

- 3.1 The Outturn presented below is before the audit of the financial statements and excludes unbudgeted statutory charges in accordance with accounting practice that have no overall impact on General Fund or HRA balances.

General Fund

- 3.2 The original budget for 2021/22, revised budget for 2021/22 (Presented at February Council) together with the draft outturn are summarised below. (Before any regulatory accounting adjustments, which do not affect balances).
- 3.3 After taking account of adjustments to the budget, (e.g. virements and supplementary budgets and savings identified in year) the provisional outturn shows £19.2m being spent on services compared against a budget of £19.7m with a net amount of **£1.390m** being transferred from earmarked reserves and **££0.55m being** taken from General Fund balances. Overall, this means a reduction in use of balances of **£0.022m** compared against the position of £0.573 reported to Council in February 2022.

	Original Estimate 2021/22	Revised Estimate 2021/22	Outturn Actual 2021/22
	£	£	£
Support Services	80,700	404,511	175,967
Corporate Services	2,570,120	4,895,216	4,589,436
Community Services	2,757,520	3,306,664	3,420,445
Environment and Planning	8,496,901	9,017,770	9,037,817
S31 collection fund support	3,826,520	2,093,165	1,898,135
Total service expenditure	17,731,761	19,717,326	19,121,800
Special Expenses	(706,360)	(717,360)	(701,660)
Capital Accounting Adjustment	(1,405,340)	(1,405,340)	(1,431,776)
Net external interest (received)/paid	185,200	316,000	237,908
IAS19 Adjustment	(1,585,970)	(1,585,970)	(1,585,970)
Carry forwards from prior year	0	(120,480)	(120,480)
Carry forwards to 2022/23	0	0	135,760
Transfer to reserves	660,000	2,393,355	2,563,931
Transfer from reserves	(280,912)	(303,820)	(242,075)
Transfer (from) unapplied grants	0	(3,018,019)	(2,949,640)
Transfer to unapplied grant	0	0	326,225
Transfer from Collection Fund	(3,826,520)	(3,826,520)	(3,727,579)
Transfer to/(from) balances	105,047	(572,266)	(550,051)
HBBC Budget Requirement	10,876,906	10,876,906	11,076,393

The table below summaries the draft funding position.

Table 2 Financing	Budget	Outturn
	£	£
National Non-Domestic Rates	2,684,594	2,684,594
Business Rates Growth	1,638,272	1,713,977
Lower Tier Support Grant	429,409	429,409
One off Pilot Income	0	90,866
New Homes Bonus	892,004	892,004
Net Collection Fund Surplus / (Deficit)	567,087	567,087
Council Taxpayer	4,665,540	4,665,540
Additional Support Grants & New Burdens	0	32,916
Total Financing	10,876,906	11,076,393

- 3.4 Total service expenditure on the face of the summary shows an underspend of £596k compared against the revised budget of £19.717k after allowing for carry forwards the net service overspend is £227k

Table 3	£000's
Service Expenditure Latest Budget February 2022	19,717
Service Expenditure Draft Outturn	19,121
Underspend	596
Carry fwd. for contractual commitments	(198)
Carry fwd. of grants for contractual commitments (net)	(414)
Collection Fund Support Change	(195)
Special Expenses element in underspend	(16)
Net Overspend	227

The net overspend after allowing for these variations is £227k. Major variances between the budget reported to Council and the draft outturn are summarised below:

Table 4	Under (over) spends £000's
Under recovery of Repairs Cost	65
Additional Planning Appeals Costs	90
Additional support for Leisure Contract	128
Net Additional Benefit Costs	323
Net income reduction in property income	92
Additional Council Tax and Support Grants	(97)
Reduction in Corporate Bad Deb Provision	(81)

Savings in CT net transitional Cost (Additional budget no required)	(90)
Additional Covid Grants	(140)
Other minor variations	(63)
Total	227

Carry Forward Budgets

- 3.5 In a number of cases budget managers have requested that the under spend in their budget(s) be carried forward to 2021/22 because of delays in committing expenditure. Requests totalling a net £3,241,407 have been received. Funding details of the requests are summarised below and details can be found in appendices 1 & 2.

