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Steve Atkinson MA(Oxon) MBA FIoD FRSA
Chief Executive

Date: 29 January 2016

Hinckley & Bosworth
Borough Council

A Borough to be proud of

**To: Members of the Finance, Audit & Performance
Committee**

Mrs R Camamile (Chairman)
Mr P Wallace (Vice-Chairman)
Mr DS Cope
Mr KWP Lynch

Mr LJP O'Shea
Miss DM Taylor
Mr HG Williams

Copy to all other Members of the Council

(other recipients for information)

Dear Councillor,

There will be a meeting of the **FINANCE, AUDIT & PERFORMANCE COMMITTEE** in the De Montfort Suite - Hub on **MONDAY, 8 FEBRUARY 2016** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Owen'.

Rebecca Owen
Democratic Services Officer

A G E N D A

1. APOLOGIES AND SUBSTITUTIONS
2. MINUTES OF PREVIOUS MEETING (Pages 1 - 2)
To confirm the minutes of the previous meeting.
3. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES
To be advised of any additional items of business which the Chairman decides by reason of special circumstances shall be taken as matters of urgency at this meeting.
4. DECLARATIONS OF INTEREST
To receive verbally from members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the Agenda.**
5. QUESTIONS
To hear any questions in accordance with Council Procedure Rule 10.
6. INTRODUCTION OF THE EXTERNAL AUDITORS
External Auditors to attend the meeting.
7. EXTERNAL AUDIT GRANTS CERTIFICATION REPORT 2014/15 (Pages 3 - 14)
Report of the External Auditors.
8. INTERNAL AUDIT PROGRESS REPORT (Pages 15 - 30)
Report of the Head of Internal Audit.
9. BUSINESS RATES AND POOLING UPDATE (Pages 31 - 34)
Report of the Deputy Chief Executive (Corporate Direction).
10. FINANCE, AUDIT AND PERFORMANCE UPDATE - RESOURCES (Pages 35 - 46)
Report of the Deputy Chief Executive (Corporate Direction).
11. WORK PROGRAMME (Pages 47 - 48)
Work Programme 2015/16 attached.
12. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY

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Agenda Item 2

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

FINANCE, AUDIT & PERFORMANCE COMMITTEE

7 DECEMBER 2015 AT 6.30 PM

PRESENT: Mrs R Camamile - Chairman
Mr P Wallace – Vice-Chairman

Mr DS Cope, Mr KWP Lynch and Miss DM Taylor

Officers in attendance: Ilyas Bham, Joseph Matharu, Rebecca Owen and Ashley Wilson

281 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted by Councillors O'Shea and Williams, with the substitution of Councillor Cook for Councillor O'Shea and Councillor Kirby for Councillor Williams authorised in accordance with Council Procedure Rule 4.

282 MINUTES OF PREVIOUS MEETING

It was moved by Councillor Cope, seconded by Councillor Wallace and

RESOLVED – the minutes of the previous meeting be approved.

283 DECLARATIONS OF INTEREST

No interests were declared at this stage.

284 INTERNAL AUDIT PROGRESS REPORT

Members were advised that the Safeguarding and Building Control reports were in draft form and final versions would be brought to the next meeting.

285 TREASURY MANAGEMENT TO 30TH SEPTEMBER 2015

The committee was informed of the Council's Treasury Management activity in the second quarter of 2015/16.

RESOLVED – the report be noted.

286 SUNDRY DEBTS - QUARTER 2 2015/2016

The committee was presented with a report indicating the position on sundry debts for the second quarter of 2015/16. Members asked for clarification on the figures for commercial estates, debt write offs and planning. Officers outlined that the latter referred to section 106 developer contributions and therefore whilst substantial, these debts were recently added to the sundry debt account and not numerous.

RESOLVED – the report be noted.

287 REVENUE AND CAPITAL OUTTURN - 2ND QUARTER 2015/16

The committee was informed of the revenue and capital outturn at the end of the second quarter of 2015/16.

RESOLVED – the report be noted.

288 PERFORMANCE AND RISK MANAGEMENT FRAMEWORK 2015/16 QUARTER 2 OUTTURN

The committee was provided with the second quarter 2015/16 outturn position for performance indicators including available benchmarking, service improvement plans, corporate risks and service area risks.

Questions were asked in relation to:

- How the figures involving employees with a disability had changed from the previous year
- Whether the direction of travel could be included in future reports
- Whether the Barwell section 106 was finalised in August 2015

Members were advised that responses to these questions were to be reported back to them.

289 WORK PROGRAMME

The work programme was noted by members.

(The Meeting closed at 6.50 pm)

CHAIRMAN

Annual Certification Report 2014/15 Hinckley and Bosworth Borough Council

*Government and
Public Sector – Annual
Certification Report to
those charged with
governance.*

December 2015

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East Midlands, DE74 2UZ
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The Members of the Finance, Audit and Performance Committee

Hinckley & Bosworth Borough Council
Hinckley Hub
Rugby Road
Hinckley
Leicestershire
LE10 0FR

December 2015

Our Reference HBBC/201415/Cert

Ladies and Gentleman

Annual Certification Report (2014/15)

We are pleased to present our Annual Certification Report which provides members of the Finance, Audit and Performance Committee with a high level overview of the results of the Housing Benefit certification work we have undertaken at Hinckley and Bosworth Borough Council for financial year ended 31 March 2015.

Our work has been undertaken in accordance with our appointment by Public Sector Appointments Ltd (PSAA) as external auditor. The PSAA is the replacement body of the Audit Commission as at 1 April 2015 and from this date only the Housing Benefit Subsidy claim was subject to certification under this new arrangement. For independent reporting on any other grant claim or return this fell outside of the PSAA arrangement and as such is not included within this report.

We ask the Finance, Audit and Performance Committee to consider:

- the results of Housing Benefit certification work;
- the adequacy of the proposed management action plan for 2014/15 set out in Appendix A; and
- the adequacy of progress made by the Authority in implementing the prior year action plan in Appendix B.

Yours faithfully,



Ali Breadon
PricewaterhouseCoopers LLP

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Results of Certification Work

BEN01 Housing Benefit Subsidy Claim for year ended 31 March 2015

a) Introduction

Local Authorities, responsible for administering Housing Benefit (HB) for tenants of a local Authority and Rent Allowances for private tenants, claim subsidy from the Department for Work and Pensions (DWP) in accordance with section 140 of the Social Security Administration Act 1992 and the Income-related Benefits (Subsidy to Authorities) Order 1998, SI 562 as amended. With the exception of certain areas of benefit spending where Authorities have the most scope to monitor and control costs, subsidy is paid at the full rate of 100 per cent. The final claim form (MPF720A) reflects an Authority's annual position for subsidy owed to / from DWP. DWP use the results of auditor certification on this claim form as part of their determination in the annual settlement or claw back with an Authority.

