

# Public Document Pack



**Steve Atkinson** MA(Oxon) MBA FIoD FRSA  
*Chief Executive*

Date: 11 March 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, 21 MARCH 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 meeting of the Finance Audit & Performance Committee held on 08 February 2016.
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. EXTERNAL AUDIT PLAN 2015-16 (Pages 3 - 26)  
Report of the External Auditor.
7. INTERNAL AUDIT PROGRESS REPORT (Pages 27 - 38)  
Report of the Head of Internal Audit.
8. BUSINESS RATES AND POOLING UPDATE (Pages 39 - 42)  
Report of the Interim Head of Finance (Deputy S151 Officer).
9. SUNDRY DEBTS QUARTER 3 2015/16 (Pages 43 - 46)  
Report of the Interim Head of Finance (Deputy S151 Officer).
10. TREASURY MANAGEMENT TO 31 DECEMBER 2015 (Pages 47 - 62)  
Report of the Interim Head of Finance (Deputy S151 Officer).
11. REVENUE AND CAPITAL OUTTURN - QUARTER 3 2015/16 (Pages 63 - 84)  
Report of the Interim Head of Finance (Deputy S151 Officer).
12. PERFORMANCE & RISK MANAGEMENT FRAMEWORK 2015/16 QUARTER 3 OUTTURN (Pages 85 - 102)  
Report of the Deputy Chief Executive (Corporate Direction).
13. WORK PROGRAMME (Pages 103 - 104)
14. 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

8 FEBRUARY 2016 AT 6.30 PM

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

Mr DS Cope, Mr KWP Lynch, Mr LJP O'Shea, Miss DM Taylor and Mr HG Williams

Also in attendance: Avtar Sohal (Ernst & Young LLP) and Kate Mulhearn (PricewaterhouseCoopers)

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

#### 384 APOLOGIES AND SUBSTITUTIONS

The Chairman indicated that Councillor Williams would be late due to traffic.

#### 385 MINUTES OF PREVIOUS MEETING

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

RESOLVED – the minutes of the meeting held on 7 December 2015 be approved.

#### 386 DECLARATIONS OF INTEREST

No interests were declared at this stage.

#### 387 INTRODUCTION OF THE EXTERNAL AUDITORS

The new external auditor from Ernst & Young LLP introduced himself to the Committee.

#### 388 EXTERNAL AUDIT GRANTS CERTIFICATION REPORT 2014/15

The committee was presented with a report of the external auditor which provided an overview of the certification work undertaken to 31 March 2015.

Councillor Williams arrived at 18:34.

Members asked for clarification on the issues detailed in Appendix A of the report and were advised that each case was being monitored by management.

RESOLVED – the report be noted.

#### 389 INTERNAL AUDIT PROGRESS REPORT

Members received a report that provided a progress update on the agreed 2015/16 internal audit plan.

Concern was expressed regarding the building control fees as the last review had been carried out in 2011. Members were assured by officers that work was ongoing to resolve any potential issue.

A member asked about the safeguarding recommendations contained in the report. Members were assured that whilst the processes were robust and progress was on track, a report to monitor improvements in decision tracking since implementation of the new document management system could be brought to a future meeting.

RESOLVED – the report be noted.

390 BUSINESS RATES AND POOLING UPDATE

The committee was informed of business rates performance from 1 April – 30 September and was provided with an update on pooling arrangements for 2015/16.

Members were advised that the forecast figures were subject to change.

RESOLVED – the report be noted.

391 FINANCE, AUDIT AND PERFORMANCE UPDATE - RESOURCES

Members were provided with an update on the financial, performance and risk position of Finance, Estates and Asset Management, ICT and Revenues & Benefits.

RESOLVED – the report be noted.

392 WORK PROGRAMME

The work programme was noted.

(The Meeting closed at 6.59 pm)

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CHAIRMAN

# Hinckley and Bosworth Borough Council

Year ending 31 March 2016

Audit Plan

1 March 2016

Ernst & Young LLP



**Private and confidential**

Members of the Finance, Audit and Performance Committee  
Hinckley Hub  
Rugby Road  
Hinckley  
Leicester  
LE10 0FR

1 March 2016

Dear Committee Members

**Audit planning report**

We are pleased to attach our audit planning report for the forthcoming meeting of the Finance, Audit and Performance Committee. The purpose of this report is provide the Finance, Audit and Performance Committee with a basis to review our proposed audit approach and scope for the 2015/16 audit, in accordance with the requirements the Local Audit and Accountability Act 2014, the National Audit Office Code of Audit Practice (the Code), standing guidance, auditing standards and other professional requirements, but also to ensure that our audit is aligned with the Committee's service expectations.

This report summarises our assessment of the key issues which drive the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks.

This report is intended solely for the information and use of the Finance, Audit and Performance Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 21 March 2016 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

**Steve Clark**  
*Partner*  
*For and behalf of Ernst & Young LLP*

*Enclosures*



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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the [PSAA website \(www.psaa.co.uk\)](http://www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Plan is prepared in the context of the Statement of responsibilities. It is addressed to the Finance, Audit and Performance Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

# 1. Overview

## Introduction to External Audit

An external audit is an independent examination of the financial statements prepared by the Council. It is conducted as a requirement of the Local Audit and Accountability Act 2014.

The role of the external auditor comprises a mandated element:

- ▶ Form an opinion on the truth and fairness of the financial statements
- ▶ Form a conclusion on the Council's Arrangements for securing economy, efficiency and effectiveness
- ▶ Review the Annual Governance Statement (AGS) to consider whether it complied with the CIPFA / SOLACE "Delivering Good Governance in Local Government" framework and whether it is misleading or inconsistent with other information known to the external auditor from the audit work.
- ▶ Examine the Whole of Government Accounts (WGA) schedules submitted to the Department for Communities and Local Government and form an opinion as to whether they are consistent with the Statement of Accounts.

And extends to other powers conferred on the external auditor by legislation, including:

- ▶ Issue of Public Interest Reports
- ▶ Opportunity for electors to raise questions on accounts. Auditor consider and decide upon objections from electors
- ▶ Power to issue an advisory notice or to apply to the court for a declaration that an item of account is unlawful
- ▶ Power to apply for judicial review with respect to a decision of an audited body

In order to form an opinion on the truth and fairness of the financial statements, the external audit process involves gathering evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements:

- ▶ Are free from material misstatement, whether caused by fraud or error
- ▶ Comply with all statutory requirements
- ▶ Comply with all relevant requirements for accounting presentation and disclosure.

External auditors are able to perform additional services for the Council if requested, but in all instances both parties must have consideration for any potential impact on the independence of the external auditor and additional fee payable by the Council.

## Context for the audit

This Audit Plan covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of Hinckley and Bosworth Borough Council (the Council) give a true and fair view of the financial position as at 31 March 2016 and of the income and expenditure for the year then ended;
- ▶ A statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness (the Value for Money conclusion).

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- ▶ The Council's objectives and strategies and the related business and financial risks relevant to the financial statements.
- ▶ Developments in financial reporting, auditing and corporate governance standards.
- ▶ The quality of systems and processes.
- ▶ Changes in the Council's operating and the wider regulatory environment.
- ▶ Matters that management or the Finance, Audit and Performance Committee consider significant in relation to the financial statements and that they have requested we pay particular attention to.

By considering these inputs, our audit is focused on the areas that matter and by focusing on the areas that matter, our feedback is more likely to be relevant to the business.

## Key audit influences

The audit is an iterative process and as we progress our work, we may need to refine our approach.

Our work to date, which informs the content of this report, has consisted of:

- ▶ Initial planning discussions with members of the finance team
- ▶ Attendance at the Finance, Audit and Performance Committee
- ▶ Review of predecessor audit files in respect of the 2014-2015 external audit
- ▶ The results of our planning procedures for the 2015-2016 external audit

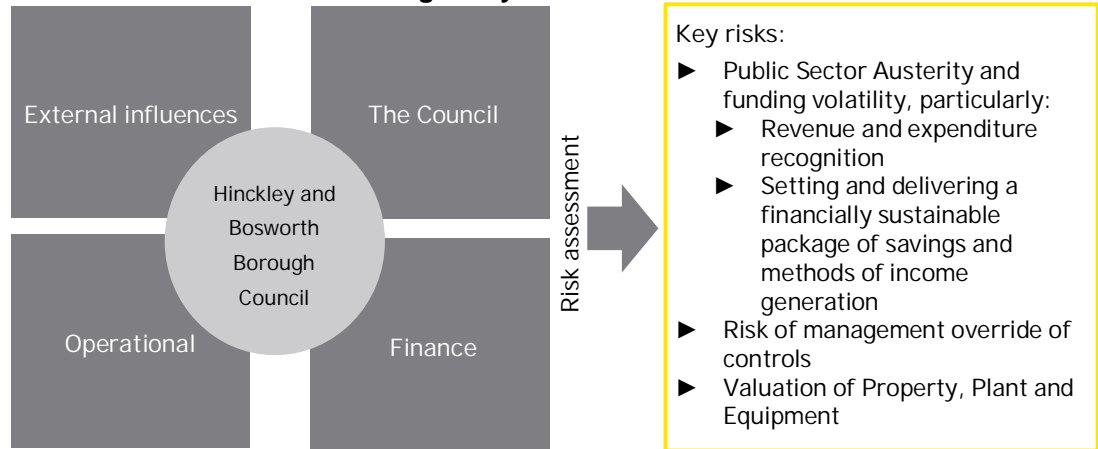
In parts three to six of this plan we provide more detail on the above areas and we outline our plans to address them. Our proposed audit process and strategy are summarised below and set out in more detail in section five.