Table 5 Source of Funding	Amount (£)	
General Fund carry forwards – Reserves	71,745	Appendix 1
General Fund carry forwards	135,760	Appendix 1
Unapplied Grant Carry fwd.	326,225	Appendix 2
Unapplied Grants fwd. prior grants	77,266	Appendix 2
Total	610,996	

Unapplied Grants are specific grants and contributions which have not been spent and are transferred to “unapplied grants and contributions” in accordance with accounting standards. Pending approval, budgets will be set up for these amounts in 2022/23 and funding released accordingly from the Balance Sheet.

Unapplied Grants Reserve (Covid Related)

- 3.6 From the £326,225 of unapplied grant carry forwards £177,158 relates to externally funded additional Contain funding for Covid.

3.7 Covid Grants (Council acting as an agent)

The Council also received an Omicron Hospitality and Leisure Grant where it acted as an agent for central government. The remaining balance at year end was £366,023. The application process and criteria for selection were set by central government. In line with proper accounting practise, these grants do not go through the Council’s Income and Expenditure account but are received and paid out directly from the balance sheet. Therefore, they do not impact on the Council General Fund position at year end.

Earmarked Reserves

- 3.8 The table below shows the expected transfers to and from reserves for the general fund revenue compared against the budgeted position. The movement of £467,022. The Local Plan Procedure Reserve and Carry forwards movement will be required in 2022/23 as part of the carry forward

process. Movements on the Business Rates Reserve and S31 Collection fund reserve will be set aside to smooth any impacts of Collection Fund movements that impact on the general fund detailed analysis of the draft reserves position is attached at Appendix 3.

Table 8 Reserve	Budget February 2022	Actual	Variance to carry forwards
Local Plan Procedure	43,511	(16,183)	59,694
Business Rates Equalisation Reserve	0	(199,487)	199,487
Year End Carry Forwards	120,480	(15,280)	135,760
Maint Fund - Green Towers	(5,000)	(5,000)	0
ICT Reserve	78,337	78,337	0
Waste Management Reserve	80,000	80,000	0
Planning Delivery	17,783	17,783	0
Elections Reserve	(25,000)	(25,000)	0
Environmental Improvement Reserve	34,189	32,138	2,051
Financial Support Reserve	(580,000)	(580,000)	0
S31 Collection Fund Reserve	2,093,165	2,023,135	70,030
Total	1,857,465	1,390,443	467,022

General Fund Balances

3.9 The table below summaries the transfers for the general fund and the Special Expenses Area

Table 9 Balances	Transfer to/(from) Balances Original Budget	Transfer to/(from) Balances Latest Budget	Transfer to/(from) Balances Outturn
	£000	£000	£000
General Fund Element	105	(572)	(550)
Special Expense Element	(9)	(20)	(4)
Total General Fund	96	(592)	(554)

The general fund balance as at the 31 March 2022 equals £1,344,000 after the use of balances noted above. The original budget requirement including Special Expenses was 11,626,905. The current balance including SEA is considered adequate at 11.56% but it is below the target of 15%.

Table 10	Total	General Fund	Special Expenses
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	£'000	£'000	£'000
Budgeted at 31 March 2022	1,308	982	326
Outturn 31st March 2022	1,344	1,003	341

Housing Revenue Account

3.10 As at 31st March 2021, the HRA outturn surplus is £106,856 against the latest budgeted surplus of £167,740. This is a variation of £56,884. The main reasons for the variances are summarised below:

Table 11 Under (over) spends	£000's
Additional Interest on borrowing charges	(26)
Additional contribution to Bad Debts Provision	(25)
Council Tax overspend	(27)
Additional Staff overtime	(49)
Tenant Association underspend	21
Support Service recharges underspend	37
Supplies & Services equipment underspend	12
Total	(57)

Housing Repairs Account

3.11 The Housing Repairs Account outturn is £ 27,246 compared to the latest approved budget of £54,857. This is a saving of £27,611. The main reasons for the variances are summarised below:

Table 12	under (over) spends
	£000's
Additional Repairs and Maintenance	21
Additional income	33
Reduction Asbestos Surveys Legionella surveys	23
Control Centre recharge not required	41