Public Sector Audit Appointments Ltd (previously known as the Audit Commisison) require that all matters arising are either amended for (where appropriate) or reported within a qualification letter which follows a prescribed format. The certification approach which is to be applied by auditors (acting as agent to PSAA) is defined by the PSAA and they have agreed guidance with the DWP.

The Authority's claim required five amendments to the original claim form as submitted to the DWP in April 2015 and five qualification letter matters were reported to the DWP. The most important of these matters are summarised in section d) below.

b) Summary information

CI Reference	Scheme Title	Form	Original Value	Final Value*	Amendment	Qualification
BEN01	Housing Benefit Subsidy	MPF720A	18,357,366	18,358,419	Yes	Yes

*Some amendments have no impact on the overall value of the claim.

c) Fee

Claim/Return	2014/15 Indicative Fee	2014/15 Variation	2014/15 Final Fee	2013/14 Billed Fee	Comment
	£	£	£	£	
BEN01 Housing Benefit Subsidy	19,330	0	19,330	24,794	£5,000 fee variation obtained in 2013/14 owing to significant number of additional errors identified.

d) Summary of matters arising

The most important matters we identified through our Housing Benefit claim certification work are summarised below; further details can be found in Appendix A.

In total, our testing identified 10 different types of errors in the Authority's compliance with Housing and Benefit regulations. For five of these types of error it was possible to quantify the errors and make appropriate amendments to the claim form.

We also reported five matters to the DWP in a qualification letter where no amendment could be agreed which would be representative of the whole population.

In summary the matters reported in the qualification letter related to:

- Incorrect application of earnings (one error identified in our initial sample of Rent Allowances).
- Incorrect application of earnings (one error identified in our initial sample of Rent Rebates).
- Incorrect application of pensions (one error identified in our initial sample of Rent Allowances).
- Incorrect application of non-dependant deductions in Rent Allowances (extended testing performed as a result of errors identified in the previous year).
- Incorrect deduction of pension contributions from earnings (one error identified in our initial sample of Rent Allowances).

The following error types had been identified in previous years:

- Incorrect application of earnings in Rent Allowances
- Incorrect application of pensions in Rent Allowances
- Incorrect application of non-dependant deductions in Rent Allowances

As a result of the identification of errors last year and from our early work on the BENO1 2014/15 return, extended testing was required. The Authority's staff undertook this extended testing and we re-performed an element of this work. We are pleased to report that the extended testing carried out by the Authority's team was of a good quality.

e) Prior year matters

We have reviewed the progress made by the Authority in implementing the certification action plan for 2013/14; details can be found in Appendix B.

Appendix A

Management Action Plan: Current year issues (2014/15)

BEN01 Housing Benefit Subsidy Claim (deadline 30 November 2015)

Issue	Recommendation	Management response	Responsibility (Implementation date)
<p>Non-compliance with regulations In total we found 39 errors during the course of our BEN01 certification work. 20 errors resulted in amendments to the original claim form and were not included within the qualification letter. 19 failed cases were reported in the qualification letter to the DWP. The errors related to:</p> <ul style="list-style-type: none"> • Incorrect application of earnings (one error identified in our initial sample of Rent Allowances). • Incorrect application of earnings (one error identified in our initial sample of Rent Rebates). • Incorrect application of pensions (one error identified in our initial sample of Rent Allowances). • Incorrect application of non-dependant deductions in Rent Allowances (extended testing performed as a result of errors identified in the previous year). • Incorrect deduction of pension contributions from earnings (one error identified in our initial sample of Rent Allowances). 	<p>The error types identified each relate to the calculation of a claimant's income. As such the Authority should focus training, support and specifically in year review of claims around these error types.</p>	<p>We are happy with the factual accuracy of the report.</p> <p>The majority of the errors identified related to the calculation of earnings. As a result our training officer is arranging both refresher and in-depth training on the treatment of earnings for all assessment staff.</p> <p>Additionally a desk aid will be created providing, amongst other areas, guidance on:</p> <p>Salary sacrifice Effective dates Payment frequencies</p> <p>This will serve as an easily accessible reference tool.</p> <p>It is also our intention to use the system to review and sample test certain types of claims that due to their complexity tend to have a higher incidence of error. These will include but not limited to self-employed and occupational pension cases.</p> <p>The quality checking regime will continue throughout the year.</p> <p>The majority of errors highlighted in the</p>	<p>January 2016</p>

		qualification letter were small in value and so did not have a detrimental impact on the amount paid in subsidy.	
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Appendix B

Management Action Plan: Prior year issues (2013/14) – progress made

For 2014/15 under PSAA certification arrangements, the following schemes did not apply:

- CFBo6 Pooling of Housing Capital Receipts
- TRA11 Transport Plan: Major Projects.

Alternative arrangements may have been entered into directly between the grant paying bodies and assurance practitioners, however for the purposes of this report, which is focused on PSAA certification work, these schemes have been excluded; on this basis where issues arose in prior year these are now excluded from the action plan.

BEN01 Housing Benefit Subsidy Claim (deadline 30 November 2014)

2013/14 Issue	2013/14 Recommendation	2013/14 Management response	Recommendation Status 2014/15
<p>In total we found 57 errors during the course of our BEN01 certification work.</p> <p>23 errors resulted in amendments to the original claim form and were not included within the qualification letter.</p> <p>34 failed cases were reported in the qualification letter to the DWP. The errors related to:</p> <ul style="list-style-type: none"> • Incorrect application of earnings (Rent Allowances); • Incorrect application of pensions (Rent Allowances); • Incorrect application of tax credits (Rent Allowances); • Misclassification of overpayments (Rent Allowances and Rent Rebates); • Incorrect application of Jobseekers' 	<p>The error types identified each relate to various aspects; these being application of tax credits, income and classification of overpayments. As such the Authority should focus training, support and specifically in year review of claims around these error types.</p> <p>Modified Schemes is an area which has presented a significant number of fails year on year requiring full population testing by the auditor. The Authority should perform checks and training in this area to ensure the accuracy and compliance of the claim submitted for certification work and appropriate awarding of benefit.</p>	<p>We will be arranging refresher training for all assessment staff.</p> <p>Specifically we have set up a focus group comprising of the quality assurance team, training officer and team leaders to address the areas of concern raised by the subsidy audit. This includes putting together updated guidance to support the decision making process.</p> <p>A new quality checking regime will also be put in place to ensure the appropriate reviews take place in year.</p> <p>In respect of modified scheme because these contain more complex income calculations our intention is to have these assessed by senior officers only.</p> <p>Modified schemes were not highlighted as an issue in the qualification letter for this year;</p>	<p>2014/15 follow up testing identified:</p> <ul style="list-style-type: none"> • six errors relating to the application of earnings in Rent Allowances; • three errors relating to the application of pensions in Rent Allowances; • one error relating to the application of non-dependent deductions; and • no issues in relation to the misclassification of overpayments; application of tax credits; application of Jobseekers' allowance or claim dates. <p>Additional errors in relation to Modified Schemes were identified and the claim form was amended to correct for these issues.</p>

<p>allowance (Rent Allowances);</p> <ul style="list-style-type: none"> • Incorrect application of non-dependent deductions (Rent Allowances); and • Incorrect claim dates (Rent Rebates). 		<p>however the claim form did require amending prior to submission.</p> <p>The majority of errors highlighted in the qualification letter were small in value and so did not have an impact on the final claim. The value of the final claim exceeded the provisional estimates.</p>	
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Glossary

Scope of Work

Each year the Department for Work and Pensions (DWP) requests certification by an appropriately qualified auditor, of the Housing Benefit subsidy claim as submitted to them by local Authorities each April. Certification arrangements are made by the PSAA (transitional body for the Audit Commission from 1 April 2015) under Section 28 of the Audit Commission Act 1998 and allows for the DWP to obtain assurance about an Authority's entitlement to Housing Benefit subsidy in respect of their administering of Housing Benefit (HB) for tenants of a local Authority and Rent Allowances for private tenants.