Our interim work is planned to take place in March 2016 and should this result in any significant changes to this audit plan, these changes will be reported back to the Finance, Audit and Performance Committee at the earliest opportunity.

We will provide an update to the Finance, Audit and Performance Committee on the results of our work in our report to those charged with governance scheduled for delivery in September 2016.

## Our audit process and strategy

### Financial statement audit and regularity audit



We consider materiality in terms of the possible impact of an error or omission on the financial statements and set an overall planning materiality level. We then set a tolerable error to reduce the probability that the aggregate of uncorrected and undetected misstatements exceeds planning materiality to an appropriately low level. We also assess each disclosure and consider qualitative issues affecting materiality as well as quantitative issues.

We will review the work of Internal Audit to support our understanding of the Council's control environment and to evaluate the impact on our own risk assessment. We will assess the controls in operation in each process affecting the financial statements and consider whether we will rely on internal controls.

## Arrangements for securing economy, efficiency and effectiveness

The National Audit Office has consulted on the audit approach for the Value for Money (VFM) conclusion. As a result, there has been a change effective from 2015/16:

	Previously	Revised from 2015/16
Overall conclusion	In all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.	In all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.
Proper arrangements defined by statutory guidance	<ul style="list-style-type: none"> <li>▶ Securing financial resilience - the Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</li> <li>▶ Challenging economy, efficiency and effectiveness - the Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Take informed decisions.</li> <li>▶ Deploy resources in a sustainable manner.</li> <li>▶ Work with partners and other third parties.</li> </ul>

We expect to be able to adopt an integrated audit approach, so our work on the financial statement audit feeds into our consideration of the arrangements in place for securing economy, efficiency and effectiveness.

### Certification work

We certify the Council's annual housing benefits subsidy claim using the PSAA's certification arrangements.

## 2. Key audit influences

### Risk assessment

We analyse the risks inherent in your external environment, the key strategic, operational and financial risks for the Council and our knowledge of other factors that may impact the Council's financial statements. The output of this analysis is then mapped to the financial statements and this risk assessment process informs where we will focus our audit work for the year ended 31 March 2016.

At our meeting, we will seek to validate these with you:

<p style="text-align: center;">External influences</p> <p>2015/16 saw significant funding reductions for local government. The spending review in November 2015 confirmed further significant reductions in the local government funding settlement for 2016/17, with the aim that all local authorities will become self-funded by the end of parliament through retention of council tax and business rates rather than rely on funding from central government.</p>	<p style="text-align: center;">The Council</p> <p>The Council has a Corporate Plan for the period of 2013-2016 which looks at the challenges that the Council faces and how it intends to address them. The plan is based on meeting 4 key objectives;</p> <ol style="list-style-type: none"> <li>1) Creating a vibrant place to work and live</li> <li>2) Empowering communities</li> <li>3) Supporting individuals</li> <li>4) Providing value for money and pro-active services</li> </ol>
<p style="text-align: center;">Operational</p> <p>Corporate objectives are set using feedback from the Council's various consultation mechanisms and feed down through to service plans and individual performance appraisals, aligning Council activities with corporate objectives.</p> <p>Most of the Council's functions are carried out by its Committees. These Committees form part of the decision-making framework of the Council. Each Committee has its own delegations and functions and monitors performance by way of key performance indicators.</p>	<p style="text-align: center;">Finance</p> <p>The Council has a Medium Term Financial Plan in place for 2017-2020, which is currently being The current plan shows that;</p> <ul style="list-style-type: none"> <li>- The Council have planned to use reserve balances to balance the year on year budget as required. The Council has a policy is to hold minimum general fund balances of 10% of the net budget requirement. The plan shows that over the period the Council will not breach this policy.</li> <li>- The Council have proposed efficiency savings of £0.175M in 17/18 and £0.250M in 2018/19.</li> </ul>

This risk assessment process will help inform the focus our audit work for the year ending 31 March 2016.

### 3. Financial Statement Risks

We analyse the risks inherent in your external influences, operational activities and financial risks for the Council and our knowledge of other factors that may impact the Council's financial statements.

These outputs are compared with the risks identified through your own risk management process and mapped to the financial statements where applicable. This risk assessment process will help inform the focus our audit work for the year ending 31 March 2016.

Our audit will also include mandatory procedures that we are required to perform in accordance with applicable auditing standards.

#### 3.1 Significant risks

Of the financial statement risks identified, we are required by Auditing Standards to consider whether any of the risks identified are 'significant' risks to our Council audit. Auditing standards define significant risks as those with a high likelihood of occurrence and, if they were to occur, could result in a material misstatement of the consolidated financial statements:

There are two presumed risks present in every audit:

- ▶ Management override risk\*
- ▶ Risk of fraud in revenue recognition\*

\* As defined by auditing standards

Significant risks	Our audit approach
<p><b>Management override risk</b></p> <p>The risk of fraud exists in any organisation. However, frauds involving the manipulation of results to achieve performance targets would be particularly harmful to the Council's reputation. We have seen recent issues in the sector relating to theft and risk of cybercrime and we will consider these risks as part of our audit work.</p> <p>Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.</p>	<p>Based on the requirements of auditing standards our approach will focus on:</p> <ul style="list-style-type: none"> <li>▶ Identifying fraud risks during the planning stages.</li> <li>▶ Inquiry of management about risks of fraud and the controls put in place to address those risks.</li> <li>▶ Understanding the oversight given by those charged with governance of management's processes over fraud.</li> <li>▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud.</li> <li>▶ Determining an appropriate strategy to address those identified risks of fraud.</li> <li>▶ Developing a testing approach to journal entries.</li> <li>▶ Assessing accounting estimates for evidence of management bias.</li> <li>▶ Evaluating the business rationale for significant unusual transactions.</li> <li>▶ Performing mandatory procedures regardless of specifically identified fraud risks</li> </ul>
<p><b>Risk of fraud in revenue and expenditure recognition</b></p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue</p> <ul style="list-style-type: none"> <li>▶ For the Council we consider that this risk presents itself in fees, charges and other service income</li> </ul> <p>Revenue in this context has been modified by Practice Note 10 which states that auditors should also consider the risk that material misstatements due to fraudulent</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>▶ Review and test revenue and expenditure recognition policies.</li> <li>▶ Review and discuss with management any accounting estimates on revenue and expenditure recognition for evidence of bias.</li> <li>▶ Develop a testing strategy to test material revenue</li> </ul>

#### Significant risks

#### Our audit approach

financial reporting may arise for the manipulation of expenditure recognition.

- ▶ For the Council we consider that this risk presents itself in 'other service expenses'

and expenditure streams.

- ▶ Perform unrecorded liabilities testing

### 3.2 Other key areas of audit focus

We have identified other key areas of the audit that have not been classified as significant risks but are still important when considering the risks of material misstatement to the financial statements and disclosures.

#### Other financial statement risks

#### Our audit approach

##### Pensions

The need to retain and reward staff with attractive retirement benefits creates pressure on the Council to ensure pension contributions are adequate to meet each scheme's liabilities over the longer term. The Council participates in the Local Government Pension Scheme. The volatility in global investment markets and the associated impact on scheme surpluses/deficits creates the risk of failure to maintain a financially robust pension provision for staff.

We will audit the assumptions used when accounting for pension obligations and related disclosures with support from our actuarial specialists.

##### Property, Plant and Equipment Valuation

The Council has a large and complex asset base that makes a significant proportion of its balance sheet and has various capital projects in place.

We will:

- ▶ Test the revaluation cycle, including instruction and completeness of information provided by the valuer
- ▶ Review the classification of assets and ensure the correct valuation methodology has been applied
- ▶ Consider the approach adopted by the valuer and their findings, making use of our valuation experts as appropriate
- ▶ Review the accounting treatment of capital projects to ensure that the methodology and application is appropriate.

Respective responsibilities in relation to fraud and error

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- ▶ Identifying fraud risks during the planning stages;
- ▶ Enquiry of management about risks of fraud and the controls to address those risks;
- ▶ Understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determining an appropriate strategy to address any identified risks of fraud; and



- ▶ Performing mandatory procedures regardless of specifically identified fraud risks.

We will consider the results of the National Fraud Initiative and may refer to it in our reporting to you.

