



Hinckley & Bosworth
Borough Council

Forward timetable of consultation and decision making

Finance Audit and Performance 28th March 2022

Wards affected: All

FINANCIAL OUTTURN- DECEMBER 2021

Report of Section 151 Officer

1. Purpose of report

1.1 Present the financial outturn position as at December 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 December 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 from earmarked reserves. Since that date, the budget has been increased by £191,760 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of December

2021, the forecast is for the General Fund cost to increase by £677,560. This means an estimated £572,513 will be transferred from balances compared against the original budgeted position of £105,047 being transferred to balances. The estimated £572,513 use of balances is comparable to that reported to February 2022 Council which report a position of £572,666 to be taken from reserves.

	Budgeted	Movement	Forecast
Contribution (from)/to General Fund Balances	£105,047	(£677,560)	(£572,513)

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

	Outturn variances £000	Explanation
Additional budgets	(192)	To take into account latest contractual commitments
Forecast Outturn Movement	(121)	Estimated forecast variance from services (see general fund attachments)
External Interest	(131)	Reduction in borrowing costs and additional investment income
Movement in reserves	(234)	Year End Carry Forwards.
Change in Outturn December	(678)	Amount to be added to General Fund balances

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 be summarised as follows:

	Outturn variances £000	Explanation
Homelessness	(280)	Additional Bed and Breakfast expenditure
Homelessness	107	Additional homeless grants from DLUHC
Homelessness	100	Additional income from Housing Benefits & B&B contributions
Leisure Centre	(325)	Revision to Leisure Centre Management Fee and contractor support due for year arising from Covid 19 closure
Covid 19 Funding	669	Receipt of Covid 19 Funding
Covid 19 Funding	221	Estimated income from DLUHC for loss of fees and charges income
Benefits Fraud and Rent Allowances	(100)	Reduction in income from benefit overpayments due to Universal Credit
Misc. Property	(123)	Invoices written off for Crescent for 2020/21
IT Support	(50)	Additional Telephone costs

Legal Services	(90)	Additional Agency costs to cover vacant posts and to meet capacity issues
Parks	(58)	Impact of delay in Crematorium build
Recycling	(80)	Additional Agency cover costs
Building Inspection	(50)	Income shortfall due to reduction in demand
Car Parks	(128)	Shortfall in pay and display income
Development Control	160	Additional Planning Application income
Development Control	(140)	Additional cost of agency staff/consultancy
Planning Policy	140	Rephasing of Local Plan works.

3.6 The position is dependant upon the Council being reimbursed £221k from DLUHC for loss of income compensation arising from Covid 19.

3.7 The position excludes any additional costs and funding that may arise do to external factors after December 2021.

Capital

3.8 £8,778,172 has been spent on capital schemes to the end of December 2021 against a budget for that period of £15,747,760. The current budget for the year is £23,479,902. The major service variations in excess of £50,000 have been summarised as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Server/Network Improvements	52	Scheme budget to be reprofiled
Data Centre Upgrade	69	Scheme budget to be reprofiled
ICT Transitional costs	53	Scheme budget to be reprofiled
Resurfacing Car Parks	76	Committed on pedestrian access at Trinity Vicarage Road and Stockwell Head.
New Crematorium	855	Scheme budget to be reprofiled when capital programme revised
Parish & Community Initiatives	112	Letter to be sent to Parish Councils. Budget committed
Developing Communities Fund	182	Budget committed. Awaiting 3rd party evidence before funds are released.
Heritage Action Zone	284	Budget to be reprofiled
Electric Charging Points	227	Quotes in the process of being obtained. Budget to be reprofiled
Clarendon Park	113	3G pitch no longer going ahead new scheme to be coordinated. Funds to be carried forward
The Greens	113	Awaiting legal confirmation on which areas dev contributions can be spend before commencement of procurement. Potential carry forward may be required

Argents Mead Moat Improvements	114	Consent gained from Historic England. Third party archology advice required before project commencement. May require a carry forward.
Waterside Play Area	51	Awaiting land adoption before Developer Contribution can be spent. Will require a carry forward at year end
Sports Facility Improvement Fund	344	Budget profile to be revised when capital programme reviewed. External Contributions to be passported directly to organisations (not via the Council)
Major Works Grants	101	Lower level of major works grants exceeding 10k cost threshold than expected.
Minor Works Grants	(29)	Increased level of minor works grants less than 10k cost threshold to be classified as a major work grant than expected.
Private Sector Housing Enforcement	74	Enforcement takes place as when required
Disabled Facilities Grant	484	Budget profile to be revised when capital programme reviewed to reflect current year spend to date plus committed expenditure
CCTV Upgrade	46	Budget profile to be revised when capital programme reviewed
Hoarding Project	216	Project in progress. Carry forward of budget which is fully funded by external contributions will be requested.
Bosworth 1485 Sculpture Trail project	429	Budget profile to be revised when capital programme reviewed
Green Deal Capital Fund	177	Budget profile to be revised when capital programme reviewed
Major Voids	69	Lower than expected void numbers
Programmed Enhancements	176	Lower than expected environmental works
Electrical Upgrades/Rewires	167	Lower than expected replacement requirement
Kitchen Upgrades	115	Budget committed
Boiler Replacement	219	Budget committed
Sheltered Scheme Enhancements	64	Budget committed
Enhancement Works - Bathroom Upgrades	162	Budget committed
Fire Risk Assessments	182	Budget commitment. Current schedule works should be completed by year end
Ambion Court	103	Budget Committed. To be reprofiled
Energy Efficiency Programme	630	Budget to be reprofiled
Housing Delivery	519	Budget committed, Daisy's View Ambion Bungalows and one-off purchases

Middlefield Lane	59	Awaiting final retention release
Total Major Variations	6,608	

Housing Revenue Account

3.9 As at December 2021 it is anticipated that the HRA outturn will be a surplus of £61,000 compared against a forecast surplus of £163,740. Major variances are explained below:-

	Outturn variances £000	Explanation
Rents	(16)	Reduction in income due to delays in tenants moving to Ambion Court and reduced income from garage rentals.
Employee Costs savings	(34)	Overspend due to overtime at control Centre plus salary overspend for fully staffed service offset by severance pay savings
Premises related costs	(48)	Additional costs for council tax offset plus overspend on caretaking/cleaning costs
Supplies and Services	14	Underspend on Tenants Association and equipment maintenance expenditure
Revenue Income	(7)	Additional lifeline income offset by reduction in income from service charges and hire fees
Provision for Bad Debts	30	Forecast reduction in contribution required towards rent bad debts

3.10 The Housing Repairs Account is currently forecasted to make a deficit of £19,857 which is an underspend of £55,000 when compared to the latest budgeted deficit of £74,857. This is due to an estimated underspend in the responsive and programmed repairs budgets.

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

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