Certification work is not an audit but a different type of assurance engagement which reaches a conclusion but does not express an opinion. This involves applying prescribed tests, as set out within HBCOUNT Modules and BENO1 Certification Instruction (CI) issued to us by the PSAA; these are designed to provide assurance, for example, that the Authority claim is fairly stated and in accordance with specified terms and conditions.

Our role is to act as 'agent' of the PSAA when undertaking this certification work. We are required to carry out work and complete an auditor certificate in accordance with the arrangements and requirements set by the PSAA.

We also consider the results of certification work when performing other Code of Audit Practice work at the Authority, including our conclusions on the financial statements and value for money.

International Standards on Auditing UK and Ireland (ISAs), the Auditing Practices Board's Practice Note 10 (Revised) and the PSAA's Code of Audit Practice do not apply to certification work.

Statement of Responsibilities

The PSAA publishes a 'Statement of responsibilities of grant-paying bodies, Authorities, the PSAA and appointed auditors in relation to claims and returns' this is available from the PSAA website. It summarises the Commission's framework for making certification arrangements and highlights the different responsibilities of grant-paying bodies, Authorities, the PSAA and appointed auditors in relation to claims and returns.

PSAA Definitions for Certification work

Abbreviations used in certification work are:-

'appointed auditor' is the auditor appointed by the PSAA (previously known as the Audit Commission) under section 3 of the Audit Commission Act 1998 to audit an Authority's accounts who, for the purpose of certifying claims and returns under section 28 of the Act, acts as an agent of the Commission. In this capacity, whilst qualified to act as an independent external auditor, the appointed auditor acts as a professional accountant undertaking an assurance engagement governed by the Commission's certification instruction arrangements;

'claims' includes claims for grant or subsidies and for contractual payments due under agency agreements, co-financing schemes or otherwise;

'assurance engagement' is an engagement performed by a professional accountant in which a subject matter that is the responsibility of another party is evaluated or measured against identified suitable criteria, with the objective of expressing a conclusion that provides the intended user with reasonable assurance about that subject matter;

'Commission' refers to either the PSAA or the Grants Team of the Audit Policy and Regulation Directorate of the Commission which is responsible for making certification arrangements and for all liaison with grant-paying bodies and auditors on certification issues;

‘auditor’ is a person carrying out the detailed checking of claims and returns on behalf of the appointed auditor, in accordance with the Commission’s and appointed auditor’s scheme of delegation;

‘HBCOUNT Modules’ are written instructions and a set of mandated tools from the Commission to appointed auditors on the certification of the Housing Benefit claims and returns;

‘Authorities’ means all bodies whose auditors are appointed under the Audit Commission Act 1998, which have requested the certification of claims and returns under section 28(1) of that Act;

‘grant-paying bodies’ includes government departments, public Authorities, directorates and related agencies, requiring Authorities to complete claims and returns;

‘certification instructions’ (‘CIs’) are written instructions from the Commission to appointed auditors on the certification of claims and returns;

‘Statement’ is the *Statement of responsibilities of grant-paying bodies, Authorities, the PSAA and appointed auditors in relation to claims and returns*, available from www.audit-commission.gov.uk;

‘certify’ means the completion of the certificate on a claim or return by the appointed auditor in accordance with arrangements made by the Commission;

‘underlying records’ are the accounts, data and other working papers supporting entries on a claim or return.

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***Internal Audit Progress Report
Update to the Finance, Audit and
Performance Committee on Internal Audit
Activity***

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February 2016

Agenda Item 8

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Distribution list	Finance Audit and Performance Committee, Executive Team
Background and scope	The purpose of this report is to provide a progress update on the agreed 2015/16 internal audit plan.

Plan outturn

2015/16 Audit Plan

We continue to attend a number of meetings at the Council such as CDMT, Project Forum and Service Managers meetings, engaging with senior officers to develop our knowledge and understanding of the Council and its operations.

We have completed our fieldwork for all reviews up to Q3. Three reviews which were due to take place in Q2/Q3 were pushed back at the request of management, therefore we will now deliver six reviews in Q4. Scoping meetings have been held or are scheduled for all of these reviews.

We were asked to perform a non-assurance review of Housing Benefits in addition to the planned reviews and we have used the 3 days of contingency within the audit plan to deliver this.

At the time of submitting this report we have issued final reports for Project Management, Council Tax, NNDR and Housing Benefits, Building Control and Safeguarding. We have also issued draft reports for Town Centre Management (Markets) and Housing Repairs, and hope to finalise these reports by the time of the FAP meeting. Details of this and other activity are shown later in the report.

A statement tracking assignments undertaken and planned activity is shown in Appendix One. At the time of writing this report we have completed 78 days (68%) of the planned audit days. The remaining Q4 reviews are due to take place in February and March and we will continue to keep members informed of progress.

Activity and Progress

This section provides a summary of all final reports issued since the previous Committee meeting.

<i>Ref</i>	<i>Name of audit</i>	<i>Conclusion</i>	<i>Date final report issued</i>	<i>No of recommendations made</i>			
				 Critical	 High	 Medium	 Low
D1	Council Tax	Medium risk	13 th January 2016			2	1
D2	NNDR	Low risk	13 th January 2016				2
	Housing Benefits	No risk rating. This was a non-assurance review.	13 th January 2016				
B3	Building Control	Medium risk	22 nd January 2016			3	2
A14	Safeguarding	Medium risk	22 nd January 2016			1	4

We summarise the main findings from these reports below:

D1 Council Tax

We identified two medium risk issues:

- There are currently no detailed procedure notes available for staff working in the council tax team.
- We tested 20 exemptions and 20 discounts for each council in the Partnership and found that supporting evidence is not always held on file for exemptions and discounts (5/60 exemptions, 4/60 discounts), and exemptions and discounts awarded are not always subject to review within an appropriate time frame (12/60 exemptions, 4/60 discounts).

We also identified one low risk issue. There is a lack of evidence to show that reconciliation of the properties held on the Partnership's database to Valuation Office records takes place regularly.