## 4. Respective responsibilities in relation to fraud and error

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- ▶ Identifying fraud risks during the planning stages;
- ▶ Enquiry of management about risks of fraud and the controls to address those risks;
- ▶ Understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determining an appropriate strategy to address any identified risks of fraud, and,
- ▶ Performing mandatory procedures regardless of specifically identified risks.

## 5. Economy, efficiency and effectiveness

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

For 2015/16 this is based on the overall evaluation criterion: "In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people."

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the local authority reporting guidance on governance statements responsibilities published by CIPFA to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice defines as:

*"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"*

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders.

At the time of writing we do not consider there to be any significant risks present in respect of our value for money conclusion, but we will continually revisit this assessment throughout the audit process.

## 6. Our audit process and strategy

### Objective and scope of our audit

Under the National Audit Office's Code of Audit Practice (the 'Code') our principal objectives are to review and report on, the Council's:

- ▶ Financial statements.
- ▶ Arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue a two-part audit report covering both of these objectives.

We will also review and report to the NAO on the Whole of Government Accounts return to the extent and in the form they require.

### Audit process overview

#### Processes

A key consideration in our audit planning process is the effectiveness of entity level controls; including the extent to which the Council assesses risk, implements controls in order to minimise risk and performs ongoing testing and monitoring of the effectiveness of the controls implemented.

#### Analytics

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Finance, Audit and Performance Committee.

#### Internal audit

We will review Internal Audit plans and the results of its work, and consider the implications for our external audit and respond accordingly.

#### Use of experts

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Pensions	EY pensions team
Property, Plant and Equipment	Hinckley and Bosworth Borough Council's appointed valuer

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's environment and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the expert to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

### **Mandatory procedures required by auditing standards**

As well as the financial statement risks outlined in section three, we must perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

#### **Procedures required by standards**

- ▶ Addressing the risk of fraud and error;
- ▶ Significant disclosures included in the financial statements;
- ▶ Entity-wide controls;
- ▶ Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- ▶ Auditor independence.

#### **Procedures required by the Code**

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.
- ▶ Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

Finally, we are also required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014.

### **Materiality**

For the purposes of determining whether the financial statements are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition.

We will communicate our materiality level to you after we have completed our interim procedures in March 2016.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

## **Fees**

The duty to prescribe scales of fees is a statutory function delegated to PSAA by the Secretary of State for Communities and Local Government. In law, audit fees are not a fee for audit services, but a charge to fund operating costs, out of which the costs of audits are met (<http://www.psa.co.uk/audit-and-certification-fees/201516-work-programme-and-scales-of-fees/>).

PSAA has published a scale fee for all authorities. The indicative scale fee for the audit of Hinckley and Bosworth Borough Council is £49,410 compared to the and the assumptions underpinning the fee are set out in Appendix A. If any of the assumptions prove to be unfounded, we will seek a variation to the agreed fee and this will be discussed with the Council in advance. The audit fee for 2014/15 was £65,880.

## **Your audit team**

The engagement team is led by Steve Clark, who has significant experience of local authority audits. Steve is supported by Avtar Sohal, a Manager who will be responsible for the day-to-day direction of our audit and the key point of contact for the Chief Finance Officer.

Our audit team also includes a number of specialists to assist us with our procedures, including specialists in valuations, pensions, taxation and IT. Where appropriate we will also leverage wider expertise from within the firm. For example: we have a firm wide local authority audit network to share best practice, identify common issues and to develop a consistent audit approach.

## Timetable of communication and deliverables

We have set out below a timetable showing the key stages of the audit, including the VFM work and the Whole of Government Accounts. The timetable includes the deliverables we have agreed to provide to the Council through the Finance, Audit and Performance Committee's cycle in 2015/16 and 2016/17.

From time to time matters may arise that require immediate communication with the Finance, Audit and Performance Committee and we will discuss them with the Committee Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter to communicate the key issues arising from our work to the Council and external stakeholders, including members of the public

Audit phase	Timetable	Finance, Audit and Performance Committee Timetable	Deliverables
High level planning	<b>January 2016</b>	March 2016	▶ Audit Plan
Risk assessment and interim testing of routine processes and controls	<b>February 2016</b>		
Year-end audit	<b>August 2016</b>		
Completion of audit	<b>August 2016</b>	September 2016	<ul style="list-style-type: none"> <li>▶ Report to those charged with governance via the Audit Results Report</li> <li>▶ Audit report (including our opinion on the financial statements and overall value for money conclusion).</li> <li>▶ Audit completion certificate</li> <li>▶ Reporting to the NAO on the Whole of Government Accounts return.</li> </ul>
Conclusion of reporting	<b>October 2016</b>	November 2016	▶ Annual Audit Letter
Benefit claim	<b>May – November 2016</b>		▶ Certified claim
Reporting on certification work	<b>December 2016</b>	January 2017	▶ Annual certification work report

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters.

## 7. Certification work for housing benefits

Certification work involves executing prescribed tests which are designed to give reasonable assurance that the Council's annual housing benefits subsidy claim is fairly stated and in accordance with specified terms and conditions. Certification work is not an audit.

The work necessary is determined by the Department of Works and Pensions.

Where possible we integrate our benefits certification work with our opinion and other work. We also aim to rely on the work of internal audit and benefits staff where possible.

We will report to the Finance, Audit and Performance Committee the results of our benefits certification work.

Public Sector Audit Appointments set an indicative fee for benefits certification work for each body. The indicative fee is based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate claims, with supporting working papers, within agreed timeframes.

The indicative fee for Hinckley and Bosworth Borough Council is £14,850. In 2014/15 the fee was £19,330.



## 8. Independence

### Introduction

The APB Ethical Standards and ISA (UK and Ireland) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear on our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we do this formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

#### Required communications:

Planning stage	Final stage
<ul style="list-style-type: none"><li>▶ The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your affiliates and directors and us;</li><li>▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality Review;</li><li>▶ The overall assessment of threats and safeguards;</li><li>▶ Information about the general policies and process within EY to maintain objectivity and independence.</li></ul>	<ul style="list-style-type: none"><li>▶ A written disclosure of relationships (including the provision of non-audit services) that bear on our objectivity and independence, the threats to our independence that these create, any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</li><li>▶ Details of non-audit services provided and the fees charged in relation thereto;</li><li>▶ Written confirmation that we are independent;</li><li>▶ Details of any inconsistencies between APB Ethical Standards, the PSAA's Terms of Appointment and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and</li><li>▶ An opportunity to discuss auditor independence issues.</li></ul>

During the course of the audit we must also communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of our safeguards, for example when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future contracted services, and details of any written proposal to provide non-audit services;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period are disclosed, analysed in appropriate categories.

### Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. However we have adopted the safeguards below to mitigate these threats along with the reasons why they are considered to be effective.

#### **Self-interest threats**

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Council.

At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services, and we will comply with the policies that the Council has approved and that are in compliance with PSAA Terms of Appointment.

At the time of writing, there are no non-audit fees.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to the Council. We confirm that no member of our audit engagement team, including those from other service lines, is in this position, in compliance with Ethical Standard 4.

There are no other self-interest threats at the date of this report.

#### ***Self-review threats***

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no other self-review threats at the date of this report.

#### ***Management threats***

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work.

There are no management threats at the date of this report.

#### ***Other threats***

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

#### ***Overall Assessment***

Overall we consider that the adopted safeguards appropriately mitigate the principal threats identified, and we therefore confirm that EY is independent and the objectivity and independence of Steve Clark, the audit engagement Partner and the audit engagement team have not been compromised.

#### **Other required communications**

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes within EY for maintaining objectivity and independence can be found in our annual Transparency Report, which the firm is required to publish by law. The most recent version of this report is for the year ended June 2015 and can be found here:

<http://www.ey.com/UK/en/About-us/EY-UK-Transparency-Report-2015>

## Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2015/16 £
Opinion Audit and VFM Conclusion	49,140
Total Audit Fee – Code work	49,140
Certification of housing benefits subsidy claim	14,850
Non-audit work	Nil

*All fees exclude VAT.*

The agreed fee presented above is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Good quality early drafts of the Council's Annual Governance Statement and Financial Statements are available for us to review.
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of supporting documentation is provided by the Council; and
- ▶ The Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

## Appendix B Required communications with those charged with governance

There are certain communications that we must provide to the Finance, Audit and Performance Committee. These are detailed here:

Required communication	Reference
<p><b>Planning and audit approach</b> Communication of the planned scope and timing of the audit including any limitations.</p>	<p>▶ Audit Plan</p>
<p><b>Significant findings from the audit</b></p> <ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	<p>▶ Report to those charged with governance</p>
<p><b>Misstatements</b></p> <ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ In writing, corrected misstatements that are significant</li> </ul>	<p>▶ Report to those charged with governance</p>
<p><b>Fraud</b></p> <ul style="list-style-type: none"> <li>▶ Enquiries of the Finance, Audit and Performance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ A discussion of any other matters related to fraud</li> </ul>	<p>▶ Report to those charged with governance</p> <p>▶ Letter to Governance Committee Chair</p>
<p><b>Related parties</b> Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	<p>▶ Report to those charged with governance</p>
<p><b>External confirmations</b></p> <ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	<p>▶ Report to those charged with governance</p>
<p><b>Consideration of laws and regulations</b></p> <ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the Finance, Audit and Performance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Finance, Audit and Performance Committee may be aware of</li> </ul>	<p>▶ Report to those charged with governance</p>

