531)	(636)

3.4 The table below shows summarises the movements between Original Budget and the estimated outturn position as at the end of September 2021.

	Outturn variances £000	Explanation
Additional budgets	(89)	To take into account latest contractual commitments
Forecast Outturn Movement	(532)	Estimated forecast variance from services (see general fund attachments)
External Interest	(15)	Net reduction in investment income.
Change in Outturn	(636)	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	(265)	Additional Bed and Breakfast due to Covid and an increase in demand
Homelessness	60	Additional Homelessness grant
Homelessness	100	Additional Benefits and B&B contributions
Leisure Centre	(559)	Impact of Covid 19 on Leisure Centre Contract
Parks	(58)	Re-phasing of crematorium project
Covid 19 Funding	669	Additional MHCLG Funding to cover Covid Pressures
Covid 19 Funding	125	Estimated income from MCHLG for loss of fees and charges income
Miscellaneous Property	(123)	Invoices written off relating to the Crescent for 2020/21
Legal Services	(90)	Additional Agency costs to cover vacant posts

Recycling	(61)	Primary due and higher agency driver costs and covid
Car Parking	(128)	Shortfall in pay and display income

3.6 The position is dependant upon the Council being reimbursed £125k from MHCLG for loss of income compensation arising from Covid 19.

Capital

3.7 £4,878,778 has been spent on capital schemes to the end of September 2021 against a budget for that period of £11,260,310. It is envisaged that most of the schemes will still be completed by year end. Estimated Year-end variations above £50,000 are summarised below.

Scheme	£000's Under spend/ (Overspend)	Explanation
Clarendon Park	150	3G pitch no longer going ahead new scheme to be coordinated. Funds to be carried forward
Waterside Open Space (SEA)	50	Awaiting land adoption before Developer Contribution can be spent. Will require a carry forward at year end
Waterside Play Area	67	Awaiting land adoption before Developer Contribution can be spent. Will require a carry forward at year end
Sports Facility Improvement Fund	360	Budget to be revised when capital programme reviewed. External Contributions to be passported directly to organisations (not via the Council)
Electrical Upgrades/Rewires	100	Lower than expected replacement requirement

Housing Revenue Account

3.8 As at September 2021 it is anticipated that the HRA outturn will be in surplus by £158,740 compared against a budgeted surplus of £183,740. Major variances are explained below-

	Outturn variances £000 Under/(Over) Spend	Explanation
Employee Costs	(61)	Overtime overspend – vacant post and new member of staff training (double cover)

3.9 The Housing Repairs Account is currently forecasted to make a surplus of £143, which is an underspend of £75,000 compared to the latest budget of £74,857. This is due to a predicted underspend for asbestos and legionella testing of £15,000 and an anticipated saving of £60,000 primary due to a reduction in responsive repairs.

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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