D2 NNDR

We identified two low risk issues:

- We tested 20 exemptions and 20 discounts for each council. We found no issues with discounts awarded, but we identified that where an application has been made for empty exemption the property is not always inspected to confirm that is empty (3/60 exemptions tested).
- There is a lack of evidence available to show that the properties held on the Partnership's database are regularly reconciled with Valuation Office records.

Housing Benefits

Our review covered key processes however we did not test their operation. We raised two recommendations for consideration:

- Consideration should be given to reporting quality performance to the Partnership Management Board on a monthly basis.
- Processing targets for new applications are more stringent than the national average. A review of these could be considered to help address processing errors.

B3 Building Control

We identified three medium risk findings relating to the following:

- Documentation and retention of information – there are no formal procedure notes for processes carried out by the Building Control team. As a result the quality of documentation retained is variable and sometimes insufficient to demonstrate compliance with regulations. There is no facility within the system to record site visits in real time.
- Fees review – fees should be reviewed annually to ensure they remain in compliance with regulations on cost recovery however the current fees have not been revised since 2011.
- Strategy for building and marketing a competitive service – there are no formal strategies in place, putting the service at risk of losing work to competitors.

We identified two low risk findings relating to:

- Budget monitoring – the budget monitoring process does not take account of seasonality of income and action plans are not developed to address variances.
- Individually determined fees – there is no review of fee calculations by a separate officer to ensure reasonableness.

We also raised one advisory point for consideration. Performance against the current set of KPIs is good. The Council could build on this by introducing additional KPIs to ensure the efficiency and quality of the service is maximised.

A14 Safeguarding

We raised one medium risk issue relating to process and documentation to demonstrate that the Council is meeting its safeguarding responsibilities. In 5/20 cases we tested there was no record of action taken by the Designated Safeguarding Officer (DSO) on receiving the Incident Form, and in 1/20 cases it was not clear whether referral to Leicestershire County Council had taken place or not. There was also insufficient evidence to demonstrate that referral decisions were robust in all cases.

We raised four low risk issues relating to:

- Document management – The current paper-based system is inefficient and inadequate in the context of rising numbers of referrals, a fact which has already been recognised by Officers and is being addressed. At present, documentation stored in paper files is not systematically scanned or stored securely electronically. This presents a risk should paper files be lost or destroyed. The current system places limits on the extent of searches which can be performed, and does not allow easy retrieval of documentation. Since the audit progress has been made on developing a new document management system and testing of this is due to begin in February.
- Closing the loop on referrals – A decision is required corporately over responsibility for following up referrals.
- Compliance with the Leicester and Rutland Safeguarding Children Board (LSCB) competency framework – For Officers assigned to competency groups 2-9 a system of self-assessment logs is being implemented to demonstrate compliance with the framework. There is no robust plan for reviewing the adequacy of these logs.
- Adult safeguarding policy – The current policy is out of date and a draft is in place. The Council needs to develop a plan to demonstrate compliance with the new Adult competency framework.

We also raised two advisory points for consideration:

- DSO capacity – As the volume and complexity of cases increases the demands of the role may begin to have a negative impact on the day-to-day role of DSOs. There is also a significant “admin” burden associated with the paper based system of managing referrals.
- Supervision and support – There is limited awareness amongst DSOs of the emotional support mechanisms, such as the employee assistance programme, available to them within the Council.

Fieldwork and draft reports

Work is progressing in the following areas:

- Project Management – Internal Audit will continue to attend meetings of the Project Forum and to provide support and challenge to the Council in this key area
- Markets – draft report issued on 13th January
- Housing Repairs follow-up – draft report issued on 18th January
- Financial Systems – fieldwork commenced on 7th December, closing meeting scheduled for 2nd February
- Recycling and Refuse Collection – scoping meeting held on 13th January, fieldwork to begin w/c 7th March

Appendix 1 – Internal audit detailed progress tracker

<i>Ref</i>	<i>Auditable unit</i>	<i>Indicative number of days*</i>	<i>Actual audit days to date</i>	<i>Scoping meeting date</i>	<i>Proposed fieldwork dates</i>	<i>Proposed draft report date</i>	<i>Proposed management response date</i>	<i>Proposed final report date</i>	<i>Audit Committee reporting date</i>
A1	Finance Systems	20	18	September 2015	December 2015/January 2016	10 th February 2016	17 th February 2016	24 th February 2016	March 2016
A2	Medium Term Financial Strategy	5	0	2 nd February 2016	February 2016	8 th March 2016	14 th March 2016	21 st March 2016	March 2016
A5	Corporate Governance and Risk Management	7	0	2 nd February 2016	February 2016	8 th March 2016	14 th March 2016	21 st March 2016	March 2016
A6	Partnerships / Joint Arrangements	5	0	24 th February 2016	March 2016	April 2016	April 2016	April 2016	May 2016
A7	Project Management	15	15	24 th February 2016	Q2	2 nd October 2015	16 th October 2015	23 rd October 2015	October 2015
A14	Safeguarding	10	10	August 2015	October 2015	20 th November 2015	27 th November 2015	20 th January 2016	February 2016
B1	Housing Rents	5	0	24 th February 2016	March 2016	April 2016	April 2016	April 2016	May 2016

<i>Ref</i>	<i>Auditable unit</i>	<i>Indicative number of days*</i>	<i>Actual audit days to date</i>	<i>Scoping meeting date</i>	<i>Proposed fieldwork dates</i>	<i>Proposed draft report date</i>	<i>Proposed management response date</i>	<i>Proposed final report date</i>	<i>Audit Committee reporting date</i>
B2	HRA Investment Plan	5	0	24 th February 2016	March 2016	April 2016	April 2016	April 2016	May 2016
B3	Building Control Service	5	5	July 2015	October 2015	30 th November 2015	December 2015	January 2016	February 2016
B4	Town Centre Management – Markets	5	5	November 2015	December 2015	13 th January 2015	20 th January 2015	27 th January 2016	February 2016
B5	Recycling and Refuse Collection	5	0.25	13 th January 2016	7 th March 2016	21 st March 2016	28 th March 2016	4 th April 2016	May 2016
C1	Housing Repairs	5	5	October 2015	December 2015	18 th January 2016	25 th January 2016	1 st February 2016	February 2016
D1	Council Tax	5	5	October 2015	November 2015	4 th January 2016	12 th January 2016	13 th January 2016	February 2016
D2	Business Rates	5	5	October 2015	November 2015	4 th January 2016	12 th January 2016	13 th January 2016	February 2016
M1	Audit Management	10	7	n/a	n/a	n/a	n/a	n/a	n/a
	Total days (excl. contingency)	112	75.25	n/a	n/a	n/a	n/a	n/a	n/a

Ref	Auditable unit	Indicative number of days*	Actual audit days to date	Scoping meeting date	Proposed fieldwork dates	Proposed draft report date	Proposed management response date	Proposed final report date	Audit Committee reporting date
	Contingency	3	3**						
	Total days	115	78.25	n/a	n/a	n/a	n/a	n/a	n/a

* Where appropriate and in agreement with client management, we are able to flex our audit service to include more senior or specialist staff to respond to the risks generated by audit reviews. Where we do this we effectively agree a fixed fee for the audit work which is derived from the combined fees of the planned audit days allocated to this audit review during the annual planning process.