Required communication	Reference
<p><b>Independence</b></p> <p>Communication of all significant facts and matters that bear on EY's objectivity and independence</p> <p>Communication of key elements of the audit engagement director's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul>	<ul style="list-style-type: none"> <li>▶ Audit Plan</li> <li>▶ Report to those charged with governance</li> </ul>
<p><b>Going concern</b></p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	<ul style="list-style-type: none"> <li>▶ Report to those charged with governance</li> </ul>
<p><b>Significant deficiencies in internal controls identified during the audit</b></p>	<ul style="list-style-type: none"> <li>▶ Report to those charged with governance</li> </ul>
<p><b>Fee Information</b></p> <ul style="list-style-type: none"> <li>▶ Breakdown of fee information at the agreement of the initial audit plan</li> <li>▶ Breakdown of fee information at the completion of the audit</li> </ul>	<ul style="list-style-type: none"> <li>▶ Audit Plan</li> <li>▶ Report to those charged with governance</li> <li>▶ Annual Audit Letter if considered necessary</li> </ul>
<p><b>Opening Balances (initial audits)</b></p> <ul style="list-style-type: none"> <li>▶ Findings and issues regarding the opening balance of initial audits</li> </ul>	<ul style="list-style-type: none"> <li>▶ Report to those charged with governance</li> </ul>
<p><b>Certification work</b></p> <ul style="list-style-type: none"> <li>▶ Summary of certification work undertaken</li> </ul>	<ul style="list-style-type: none"> <li>▶ Annual Report to those charged with governance summarising grant certification</li> <li>▶ Annual Audit Letter if considered necessary]</li> </ul>

EY | Assurance | Tax | Transactions | Advisory

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# ***Internal Audit Progress report***

Hinckley and  
Bosworth Borough  
Council

March 2016

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For information	Finance, Audit and Performance Committee
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# Introduction

## *Purpose of this report*

We are committed to keeping the Finance, Audit and Performance Committee up to date with Internal Audit progress and activity throughout the year. This summary has been prepared to update you on our activity since the last meeting of the Finance, Audit and Performance Committee and to bring to your attention matters that are relevant to your responsibilities as members of the Authority's Finance, Audit and Performance Committee.

## *2015/16 Internal Audit Plan Progress*

The draft 2015/16 Internal Audit Plan to the Finance, Audit and Performance Committee at the meeting on 13 April 2015 and this was finalised and approved at the Finance, Audit and Performance Committee meeting on 10 August 2015. The Internal Audit Plan sets out the risks that identified as part of the planning process, together with the targeted work to be performed in order to address the identified risks. We will report back to you on any changes to the assessment of audit risks and on the work undertaken in response to the risks identified.

We have continued our Internal Audit fieldwork and are pleased to report since our previous progress report we have issued final reports in relation to:

- Markets; and
- Housing Repairs.

A detailed assessment of our performance against the Internal Audit Plan, tracking assignments undertaken and planned activity is shown in Appendix One. At the time of writing this report we have completed 90 days (78%) of the planned audit days. Owing to a reduction in the number of audit days arising from some changes to the Internal Audit Plan this actually represents 90% of the revised audit planned days.

## *2016/17 Internal Audit Plan*

We have started the process of assessing your risks and have a number of meetings with senior officers arranged to support the development of our 2016/17 Internal Audit Plan. We will share a draft Internal Audit Plan for your consideration at the May Finance, Audit and Performance Committee meeting.

# Activity and progress

## Final reports

Since our previous Internal Audit Progress Report, we have issued final reports for the following reviews performed in accordance with the 2015/16 Internal Audit Plan:

Ref	Name of audit	Conclusion	Date final report issued	Number of recommendations made			
				Critical	High	Medium	Low
B4	Town Centre Management - Markets	Low risk	February 2016	0	0	1	3
C1	Housing Repairs	Low risk	February 2016	0	0	1	1

We have summarised the main findings from the reports below:

### *Town Centre Management – Markets*

We identified one medium risk finding relating to the action plan. The Action Plan requires further refinement to determine specific, feasible actions that will add most value to the market. Accurate budgeting should be used to evaluate each action to determine if it should be pursued. The Action Plan and progress to date should be effectively challenged and debated at Market Development Group meetings.

We have also identified three low risk issues:

- The Council policies and procedures do not include a number of points which are suggested by the National Association of British Market Authorities (NABMA). Policies and procedures should be updated to reflect this, and the recent change in invoice due dates for licenced traders;
- Our review of compliance with policies and procedures found that documentation held on market traders is insufficient, and importantly insurance documentation is not always retained. In addition, the policy on suspension for non-payment of licence fees is not consistently enforced; and
- There is no segregation of duties between the collection, recording and banking of physical cash as rent from casual stall holders, and there is no reconciliation performed between the cash receipt book and cash banked. This could lead to cash being lost from the Council.

### *Housing Repairs*

We identified one medium risk finding relating to the stock condition data. An exercise to reconcile the 3 systems (Orchard, financial folders and Integrator) was carried out in July 2015 and a master spreadsheet was created. We tested the data on the spreadsheet back to Orchard and found that there were several inconsistencies.

We identified one low risk findings relating to the tenant recharge policy. There are gaps in the tenant recharge procedure notes and testing identified a lack of documentation held for recharges processed.

## *Draft reports*

Since our previous Internal Audit Progress Report, we have issued a draft report for the following review performed in accordance with the 2015/16 Internal Audit Plan:

- Finance Systems

## *Ongoing fieldwork*

Work is progressing in the following areas:

- **Medium Term Financial Strategy:** fieldwork has commenced and a draft report is expected to be issued to management in early April;
- **Corporate Governance and Risk Management:** fieldwork has commenced and a draft report is expected to be issued to management in early April; and
- **Housing Rents:** a scoping meeting was held on the 24 February, fieldwork to begin early March.

## *Changes to the Internal Audit Plan*

We have continued to review our Audit Plan on an ongoing basis to ensure that it considers your risks. On that basis, we have made the following revisions to our audit plan as outlined below:

- Our original plan included 5 days for a review of Partnerships and Joint Arrangements to be performed during quarter 4. From discussions with the Chief Officers of both Housing, Community Safety & Partnerships and Corporate Governance & Housing Repairs it is understood that management would like to take more time to identify an appropriate partnership to be subject to a detailed internal audit review and this requires discussion with stakeholders and management. Instead, the scope of the Partnerships and Joint Arrangements review will be extended and included as part of the 2016/17 Internal Audit Plan;
- Our original plan included 5 days for a review of the HRA Investment Plan to be performed during quarter 2. From discussions with the Chief Officer (Housing, Community Safety & Partnerships) it is understood that following on from Central Government legislative changes and the reduced available investment budget the HRA Investment Strategy is due to be rewritten over the coming months. It was agreed it would be more beneficial to have an audit next year once the new strategy is adopted and we can assess delivery against the new HRA Investment Plan. As a result it is proposed that the HRA Investment Plan review will be performed as part of the 2016/17 Internal Audit Plan; and
- Our original plan included 5 days for a review of Recycling and Refuse Collection to be performed during quarter 4. A scoping meeting was held and terms of reference developed; however owing to the late implementation of the recycling charges the department is now committed to delivering this new programme and it is not considered appropriate to conduct an internal audit review simultaneously. Instead it is proposed that the Recycling and Refuse Collection review will be considered for inclusion in the 2016/17 Internal Audit Plan

# Appendix 1: 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>
Completed reviews									
A7	Project Management	15	15	24 <sup>th</sup> February 2016	Q2	2 <sup>nd</sup> October 2015	16 <sup>th</sup> October 2015	23 <sup>rd</sup> October 2015	October 2015
A14	Safeguarding	10	10	August 2015	October 2015	20 <sup>th</sup> November 2015	27 <sup>th</sup> November 2015	20 <sup>th</sup> January 2016	February 2016
B3	Building Control Service	5	5	July 2015	October 2015	30 <sup>th</sup> November 2015	December 2015	January 2016	February 2016
B4	Town Centre Management – Markets	5	5	November 2015	December 2015	13 <sup>th</sup> January 2015	20 <sup>th</sup> January 2015	27 <sup>th</sup> January 2016	February 2016
C1	Housing Repairs	5	5	October 2015	December 2015	18 <sup>th</sup> January 2016	25 <sup>th</sup> January 2016	1 <sup>st</sup> February 2016	February 2016
D1	Council Tax	5	5	October 2015	November 2015	4 <sup>th</sup> January 2016	12 <sup>th</sup> January 2016	13 <sup>th</sup> January 2016	February 2016
D2	Business Rates	5	5	October 2015	November 2015	4 <sup>th</sup> January 2016	12 <sup>th</sup> January 2016	13 <sup>th</sup> January 2016	February 2016
Ongoing reviews									