HRA reserves are summarised in the table below: -

HRA	Closing Balance 31st March 2021	(To) / From reserves	From reserves Capital Spend	Estimated Outturn current position 31/3/2022
Regeneration Reserve	(7,777)	(1,925)	4,573	(5,129)
HRA Piper Contribution Revenue	(65)	(30)	15	(80)
Major Repairs Reserve	(609)	(3009)	3,009	(609)
Year End Carry Forwards	(43)	0	0	(43)
Pensions Contribution	(47)	(3)	0	(50)
HRA Communal Furniture	(5)	0	0	(5)
Service Improvement Rese	(50)	0	0	(50)
HRA Housing Repairs Account	(516)	27	0	(489)
Rent Equalisation Reserve	(60)	0	0	(60)
	(9,172)	(4,940)	7,597	(6,515)

Details of HRA Carry Forwards are attached in Appendix 4

Capital Programme

3.12 For the General Fund £3,251,691 has been spent on capital schemes to the end of March 2022 against a budget of £6,136,984(excluding loans). This represents an under-spend of £2,885,293. In the majority of cases, under spends at the year-end are due to slippage and therefore will be spent in forthcoming years. If approved, the relevant financing for these schemes will be transferred to the 2022/23 Capital Programme. Council will be requested to approve carry forwards totalling £3,063,175. Capital carry forwards are detailed at Appendix 5. Other major variations above £25,000 have been summarised as follows:

Table 14 Scheme	£000's Under spend/ (Overspend)	Explanation
Parish & Community Initiatives	61	Estimated underspend

Recycling Containers	(29)	Additional Containers purchases (damages and new properties)
Major/Minor Works Grants	43	Reduction in requirement (demand led)
Private Sector Housing Enforcement	42	Enforcement Budget not required.
Hoarding Project	79	Expenditure and income moved to Revenue in line with accounting standards.
IT Future Operating Model	32	Lower than anticipated cost arising from change in work methods.
Argents Mead Phase 2	26	Budget not required. Now part of Moat improvements
ICT Transitional Costs	122	Lower than anticipated infrastructure costs arising from bringing services in house.
Earl Shilton Toilets	32	Accrued invoice not required.
Total	409	

- 3.13 For the HRA £9,405,031 has been spent against a revised budget of £11,020,814. This represents an under-spend of £1,615,783. Carry forward requests have been requesting totalling £1,542,900 (Please refer to Appendix 5.) The request relates to existing commitments for the repairs programme and the Ambion Court Project. This leaves a net underspend of £72,883. Major variations are summarised below:

Table 15: Scheme	£000's Under spend/ (Overspend)	Explanation
Asbestos Removals	34	Lower than anticipated demand for budget
Major Void Enhancements	(49)	Additional void demand in the last quarter. The budget was reduced by £60k in February 2022
Piper Alarm Upgrade	45	Reduction in requirement needed for upgrade.
Middlefield Land	59	Scheme completed funds. Balance of funding not required.

- 3.14 A full capital carry forward list is detailed in Appendix 5

Change to 2022/23 budget (Homes 4 Ukraine refugee)

- 3.15 HBBC responded quickly to the Homes 4 Ukraine refugee scheme, carrying out home inspections for sponsors wishing to host Ukrainian guests, providing a single point of contact for all enquiries from both sponsors and guests, supporting with rematching on breakdown of arrangements and supporting community groups. This role continues along with our statutory homelessness duties which are required when rematches can't be found and at the natural end of arrangements.
- 3.16 The government has funded County Councils to undertake this work with an understanding that funding will be passported to District Councils to cover their costs. As such £75,638 has been confirmed from county in the first tranche of funding, with more to follow. This is split into:
- £60,938 is for staffing
 - £14,700 for Property inspections and Welfare and signposting and Single Point of Contact support
- 3.17 Cost budgets have been set up to ensure these funds can be utilised efficiently. Further fundings and costs may arise during the rest of the year.

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 The Local Government Act 2003 places a duty on the S151 Officer to report to members on the budget setting process and comment on the adequacy of the reserves allowed for.

7. Corporate Plan implications

- 7.1 The budget and MTFs contribute to all objectives of the Corporate Plan.

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.

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.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Risk Description	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	J 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: None

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