** 3 days contingency was utilised to perform a review of Housing Benefits processes alongside the Council Tax and NNDR reviews, which was not in the 2015/16 audit plan.

Appendix 2 – Outstanding audit actions – TrAction report

Audit Title	Finding Heading	Finding Rating	Action Reference	Agreed Action	Action Status	Responsible People	Implementation Deadline	Days Overdue	Update
CWAS - Brought forward issues	Homelessness - Orchard system	Advisory	New	Council should review the effectiveness of the Orchard system for the homelessness service	Open	Jo Wykes	31/12/2015 (revised from 01/01/2012)	1478	Updated 8/10/15 Have compared P1E data on Orchard against manual records and they are incompatible. Will require further investigation to establish where recording errors are being made, identifying if further training is required for staff and evaluating if Orchard. Will compare Quarter 3 (1st July to 30th September 2015) and drill down to find where the errors occur.
CWAS - Brought forward issues	Assurance processes	Advisory	New	An assurance process should be introduced to review samples of officer assessments of applications and banding decisions, allocations to properties and nominations to Housing Associations.	Open	Jo Wykes	31/07/2015	171	
CWAS - Brought forward issues	Comparative management review	Advisory	New	Comparative information about annual numbers of applications received or allocations made between years should be collected for performance management purposes and to enable review of individual officers. It would be helpful if workload	Open	Jo Wykes	31/12/2015 (revised from 31/07/2015)	171	Updated 8/10/15 Training required on reports

Audit Title	Finding Heading	Finding Rating	Action Reference	Agreed Action	Action Status	Responsible People	Implementation Deadline	Days Overdue	Update
				could be tracked and an Indicator of complexity of caseload devised.					
CWAS - Brought forward issues	Reporting and monitoring	Advisory	New	Management should consider reporting specific information on the value and age profile of rent arrears for both current and former tenants.	Open	Clive Taylor, Madeline Shellard	01/09/2015	139	
CWAS - Brought forward issues	Annual Review of Applications	Advisory	New	Officers should consider reinstating an annual review of applicants' circumstances.	Open	Jo Wykes	31/10/15 (revised from 30/09/2015)	110	Updated 8/10/15 Training for staff on annual renewals has commenced
CWAS - Brought forward issues	3.3 Information Security Incident & Event Reporting	Advisory	New	Documented security incident and event reporting procedures should be extended to cover paper documents and should be approved by both the SIRO and members.	Open	Julie Kenny	30/12/2015 (revised from 30/09/2015)	110	Updated 19/1/16 The RIPA Policy and Data Protection Policy have now been agreed by Executive. The Records Management Policy and FOI Policy are included in the next Executive Agenda (January 27). The IG Framework is in draft form and will be presented to Executive on March 9 (this will include the security breach aspect too).
CWAS - Brought forward issues	3.1 Information Governance Framework	Advisory	New	A documented Information Governance Management Framework should be produced that follows the headings provided in the guidance included as part of the IG Toolkit.	Open	Julie Kenny	30/12/2015 (revised from 30/09/2015)	110	Updated 19/1/16 The IG Framework is in draft form and will be presented to Executive on March 9 (this will include the security breach aspect too).

Audit Title	Finding Heading	Finding Rating	Action Reference	Agreed Action	Action Status	Responsible People	Implementation Deadline	Days Overdue	Update
CWAS - Brought forward issues	3.2 IG Policies/Strategies	Advisory	New	All IG related policies should be regularly reviewed to ensure they are up-to-date. As best practice, a date the policy should be reviewed by should be incorporated into the policy and the policy date changed upon review (whether or not changes were required).	Open	Julie Kenny	30/12/2015 (revised from 30/09/2015)	110	Updated 19/1/16 The RIPA Policy and Data Protection Policy have now been agreed by Executive. The Records Management Policy and FOI Policy are included in the next Executive Agenda (January 27). The IG Framework is in draft form and will be presented to Executive on March 9 (this will include the security breach aspect too).
CWAS - Brought forward issues	Visits to Applicants	Advisory	New	Officers should consider increasing the number of visits made to new applicants to enable the matters referred to, to be addressed.	Open	Jo Wykes	31/12/2015	18	

Appendix 3 - Thought leadership publications

As part of the regular reporting to you we plan to keep you up to date with emerging thought leadership published by PwC. The PwC Public Sector Research Centre produces a range of research and is a leading centre for insights, opinion and research on best practice in government and the public sector.

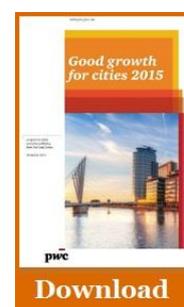
All publications can be read in full at www.psrc.pwc.com/. You can also read our blogs on Public Sector Matters Globally http://pwc.blogs.com/psm_globally/.

Good growth for cities 2015: Our report on economic wellbeing in UK urban areas – Nov 2015

The economic outlook in 2015 has improved, with rising employment and a welcome return to growth of real earnings, which means that the public is finally starting to feel the benefits of recovery.

This is our 4th Good Growth for Cities report where we measure the performance of the UK's largest cities against a basket of ten categories defined by the public, and business, as key to economic success and wellbeing.

To deliver on the potential of decentralisation however, local institutions need to have the local leadership, capacity and capability as well as the accountability arrangements in place to support their case to government for further powers - and ensure good growth outcomes are achieved



Beyond letting go

The role of central government in a decentralised world

Embedded in the UK Spending Review is a commitment to further decentralise functions and budgets in order to maximise efficiency, drive local economic growth and productivity, and support the integration of public services. Decentralisation has implications not only for the local and combined authorities seeking deals but also for how central government operates.

Central government has a significant role to play as an enabler for decentralisation, playing its part in moving to more collaborative relationships between central and local and ensuring that the momentum behind devolution continues, while maintaining sufficient oversight to manage risk and network issues. This will be a challenging balance to strike, particularly given the asymmetrical nature of decentralisation, with different places bestowed additional powers and responsibilities in relation to their appetite, capacity and capability.

Our 'Beyond letting go' Talking Points explores a number of areas where central government has a critical role to play in creating and operating in a successful devolved environment. Together these add up to a fundamentally new role for Whitehall. In each case, central government needs to strike a balance between genuinely empowering local areas where the costs, benefits and solutions are localised, and maintaining appropriate national oversight.

This document has been prepared only for Hinckley and Bosworth Borough Council and solely for the purpose and on the terms agreed with Hinckley and Bosworth Borough Council. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else. If you receive a request under freedom of information legislation to disclose any information we provided to you, you will consult with us promptly before any disclosure.