<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	20	September 2015	December 2015/January 2016	10 <sup>th</sup> February 2016	17 <sup>th</sup> February 2016	24 <sup>th</sup> February 2016**	March 2016
A2	Medium Term Financial Strategy	5	3	2 <sup>nd</sup> February 2016	February 2016	8 <sup>th</sup> March 2016	14 <sup>th</sup> March 2016	21 <sup>st</sup> March 2016	May 2016
A5	Corporate Governance and Risk Management	7	4	2 <sup>nd</sup> February 2016	February 2016	8 <sup>th</sup> March 2016	14 <sup>th</sup> March 2016	21 <sup>st</sup> March 2016	May 2016
B1	Housing Rents	5	0.5	24 <sup>th</sup> February 2016	March 2016	25 <sup>th</sup> March 2016	1 <sup>st</sup> April 2016	8 <sup>th</sup> April 2016	May 2016
M1	Audit Management	10	9	n/a	n/a	n/a	n/a	n/a	n/a
Changes to the Internal Audit Plan									
A6	Partnerships / Joint Arrangements	5	0.25	24 <sup>th</sup> February 2016	Review not to take place during 2015/16				
B2	HRA Investment Plan	5	0.25	24 <sup>th</sup> February 2016	Review not to take place during 2015/16				
B5	Recycling and Refuse Collection	5	0.25	13 <sup>th</sup> January 2016	Review not to take place during 2015/16				
<b>Total days (excl. contingency)</b>		<b>112</b>	<b>87.25</b>	n/a	n/a	n/a	n/a	n/a	n/a

<b>Ref</b>	<b>Auditable unit</b>	<b>Indicative number of days*</b>	<b>Actual audit days to date</b>	<b>Scoping meeting date</b>	<b>Proposed fieldwork dates</b>	<b>Proposed draft report date</b>	<b>Proposed management response date</b>	<b>Proposed final report date</b>	<b>Audit Committee reporting date</b>
	Contingency	3	3***						
	<b>Total days</b>	<b>115</b>	<b>90.25</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

\* 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.

\*\* The draft report was issued to management on 29 February 2016; however at the time of drafting this report we have not received any management responses so it has not been possible to issue a final report as anticipated. We expect to issue a final report over the next few weeks.

\*\*\* 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

The following table identifies internal audit recommendations which are currently overdue their expected implementation deadline. A discussion was held with the Interim Head of Finance on the 24<sup>th</sup> February with regards to management addressing the significant number of overdue actions going forward and we will update on progress in our future reports.

Audit Title	Finding Heading	Finding Rating	Action Reference	Agreed Action	Action Status	Responsible People	Implementation Deadline	Days Overdue
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	01/01/2012	1523
CWAS - Brought forward issues	VOA and CT System Reconciliation	Advisory	New	The discrepancies should be investigated and rectified.	Open	Leigh Butler, Sally O Hanlon, Storme Coop, Sue Williams	31/03/2014	703
CWAS - Brought forward issues	Procedure notes	Advisory	New	Consideration should be given for another person within the HR/Payroll Section to follow the procedure notes to ensure that the payroll could be processed in the absence of the Payroll Assistant.	Open	Julie Stay	30/09/2014	520
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	216
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	31/07/2015	216

				could be tracked and an Indicator of complexity of caseload devised.				
CWAS - Brought forward issues	Compliance with policies around advertising properties	Advisory	New	Management information should be produced to enable officers to monitor the advertising of vacancies to ensure that the policies relating to the advertising of properties in the sub-region are adhered to.	Open	Jo Wykes	31/07/2015	216
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	184
CWAS - Brought forward issues	Annual Review of Applications	Advisory	New	Officers should consider reinstating an annual review of applicants' circumstances.	Open	Jo Wykes	30/09/2015	155
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	30/09/2015	155
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	30/09/2015	155
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	30/09/2015	155



CWAS - Brought forward issues	Capital Programme - Underlying assumptions	Advisory	New	Any underlying assumptions that provide the basis for the capital programme should be formally documented.	Open	Julie Kenny	31/10/2015	124
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	63
Safeguarding	Evidence of fulfilling safeguarding responsibilities	Medium	SG1	1) The 'further action' section of the Incident Report Form will be reviewed for relevance and modified as necessary. 2) The DSO section of the Incident Report form will be modified to include sections to record the following when no referral is made: <input type="checkbox"/> - rationale for decision not to refer <input type="checkbox"/> - review of decision by a second DSO 3) DSOs will be reminded of the importance of including sufficient documentation on file to ensure the decision making process can be adequately followed.	Open	Sharon Stacey, Simon Jones	09/02/2016	23
Revenues and Benefits	Council tax: supporting evidence and review of discounts and exemptions – operating effectiveness	Medium	New	Assessors will be reminded of the need to ensure the required evidence is obtained before awarding discounts and exemptions. Reviews should be carried out as soon as they become due. Management has been provided with a list of the cases identified above. This should be reviewed by Team Leaders and followed up as necessary.	Open	Sue Williams	29/02/2016	3
Revenues and Benefits	Council tax: reconciliation to VO listing – operating effectiveness	Low	New	Reconciliations will be signed by an appropriately senior person and dated.	Open	Sue Williams	29/02/2016	3

Revenues and Benefits	NNDR: inspections – operating effectiveness	Low	New	Reconciliations will be signed by an appropriately senior person and dated.	Open	Sue Williams	29/02/2016	3
Revenues and Benefits	NNDR: reconciliation to VO listing – operating effectiveness	Low	New	Reconciliations will be signed by an appropriately senior person and dated.	Open	Sue Williams	29/02/2016	3
Building Control	Budget monitoring – control design	Low	New	1) The Building Control team should have the opportunity to influence the budget setting process to ensure that realistic targets are set within the constraints of regulations over fee setting.2) Budgets should be profiled to incorporate seasonality of income so that budget monitoring is useful and informative. Action plans should be produced from monthly budget discussions.	Open	Nic Thomas	29/02/2016	3
Building Control	Review of individually determined fees – control design	Low	New	On a regular basis (every quarter) a sample of individually priced fees will be checked and assessed for reasonableness.	Open	Nic Thomas	29/02/2016	3



**FINANCE, AUDIT AND PERFORMANCE COMMITTEE –  
21 MARCH 2016**

**BUSINESS RATES AND POOLING UPDATE**

**REPORT OF INTERIM HEAD OF FINANCE (DEPUTY S151 OFFICER)**

**WARDS AFFECTED: ALL WARDS**

1. PURPOSE OF REPORT

1.1 To inform the committee of business rates performance from 1 April - 31 December 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 December 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
Dec-15	11,690	152	476	(8,967)	3,351	2,359	992	496	-260

3.5 The above table shows that as at 31 December 2015, the Council is forecasting £496,000 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 instances 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 indication is for a forecast surplus of £4.2m for the pool, although pressure from the need to make provisions for appeals may reduce this.
- 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 (JB)

Section 59A of the Local Government Finance Act 1988 allows local authorities to pool business rates. The pooling between the Leicestershire Council's 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

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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 – 21 MARCH 2016

### SUNDRY DEBTS – QUARTER 3 2015/2016

#### REPORT OF INTERIM HEAD OF FINANCE (DEPUTY S151 OFFICER)

#### WARDS AFFECTED: ALL WARDS

#### 1. PURPOSE OF REPORT

1.1 To inform members of the position on sundry debts as at 31 December 2015.

#### 2. RECOMMENDATION

2.1 That the committee note the current aged debt position for sundry debts.

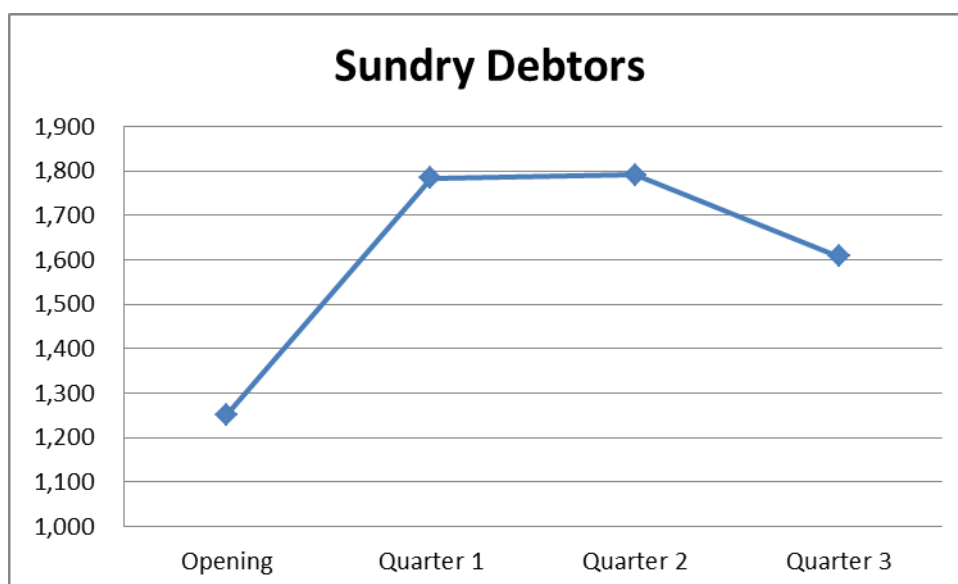
2.2 That the committee note that a report will follow at the next meeting on the action being taken on recovery of estates debt.