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FINANCE, AUDIT AND PERFORMANCE COMMITTEE – 8 FEBRUARY 2016

BUSINESS RATES AND POOLING UPDATE

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

1.1 To inform the committee of business rates performance from 1 April - 30 September 2015 and to provide an update on pooling arrangements for 2016/2017.

2. RECOMMENDATION

1.2 That the committee notes the contents of the report

3. BACKGROUND TO THE REPORT

3.1 Before 1 April 2013, business rates were collected by local authorities from businesses, before being paid into a central pool to be redistributed as part of grant funding. From 2013/14, billing authorities paid over 50% of collected business rates to government. The remaining 50% is split between the billing authority (80%) and the precepting authorities (20%).

3.2 Following these payments, the retained business rates of billing authorities are subject to a tariff set out in the respective Local Government Finance Settlement. Any growth in business rates over the set baseline will be subject to a “levy” payment of 50%, with the remaining half retained by the host Council. Correspondingly, if a Council loses 7.5% of their set threshold, a “safety net” payment will be triggered to compensate for the loss.

3.3 The Council will receive £631,452 of “section 31 grant” income. The allocated grant was based on the level of reliefs that were forecast to be granted in 2015/2016 in the submitted business rates budget form (the NNDR1). The actual grant that can be “banked” as retained rates will be determined based on the actual reliefs awarded by 31 March 2016. Therefore in order to be prudent, this income has been placed into the Business Rates reserve pending until this level is known.

3.4 The budgeted business rates performance for this Council, along with the forecast as at September 2015 is summarised below.

	Rates	Localism	Cost of	Tariffs	"Retained	Funding	Total	Levy	Mvt
	Forecast	Autumn	SBRR		Rates	Baseline	Growth	&	
	2015/16	Statement	Extension		Income"			Retained	
		Reliefs						Growth	
	{£000}	{£000}	{£000}	{£000}	{£000}	{£000}	{£000}	{£000}	{£000}
NNDR1	11,585	134	459	(8,967)	3,211	2,359	852	426	-
Sep-15	12,220	147	471	(8,967)	3,871	2,359	1,512	756	330

3.5 The above table shows that as at 30 September 2015, the Council is forecasting £756,000 of retained growth for 2015/2016 that, if realized, will be available to the General Fund.

- 3.6 Although this is a positive position, it is important to acknowledge the volatility of business rates which can be impacted negatively by many factors including:
- Companies going out of business or moving from the area
 - Empty properties – The redevelopment of the town centre for instance may have an impact on the rates for the Council whilst development takes place
 - Awards of reliefs; most significantly charitable reliefs for schools which are awarded Academy status
 - Results of appeals lodged by businesses against their liabilities

Pooling

- 3.7 The Finance Bill also allows local authorities to form pools for the purposes of business rate retention. Practically, pooling means that any levy payments (50% of growth) are made into a local pool rather than paid to central government. Correspondingly, losses will be funded from the pool. The amount at which levies and safety nets are triggered is also set at the cumulative level for the pool.
- 3.8 As members will be aware, the Leicestershire pool was disbanded for 2014/2015 and therefore any levy/safety net payments will be made to/from Central Government for this financial year. That said, some indicative modeling has been produced using the September forecasts for all districts which has indicated that if the pool were to have been in operation for 2014/2015 it would have generated a balance of £3.273million. This balance would have been transferred to the Local Enterprise Partnership to spend in accordance with its priorities.
- 3.9 Given the positive position that the pool could have been in, an expression of interest has been made to the Department for Communities and Local Government to reinstate the pool in 2015/2016. This has been extended for the 2016/17 year. The early indications is for a forecast surplus of £4.2m for the pool.
- 3.10 Members should note that by entering into the Leicestershire Pool there is no detrimental impact on the funding to this Council but there are potentially significant benefits to Leicestershire as the levy payment that Council would have to pay to Central Government under current arrangements would be paid to the Leicester and Leicestershire Enterprise Partnership under the Pooling arrangements.
- 3.11 There changes to the business rates retention scheme due to proposal by government for the implementation of 100% business rates retention. Central Government, via DCLG, is to carry out consultation on the proposed changes to the local government finance system to prepare for implementation of 100% business rates retention. Although pooling may still be a feature of the proposed system, it is assumed that the main rationale behind the retention of levy payments in the local area, will no longer apply.

4. FINANCIAL IMPLICATIONS (AW)

Contained in the body of the report.

5. LEGAL IMPLICATIONS (MR)

Section 59A of the Local Government Finance Act 1988 allows local authorities to pool business rates. The pooling between the Leicestershire Councils will be governed by a legal agreement between the parties.

6. CORPORATE PLAN IMPLICATIONS

The Council's governance arrangements are robust

7. CONSULTATION

All members of the Business Rates Pool were included in decisions made on its future operation from 2016/17 onwards. The Pool was agreed to be extended for 2016/17 and the contingency held with the pool increased from £0.7m to £2m. This is created from amounts not returned to DCLG, but held within the pool to guard against future appeals. There is no reduction on the council's share of retained rates.

8. RISK IMPLICATIONS

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	Mitigating actions	Owner
None		

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Various reliefs are available for businesses and charities under the business rate regulations.

10. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background Papers: Revenues and Benefits Monitoring Reports

Author: Ashley Wilson, Head of Finance ext 5609

Executive Member: Cllr M Surtees

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FINANCE, AUDIT AND PERFORMANCE COMMITTEE – 8 FEBRUARY 2016

FINANCE, AUDIT AND PERFORMANCE UPDATE – RESOURCES REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

1.1 To provide the committee with an update on the financial, performance and risk position of the following service areas as at 30 November 2015:

- Finance
- Estates and Asset Management
- ICT
- Revenues and Benefits

2. RECOMMENDATION

2.1 That members note the contents of this report

3. BACKGROUND TO THE REPORT

Finance

3.1 The financial performance for finance from 1 April 2015 – 30 November 2015 has been detailed in Appendix 1. As at 30 November, the service area had under spent against the profiled budget (taking into account timing differences) by £426,007. In addition there are £208,993 of forecast variances meaning a forecast outturn under spend of £635,000.

3.2 Details of variances over £25,000 have been provided in Appendix 1. The majority of the variance is due to a s31 grant awarded to the Council based on NNDR forecasts for the year. The level of this grant that may be retained at year end will depend on the business rates outturn at 31st March 2016 and any levy payments due. Therefore in order to be prudent, this income has been placed into the Business Rates reserve pending any notification.

3.3 Performance against performance indicators for finance from 1 April 2015 – 30 November 2015 has been detailed in Appendix 2, along with explanation where indicators have not been met. In total 67% (2) of indicators are currently meeting target.