#### 3. BACKGROUND TO THE REPORT

3.1 As at 31 December 2015 there were 1,805 sundry debt invoices outstanding with a value of £1,608,241<sup>1</sup> (an average balance of £890.660). This balance can be broken down by age as follows:

Credits and Refunds	Not Yet Due	< 30 Days	30 - 59 Days	60 - 89 Days	90 - 119 Days	> 120 Days	Total Debt
£	£	£	£	£	£	£	£
962	98,361	307,377	348,199	40,371	116,410	698,485	1,608,241

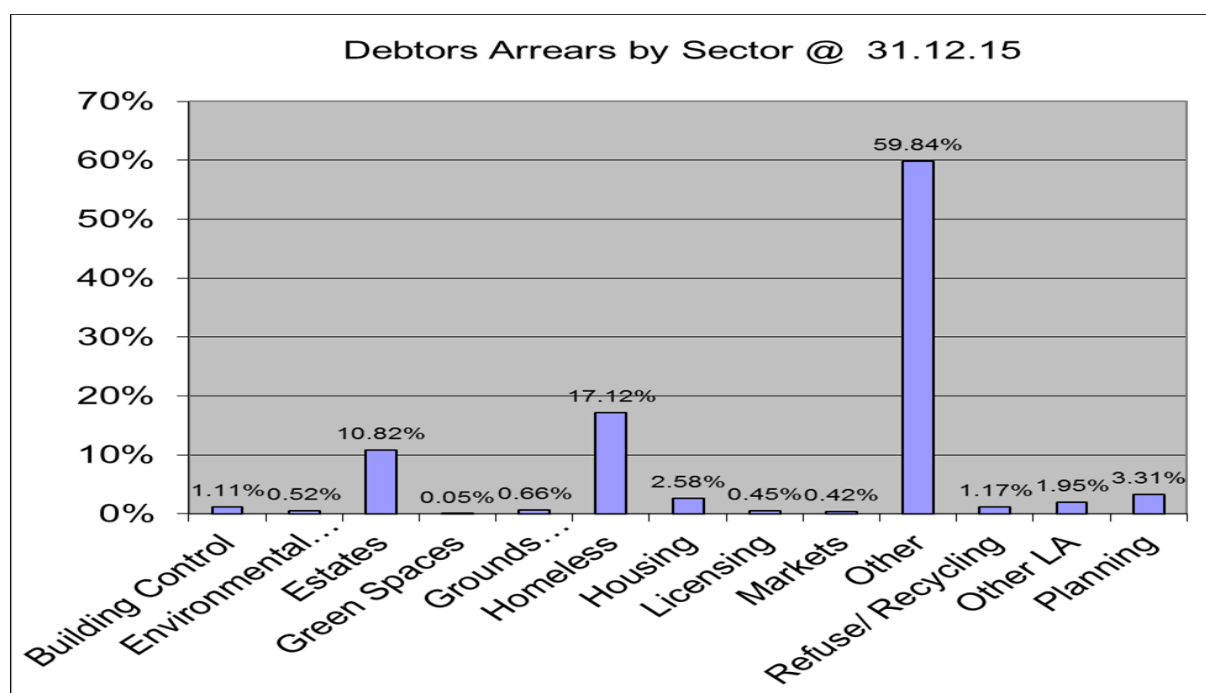
3.2 The value of aged debt has been mapped for 2015/16 for information. The value of debt has decreased marginally since the first quarter, but is higher than the beginning of the year mainly due to the issuing of quarterly invoices in December.



<sup>1</sup> Note, this balance does not include an invoice raised for the CPO amounts due from Tin Hat Partnership as these will be paid through the Council's solicitors and offset by a corresponding payment

3.3 In order to ensure that the Council adopts a prudent approach to accounting for debt that might not be due, a “provision for doubtful debts” is made against the year end balance. The value of this provision for 2014/15 was £131,498

3.4 The split of the current debt position over 120 days by type of debt is detailed below. The largest element is for “Other” debts which are up from 23.76% to 59.84%. There are 4 large debts within this figure which have now been processed. Homelessness Bonds have reduced to 17.12%, from the 22.37% reported at the last committee. The provision of these bonds is funded by the Council’s Homelessness Prevention Grant which is provided by the DCLG annually. Whilst efforts are made to recover these amounts through ongoing contact with tenants by housing and revenues and benefits officers, legal action is not generally taken in these cases. This is on the basis that it is unlikely that the debtor will also be able to pay the additional charges levied and also to uphold the “sentiment” of the Council’s Anti Poverty Strategy.



4. FINANCIAL IMPLICATIONS (IB)

Contained within the body of the report.

5. LEGAL IMPLICATIONS MR

The legal implications are contained within the report.

6. CORPORATE PLAN IMPLICATIONS

Sundry Debts contributes to delivery of all Corporate Plan objectives.

7. CONSULTATION

None.

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
Failure to recover debt owed to the Council	Robust recovery methods and monitoring.	Katherine Plummer

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Any future reviews of the Debt Recovery Strategy will be impact assessed to understand any impacts on our community (ie ability for those on lower incomes to pay)

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

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Background papers: Civica Reports

Contact Officer: Ilyas Bham, Accountancy Manager, Ext 5694

Executive Member: Councillor M Surtees

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## FINANCE AUDIT & PERFORMANCE COMMITTEE 21 MARCH 2016

### TREASURY MANAGEMENT TO 31 DECEMBER 2015

#### REPORT OF INTERIM HEAD OF FINANCE (DEPUTY S151 OFFICER)



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

#### WARDS AFFECTED: ALL WARDS

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#### 1. PURPOSE OF REPORT

- 1.1 To inform the Committee of the Council's Treasury Management activity in the third quarter of 2015/16.

#### 2. RECOMMENDATION

- 2.1 That the Committee note the report.

#### 3. BACKGROUND TO THE REPORT

- 3.1 At its meeting in February 2015 the Council approved the Council's Treasury Management Policy for the year 2015/16 and delegated the oversight of the execution of the Policy to the Select Committee.

This report sets out the Treasury Management activities for the first nine months of 2015/16 and shows that they are in line with the limits set out in the Policy.

Treasury Management covers two main areas:-

1. The management of day to day cash flows by way of short term investing and borrowing. Longer term investment opportunities may arise depending on cash flow requirements.
2. Management of the Council's Long term debt portfolio which is used to finance capital expenditure that cannot be immediately funded by internal resources (e.g. by Capital Receipts).

#### 3.2 Economic Background

- The economic recovery was shown to have slowed by more than previously thought in Q3 2015(quarter ended 30.9.15), with real GDP growth decelerating from a downwardly-revised 0.5% in Q2(from 0.7%) to 0.4% (from 0.5%). The annual growth rate in Q3 was also revised down from 2.3% to 2.1%. The revisions were driven largely by weaker contributions from investment expenditure.
- The latest survey evidence and official monthly data suggest that the recovery picked up pace again during the final quarter of 2014, the Markit/CIPS composite PMI is consistent with quarterly GDP growth strengthening to about 0.6%, which would imply 2.2% GDP growth in 2015 as a whole. Q3's usually weak contribution output to overall GDP is also likely to have been reversed in Q4.
- Consumer spending will probably have provided a significant boost, given the retails sales experienced what was almost certainly their strongest quarter this year in Q4. (In fact, it would take over a 2% monthly plunge in sales volumes in December for Q4's quarterly growth rate to not be the strongest.)

Spending off the high street looks to have feared well too, in part owing to consumer confidence remaining high. Survey measures such as the CBI's consumer services could have risen in Q4 from 1.6% to as much as 3%.

- The jobs recovery pressed on in Q3, as employment rose by 176,000, and by a further 91,000 in October, pushing the employment rate up to record high. Consequently, the unemployment rate was driven down to four successive months between July and October.
- These labour market figures will have reassured MPC doves the inflationary pressures remain muted, thereby reinforcing expectations that a rate rise is still some way off. Only recently the newest MPC member, Gertjan Vlieghe, stressed that he needs to see a decisive acceleration of wage growth before considering voting for a rate hike. Additionally, weak inflationary pressure from the labour market have been compounded by renewed balls in the energy prices in reinforcing the case to keep rates on hold for while yet.

### 3.3 Investment Activity

The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time, ensuring adequate liquidity, with the investment return being the final objective. Following the economic background above, officers are implementing an operational strategy which tightens the controls already in place in the approved investment strategy.