3.4 The risk register for service area contains 6 risks for 2015/2016. There are 4 red (high) risks as at 30 November 2015

3.5 In addition, the following corporate risks are deemed to impact finance. An update on these risks and corresponding actions are provided below

Risk	Risk failure leads to:	Net Risk Level	Review commentary	Risk Owner
S.11 - Failure to successfully deliver the Medium Term Financial Strategy	Underperformance, inadequate cashflow, ineffective financial planning	8: Likelihood (medium) - Impact (high)	The medium term financial position of the Council remains challenging but the shorter term position for 2016/17 and 2017/18 has improved, principally due to Block C, Pressures are building in the longer term due to the removal of RSG funding and New Himes Bonus likely to be significantly reduced. Consideration of introducing a Green Waste Charge and the details of a Council Tax increase is under discussion, along with other proposals, which should ease the longer term outlook.	Sanjiv Kohli
S.37 - Non delivery of capital projects which are interdependent	Failure to deliver Objectives, Failure of to secure potential benefits from capital projects	8: Likelihood (medium) - Impact (high)	The restrictions in funding new capital projects remains. For the HRA the position is that the council continue with current schemes only In addition, a comprehensive business plan is being prepared for the operations of the wholly owned company and the Council who will need to provide funding to the company. This plan for the company will however be heavily dependent upon approved borrowing by the Company from the Council with some equity funding. The funding of the Company will be under constant review between now and February 2016 when it is intended to take a report to the Council together with the 2016/17 budget and MTFS.	Sanjiv Kohli
S.41 - Business Rates Pooling (linked to MTFS)	If target levels of contributions into the Pool, in the form of Levy costs, is not met by the partner authorities then sufficient amounts may not be set aside for a local safety net. This may result in additional contributions into the	2: Likelihood (medium) - Impact (low)	The Pool continues to perform well, surplus of £3.8m expected for 2015/16 in the pool. HBBC has confirmed it will remain in the pool for 2016/17. The pool will bring additional funding to Leicestershire as a whole. The council have agreed to stay in the pools for 2016/17.	Sanjiv Kohli

	Pool or withdrawal.			
S.45 - Council does not prevent or detect fraudulent activities	Risk of undetected financial loss to the council.	8: Likelihood (medium) - Impact (high)	Leicestershire Transformation Bid successful. Ashley Wilson now working with Leicester City (accountable body) and the Leicestershire revenues and Benefits Partnership to set up a counter fraud service. Progress has been made, but final processes for sharing information and what the outputs will be to be finalised. Should be in place for early 2016/17. Review of Whistle blowing Policy complete. This revealed a lack of understanding of process to follow. Chief Executive has included a clarification note in the Monthly Newsletter. Taken appropriate action to inform members of staff and elected Members	Steve Atkinson
S.43 - Leicestershire County Council budget cuts	Reduction in budgets for service delivery, therefore increasing the risk that services will be adversely impacted or charges may be required to recoup funding lost	9: Likelihood (high) - Impact (high)	<p>LCC have given notice of withdrawal of green recycling credits from 2015/16. This impacts HBBC budgets by taking away income of around £320K which has now been planned for in the Council's MTFS.</p> <p>LCC also announced that their financial position has worsened so it is likely that they will also remove dry recycling credits from 2017/18. This could mean a further £250 loss of income.</p> <p>In addition, as LCC position worsens to a budget gap of £130m with some savings not yet identified there is a likelihood that their further decisions on budget reductions will continue to have an on going impact on Leicestershire District councils' budgets.</p> <p>Position is under constant review.</p>	Sanjiv Kohli

			Recent discussions now indicate that at the Council Tax may increase by £5 and there will be in consideration of introducing charges for Green waste will have an immediate impact for 2016/17 and beyond. "016/17 is in balance. However, the longer term position and action needed still needs to be confirmed This position is considered not sustainable and further discussions are needed with members of the administration.	
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Estates and Asset Management

- 3.6 The financial performance for Estates and Asset Management from 1 April 2015 – 30 November 2015 has been detailed in Appendix 1. As at 30 November, Estates and Asset Management has under spent against the profiled budget (taking into account timing differences) by £32,848. In addition there are (£38,848) of forecast variances meaning a forecast outturn over spend of (£6,000).
- 3.7 Details of variances over £25,000 have been provided in Appendix 1.
- 3.8 Performance against performance indicators for Estates and Asset Management from 1 April 2015 – 30 November 2015 has been detailed in Appendix 2, along with explanation where indicators have not been met. In total 100% of indicators are currently meeting target.
- 3.9 The risk register for Estates and Asset Management contains 3 risks for 2015/2016. There are no red (high) risks as at 30 November 2015.
- 3.10 In addition, the following corporate risks are deemed to impact Estates and Asset Management. An update on these risks and corresponding actions are provided below

Risk	Risk failure leads to:	Net Risk Level	Review commentary	Risk Owner
S.06 - Failure to implement the Town Centre Plan	Lack of member support, private sector investment interest, public sector funding, public support, planning permission for the development and Lack of progress on Town Centre regeneration	9: Likelihood (high) - Impact (high)	Construction works on the Crescent nearing completion with PC expected mid-February. Awaiting LCC sign off of revised S278 Agreement to tie in design of Crescent footpath/highway works with the public realm scheme. Squash facility and construction works completed.	Bill Cullen

S.37 - Non delivery of capital projects which are interdependent	Issues to Town Centre plan and Leisure Centre Plans (S.06 and S.25)	8: Likelihood (medium) - Impact (high)	Major Project Group reviews impacts of conflicting projects. Hub development and Squash Club now complete with Crescent and Leisure Centre both nearing completion. Car parking to be reviewed in the Town Centre as these developments begin to come online	Sanjiv Kohli
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ICT

- 3.11 The financial performance for ICT from 1 April 2015 – 30 November 2015 has been detailed in Appendix 1. As at 30 November 2015, ICT has under spent against the profiled budget (taking into account timing differences) by £6,990. In addition there are (£6,990) of forecast variances meaning a breakeven forecast outturn position.
- 3.12 Details of variances over £25,000 have been provided in Appendix 1
- 3.13 There are no specific performance indicators in place for ICT.
- 3.14 The risk register for ICT contains 10 risks for 2015/2016. There are no red (high) risks as at 30 November 2015. There are no corporate risks deemed to directly impact ICT.

Revenues and Benefits

- 3.15 The financial performance for Revenues & Benefits from 1 April 2015 – 30 November 2015 has been detailed in Appendix 1. As at 30 November 2015 Revenues & Benefits had underspent against the profiled budget (taking into account timing differences) by £241,792. In addition there are (£133,792) of forecast variances meaning a forecast outturn under spend of £108,000
- 3.16 Details of variances over £25,000 have been provided in Appendix 1.
- 3.17 Performance against performance indicators for Revenues and Benefits service from 1 April 2015 – 30 November 2015 has been detailed in Appendix 2, along with explanation where indicators have not been met. In total 28% (2) of indicators are currently meeting target.
- 3.18 The risk register for Revenues & Benefits contains 8 risks for 2015/2016. There is one red (high) risk as at 30 November 2015.
- 3.19 In addition, the following corporate risks are deemed to impact Revenues and Benefits. An update on these risks and corresponding actions are provided below

Risk	Risk failure leads to:	Net Risk Level	Review commentary	Risk Owner
S.17 - A reduction in Benefit Subsidy as a result of error and/or poor performance	Introduced a Quality Checking Procedure within Benefits effective April 2010.	6: Likelihood (low) - Impact (high)	PwC are undertaking the subsidy audit for 2014/15, whilst errors identified were small in value and did not affect the amount paid in subsidy we will look at those areas where	Storme Coop

impacting on Medium Term Financial Strategy	Performance indicators revised allowing for increased checking of work whilst still meeting upper quartile.		errors were found and ensure that the appropriate training is provided.	
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4. FINANCIAL IMPLICATIONS [IB]

4.1 Contained within the *Financial Performance* section of the report

5. LEGAL IMPLICATIONS [MR]

5.1 Report is for noting and therefore there are no direct legal implications.

6. CORPORATE PLAN IMPLICATIONS

6.1 All budgets, performance indicators and risks are mapped against the appropriate corporate plan implication.

7. CONSULTATION

7.1 No direct consultation

8. RISK IMPLICATIONS

8.1 Covered within the *Risk Management* section of the report

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 Covered as appropriate in the body of the report

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Budget Monitoring and TEN Reports

Contact Officer: Ilyas Bham, Accountancy Manager

Executive Member: Cllr M Surtees

Appendix 1 – Financial Performance

	Estimate to Date	Actual to Date	Timing Diff	Variance exc Timing	Explanations >£25k	Forecast variance	Explanations >£25k
	£	£	£	£		£	
Finance							
Corporate Management	864,082	749,620	98,000	16,462		19,000	
Finance Support	370,845	382,744	0	(11,899)	-	(14,000)	-
General Grants	213,490	(294,954)	87,000	421,444	Part year impact of forecast savings.	630,000	£630k 'Section 31 grant' income, designed to reimburse changes announced in the 2012 and 2013 Autumn Statements The level of this grant that may be retained will depend on the business rates outturn at 31st March 2016 and any levy payments due. Therefore in order to be prudent, this income has been placed into the Business Rates reserve pending any notification.
Total Finance	1,448,417	837,410	185,000	426,007		635,000	
Estates and Asset Management							
Asset Management	163,528	136,466	3,000	24,062	-	0	-
Council Offices	787,942	758,669	21,000	8,273		10,000	
Miscellaneous Property	56,774	76,764	(3,000)	(16,990)		(16,000)	
Industrial Estates	(420,805)	(438,308)	0	17,503	-	0	-
Total Estates and Asset Management	587,439	533,591	21,000	32,848		(6,000)	

ICT							
IT Support	960,009	891,019	62,000	6,990	-	0	-
Revenues and Benefits							
Council Tax / NNDR	168,628	135,619	0	33,009	<ul style="list-style-type: none"> £33k reduction in HBBC contribution to the Revenue & Benefits Partnership as a result of partnership restructure 	49,000	<ul style="list-style-type: none"> £49k reduction in HBBC contribution to the Revenue & Benefits Partnership as a result of partnership restructure
Council Tax Support	99,382	74,542	0	24,840	-	31,000	<ul style="list-style-type: none"> £31k reduction in HBBC contribution to the Revenue & Benefits Partnership as a result of partnership restructure
Benefits Fraud	92,446	70,347	0	22,099	-	16,000	-
Rent Allowances	(200,578)	694,578	(1,057,000)	161,844		12,000	-
Total Revenues and Benefits	159,878	975,086	(1,057,000)	241,792		108,000	

Appendix 2 – Performance Indicators

Reference		Target	Current Performance	Comments
Finance				
BV008	Invoices Paid on Time	98.50%	99.47%	Target exceeded to date
LI008	Invoices (local businesses) paid Within 10 Days	85.00%	88.79%	Target exceeded to date
LI009	Debt over 90 days old as a % of aged debt	25.00%	39.89%	Target was exceeded in Q1 and Q2. Performance has slipped in Q3 because of 4 large invoices that remaining unpaid. Recovery action is being taken by the budget holder in all cases and the target is expected to be met by year end.
Estates and Asset Management				
EM1	Facilities Management (HUB): achievement of customer service requests within 3 days	90%	98%	Target exceeded to date
EM2	Facilities Management (HUB): achievement of customer service requests within 10 days	90%	100%	Target exceeded to date
EM3	Facilities Management (Non HUB): achievement of customer service requests (maintenance type) 10 to 30 days	90%	91%	Target exceeded to date
ICT				
n/a	No direct performance indicators			
Revenues and Benefits				
LRBP1	Council Tax in - year collection rate	76.4%	76.2%	The slight reduction in collection rates may be as a result of the reduction in council tax support and the fact that taxpayers can now pay over 12 months. A comprehensive training plan has been delivered to the new generic Council Tax scheme; as a result recovery was suspended during September. The target for the year is 98% and is expected to be met by year end.
LRBP3	NNDR in year collection	74.9%	75.5%	Ratepayers are electing to pay over 12 months rather than 10 which will have an

				impact on PI's for this year. The target is expected to be met by year end.
LRBP8	Processing of new claims (days)	19.3	19	Target on track, small underperformance to date some vacant posts and a high level of sickness have contributed to this, but not a significant difference to target.
LRBP9	Processing of Change of Circumstances (days)	9.8	9	Target on track, small underperformance to date some vacant posts and a high level of sickness have contributed to this, but not a significant difference to target.
LRBP10	Combined performance (NI181)	11.3	11	Target on track, small underperformance to date some vacant posts and an unusually high level of sickness have contributed to this, but not a significant difference to target.
LRBP7	Housing Benefit overpayments collection rate	28%	30%	As anticipated, due to the delayed recovery action, collection performance is below the profiled target for all three councils. If the in-trays are brought up to date in December, this will allow the team to focus on old cases and move the accounts where Liability Orders were obtained in November through the recovery stages. In quarter four, we expect to see improvement in the collection performance for all three councils.
LRBP11	Number of successful fraud prosecution & sanctions	29	14	Target exceeded

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Finance, Audit and Performance Committee – Programme of Work 2015/2016

Meeting date	Agenda Items
8 th February 2016	Introduction of the External Auditors External Audit Grants Certification Report 2014/2015 Internal Audit Progress Report Business Rates and Pooling Update Finance, Audit and Performance Update – Resources
21 st March 2016	External Audit Plan 2015/2016 Capital and Revenue Outturn – 3 rd Quarter 2015/2016 Aged Debts – 3 rd Quarter 2015/2016 Business Rates Retention – 3 rd Quarter 2015/2016 Treasury Management Update – 3 rd Quarter 2015/2016 Performance and Risk Update – 3 rd Quarter 2015/2016 Internal Audit Progress Report Service Review Update - Cultural Services Service Review Update – Housing and Community Safety & Housing Repairs

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