The Council's investment criteria, approved by Council in February 2015 are:-

- **Banks 1 - Good Credit Quality** – the Council will only use banks which:
  - i) Are UK banks; and/or
  - ii) Are non-UK and domiciled in a country which has a minimum Sovereign long term rating of AAA.

And have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- i) **Short Term** – F1
  - ii) **Long Term** – A
- **Banks 2 – Part Nationalised UK Banks** (Lloyds Banking Group & Royal Bank of Scotland) – These banks will be included if they continue to be part nationalised or they meet the ratings criteria in Bank 1 above.
  - **Banks 3** - The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
  - **Bank Subsidiary and treasury operations** – the Council will use these where the parent bank has the necessary ratings outlined above or has provide an appropriate guarantee.
  - **Building Societies** – the Council will use all Societies which:
    - i) meet the ratings for banks outlined above or are both:
    - ii) Eligible Institutions; and
    - iii) Have assets in excess of £500m.
  - **Money Market Funds** – AAA
  - **Enhanced Money Market Funds.**

- **UK Government** (including gilts and the DMADF)
- **Local Authorities, Parish Councils etc**
- **Supranational institutions**
- **Property fund and Corporate Bonds** – The Council will use these funds if they meet the creditworthiness criteria. No decision will be made on the use of these funds without Council approval.

Funds for investment come from the following Sources

- a) Revenue Account Balances held by the Council
- b) Earmarked Reserves and Provisions
- c) Unapplied Capital Receipts
- d) Cash flow balances - income received before expenditure needs to be incurred

As at 31 December 2015 the Council held the following investments totalling £13,968,400

Counterparty	Investment Date	Maturity Date	Amount	Interest Rate
Coventry BS	01/12/2015	04/01/2016	2,000,000	0.4000
Principality BS	09/12/2015	04/01/2016	1,650,000	0.4000
Black Rock MMF	23/12/2015	04/01/2016	1,330,000	0.3530
Hinckley & Rugby BS	23/12/2015	22/01/2016	2,000,000	0.4000
Skipton BS	29/12/2015	29/01/2016	2,000,000	0.4000
Coventry BS	29/12/2015	29/01/2016	1,300,000	0.4000
Coventry BS	30/12/2015	01/02/2016	500,000	0.4100
Hsbc Bank	30/12/2015	02/01/2016	1,188,400	0.3500
West Bromwich BS	31/12/2015	01/02/2016	2,000,000	0.4200
<b>Total</b>			<b>13,968,400</b>	

Details of all investments held from April 2015 to December 2015 are included in Appendix A.

Details of the weighted average investment to December 2015 are shown in the table below together with the average overnight, 7 day and 1 month London Inter Bank Bid (LIBID) as a bench mark to the rates received by the Council.

Period	Weighted Average invested	Average period (days)	HBBC Average Return	Overnight LIBID	7 Day LIBID	1 Month LIBID
April 15 to Dec 15	15,620,059	13	<b>1.2678</b>	0.3563	0.3616	0.3822

The Figures above show that the Council received a rate of return that is compatible with the returns available in the market.

It also shows that the weighted average period is within the maximum set of 0.5 years.

Mergers of Building Societies has meant the Counter Party invest list of organisations has shrunk. Average investments returns are however still higher than the comparable inter bank rate (return of 1.27% compared against 0.38%).

### *Long term borrowing to finance Capital Expenditure*

Excluding the HRA self financing element the Council has a Capital Financing Requirement of around for the current year is £18.14m which arises from previous decisions to incur Capital Expenditure that was not financed immediately by internal resources e.g. Capital Receipts or Grants giving rise to the need to borrow to finance the expenditure. This borrowing requirement can either be met by long or short term external borrowing or by internal borrowing i.e. using the cash behind the authority's balances and reserves and foregoing investment income. At the present time the interest payable on long term borrowing is significantly greater than the returns the Council could expect on its investments and therefore the Council has adopted a policy of being "under-borrowed" with only £3.3m of long term loans on its books. One year loans from the PWLB currently cost 1.46% so if the Council was fully funded with short term money and was receiving investment income of 0.4% there would be a cost of £157,000 pa. With 20 year rates at about 3.40% the additional cost would be £445,000pa. In these circumstances the Council has not undertaken any long term borrowing in the current year and has relied on short term borrowing to meet cash flow needs.

Additionally, as part of the Self Financing HRA Settlement £67.652m has been borrowed from PWLB. Repayment options have been discussed with members and were presented to the Executive on 13<sup>th</sup> March 2012. Repayments for principal amounts for these loans will commence in 5 years time. The loan will be repaid in equal instalments of £2.9414m over 23 yrs.

#### 3.5 Short Term Borrowing

Some short term borrowing took place to cover temporary cash flow shortfalls. The movements are as follows:-

Amount outstanding at 1 April 2015	£7,000,000
Plus Total Amount borrowed to Dec 2015	£2,600,000
Less Total Amount repaid to Dec 2015	£9,600,000
Amount outstanding at Sep 2015	Nil

The average amount borrowed was	£2,370,410
Average period of loans	96 Days
Number of occasions	2
Average rate of interest paid	0.4958%

All borrowing was conducted with the Operational Limit set by the Council

#### 4. FINANCIAL IMPLICATIONS [IB]

- 4.1 Any variations to budgets resulting from borrowing investing activities are reported within the Outturn position.

#### 5. LEGAL IMPLICATIONS [JB]

- 5.1 There are no legal implications arising directly from this report.

#### 6. CORPORATE PLAN IMPLICATIONS

- 6.1 This report supports the following Corporate Aims

- Thriving Economy

7. CONSULTATION

7.1 None

8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 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.

8.3 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	Budgets are scrutinised on an ongoing to ensure assumptions are robust and reflect financial performance and sufficient levels of reverses and balances are maintained to ensure resilience	S.Kohli

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 None

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
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

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Background papers: Civica Reports,  
Capita Reports

Contact Officer: Ilyas Bham, Accountancy Manager x5924

Executive Member: Councillor M Surtees

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**INVESTMENTS APRIL 2015 TO DECEMBER 2015**

APPENDIX A

DATE	BROKER	RATE %	NOTICE	AMOUNT(£)	BORROWER	NO DAYS	INTEREST	DATE REPAID	Balance £
01/04/15	Hsbc	0.3500	02/04/15	1,711,400	Hsbc Call	1	16.41	02/04/15	
01/04/15	Black R	0.3497	09/04/15	2,500,000	Black Rock	8	191.62	09/04/15	
01/04/15	Sterling	0.4000	16/04/15	900,000	Skipton BS	15	147.95	16/04/15	
01/04/15	Direct	0.4000	20/04/15	2,000,000	Hinckley & Rugby	19	416.44	20/04/15	
01/04/15	Sterling	0.4000	27/04/15	500,000	Coventry BS	26	142.47	27/04/15	
01/04/15	Sterling	0.4100	01/05/15	1,000,000	Coventry BS	30	336.99	01/05/15	
01/04/15	Sterling	0.4300	01/05/15	2,000,000	Nationwide BS	30	706.85	01/05/15	
01/04/15	Sterling	0.4000	01/05/15	1,000,000	Skipton BS	30	328.77	01/05/15	
01/04/15	Sterling	0.4300	01/05/15	2,000,000	Westbrom BS	30	706.85	01/05/15	
01/04/15	Capita	0.6001	12/06/15	2,000,000	Santander	72	2,367.36	12/06/15	
01/04/15	Sterling	0.6600	06/07/15	1,650,000	Principality BS	96	2,864.22	06/07/15	
01/04/15	THP	7.5000	08/07/15	1,000,000	Tin Hat Partnership	98	20,136.99	24/07/15	
01/04/15	THP	7.5000	08/07/15	1,000,000	Tin Hat Partnership	98	20,136.99	24/07/15	
01/04/15	THP	7.5000	08/07/15	1,000,000	Tin Hat Partnership	98	20,136.99	24/07/15	
01/04/15	THP	7.5000	08/07/15	1,000,000	Tin Hat Partnership	98	20,136.99	24/07/15	
01/04/15	THP	7.5000	08/07/15	1,000,000	Tin Hat Partnership	98	20,136.99	24/07/15	
01/04/15	THP	7.5000	08/07/15	1,000,000	Tin Hat Partnership	98	20,136.99	24/07/15	
01/04/15	THP	7.5000	08/07/15	1,000,000	Tin Hat Patnership	98	20,136.99	24/07/15	
02/04/15	Hsbc	0.3500	07/04/15	1,164,400	Hsbc Call	5	55.83	07/04/15	
07/04/15	Hsbc	0.3500	08/04/15	1,314,400	Hsbc Call	1	12.60	08/04/15	
08/04/15	Hsbc	0.3500	09/04/15	1,576,400	Hsbc Call	1	15.12	09/04/15	
09/04/15	Hsbc	0.3500	10/04/15	2,840,400	Hsbc Call	1	27.24	10/04/15	
09/04/15	Sterling	0.3800	21/04/15	500,000	Coventry BS	12	62.47	21/04/15	
10/04/15	Hsbc	0.3500	13/04/15	2,727,400	Hsbc Call	3	78.46	13/04/15	
10/04/15	Sterling	0.4300	11/05/15	1,000,000	Nationwide BS	31	365.21	11/05/15	
13/04/15	Hsbc	0.3500	14/04/15	2,859,400	Hsbc Call	1	27.42	14/04/15	
14/04/15	Hsbc	0.3500	16/04/15	2,831,400	Hsbc Call	2	54.30	16/04/15	

15/04/15	Black R	0.3557	21/04/15	3,225,000	Black Rock	6	188.59	21/04/15
16/04/15	Hsbc	0.3500	17/04/15	2,959,400	Hsbc Call	1	28.38	17/04/15
16/04/15	Sterling	0.4000	18/05/15	1,000,000	Skipton BS	32	350.68	18/05/15
17/04/15	Hsbc	0.3500	20/04/15	2,306,400	Hsbc Call	3	66.35	20/04/15
20/04/15	Hsbc	0.3500	21/04/15	2,437,400	Hsbc Call	1	23.37	21/04/15
20/04/15	Direct	0.4000	20/05/15	2,000,000	Hinckley & Rugby	30	657.53	20/05/15
21/04/15	Hsbc	0.3500	22/04/15	1,073,400	Hsbc Call	1	10.29	22/04/15
22/04/15	Hsbc	0.3500	23/04/15	953,400	Hsbc Call	1	9.14	23/04/15
23/04/15	Hsbc	0.3500	24/04/15	997,400	Hsbc Call	1	9.56	24/04/15
24/04/15	Hsbc	0.3500	27/04/15	936,400	Hsbc Call	3	26.94	27/04/15
27/04/15	Hsbc	0.3500	28/04/15	1,013,400	Hsbc Call	1	9.72	28/04/15
27/04/15	Sterling	0.4000	27/05/15	500,000	Coventry BS	30	164.38	27/05/15
28/04/15	Hsbc	0.3500	29/04/15	1,812,400	Hsbc Call	1	17.38	29/04/15
29/04/15	Hsbc	0.3500	30/04/15	2,122,400	Hsbc Call	1	20.35	30/04/15
30/04/15	Hsbc	0.3500	01/05/15	881,400	Hsbc Call	1	8.45	01/05/15
01/05/15	Hsbc	0.3500	05/05/15	2,566,400	Hsbc Call	4	98.44	05/05/15
01/05/15	Black R	0.3544	08/05/15	1,200,000	Black Rock	7	81.55	08/05/15
01/05/15	Sterling	0.4100	28/05/15	2,000,000	Westbrom BS	27	606.58	28/05/15
01/05/15	Sterling	0.4100	01/06/15	1,000,000	Coventry BS	31	348.22	01/06/15
01/05/15	Sterling	0.4300	01/06/15	2,000,000	Nationwide BS	31	730.41	01/06/15
01/05/15	Sterling	0.4000	01/06/15	1,000,000	Skipton BS	31	339.73	01/06/15
05/05/15	Hsbc	0.3500	06/05/15	2,688,400	Hsbc Call	1	25.78	06/05/15
06/05/15	Hsbc	0.3500	07/05/15	2,670,400	Hsbc Call	1	25.61	07/05/15
07/05/15	Hsbc	0.3500	08/05/15	2,045,400	Hsbc Call	1	19.61	08/05/15
08/05/15	Hsbc	0.3500	11/05/15	2,574,400	Hsbc Call	3	74.06	11/05/15
08/05/15	Sterling	0.3900	28/05/15	500,000	Coventry BS	20	106.85	28/05/15
11/05/15	Hsbc	0.3500	12/05/15	2,668,400	Hsbc Call	1	25.59	12/05/15
11/05/15	Black R	0.3516	15/05/15	1,000,000	Black Rock	4	38.53	15/05/15
12/05/15	Hsbc	0.3500	13/05/15	2,653,400	Hsbc Call	1	25.44	13/05/15
13/05/15	Hsbc	0.3500	14/05/15	2,769,400	Hsbc Call	1	26.56	14/05/15
14/05/15	Hsbc	0.3500	18/05/15	2,653,400	Hsbc Call	4	101.77	18/05/15
15/05/15	Black R	0.3501	19/05/15	3,239,000	Black Rock	4	124.28	19/05/15
18/05/15	Hsbc	0.3500	19/05/15	2,747,400	Hsbc Call	1	26.34	19/05/15
18/05/15	Sterling	0.4000	18/06/15	1,000,000	Skipton BS	31	339.73	18/06/15
19/05/15	Hsbc	0.3500	20/05/15	2,725,400	Hsbc Call	1	26.13	20/05/15

20/05/15	Hsbc	0.3500	22/05/15	2,625,400	Hsbc Call	2	50.35	22/05/15
20/05/15	Direct	0.4000	22/06/15	2,000,000	Hinckley & Rugby	33	723.29	22/07/15
22/05/15	Hsbc	0.3500	26/05/15	2,266,400	Hsbc Call	4	86.93	26/05/15
26/05/15	Hsbc	0.3500	27/05/15	2,741,400	Hsbc Call	1	26.29	27/05/15
27/05/15	Hsbc	0.3500	28/05/15	2,692,400	Hsbc Call	1	25.82	28/05/15
27/05/15	Sterling	0.4000	26/06/15	500,000	Coventry BS	30	164.38	26/06/15
28/05/15	Hsbc	0.3500	29/05/15	1,400,400	Hsbc Call	1	13.43	29/05/15
29/05/15	Hsbc	0.3500	01/06/15	1,189,400	Hsbc Call	3	34.22	01/06/15
01/06/15	Hsbc	0.3500	02/06/15	2,440,400	Hsbc Call	1	23.40	02/06/15
01/06/15	Black R	0.3588	12/06/15	1,700,000	Black Rock	11	183.82	12/06/15
01/06/15	Sterling	0.4100	01/07/15	1,000,000	Coventry BS	30	336.99	01/07/15
01/06/15	Sterling	0.4300	01/07/15	2,000,000	Nationwide BS	30	706.85	01/07/15
01/06/15	Sterling	0.4000	01/07/15	1,000,000	Skipton BS	30	328.77	01/07/15
01/06/15	Sterling	0.4300	01/07/15	2,000,000	Westbrom BS	30	706.85	01/07/15
02/06/15	Hsbc	0.3500	04/06/15	2,412,400	Hsbc Call	2	46.27	04/06/15
04/06/15	Hsbc	0.3500	05/06/15	2,532,400	Hsbc Call	1	24.28	05/06/15
05/06/15	Hsbc	0.3500	08/06/15	2,615,400	Hsbc Call	3	75.24	08/06/15
08/06/15	Hsbc	0.3500	09/06/15	2,763,400	Hsbc Call	1	26.50	09/06/15
09/06/15	Hsbc	0.3500	10/06/15	2,763,400	Hsbc Call	1	26.50	10/06/15
10/06/15	Hsbc	0.3500	11/06/15	2,897,400	Hsbc Call	1	27.78	11/06/15
11/06/15	Hsbc	0.3500	16/06/15	2,612,400	Hsbc Call	5	125.25	16/06/15
11/06/15	Sterling	0.4000	13/07/15	500,000	Coventry BS	32	175.34	13/07/15
12/06/15	Black R	0.3624	15/06/15	3,449,000	Black Rock	3	102.74	15/06/15
15/06/15	Black R	0.3621	19/06/15	4,011,000	Black Rock	4	159.15	19/06/15
15/06/15	Sterling	0.5000	15/09/15	2,000,000	Newcastle BS	92	2,520.55	15/09/15
16/06/15	Hsbc	0.3500	17/06/15	1,765,400	Hsbc Call	1	16.93	17/06/15
17/06/15	Hsbc	0.3500	18/06/15	1,800,400	Hsbc Call	1	17.26	18/06/15
18/06/15	Hsbc	0.3500	19/06/15	1,848,400	Hsbc Call	1	17.72	19/06/15
18/06/15	Sterling	0.4000	20/07/15	1,000,000	Skipton BS	32	350.68	20/07/15
19/06/15	Black R	0.3631	22/06/15	3,432,000	Black Rock	3	102.42	22/06/15
19/06/15	Hsbc	0.3500	23/06/15	2,499,400	Hsbc Call	4	95.87	23/06/15
22/06/15	Black R	0.3629	26/06/15	1,277,000	Black Rock	4	50.78	26/06/15
22/06/15	Direct	0.4000	22/07/15	2,000,000	Hinckley & Rugby	30	657.53	22/07/15
23/06/15	Hsbc	0.3500	24/06/15	2,065,400	Hsbc Call	1	19.81	24/06/15
24/06/15	Hsbc	0.3500	25/06/15	1,980,400	Hsbc Call	1	18.99	25/06/15

25/06/15	Hsbc	0.3500	26/06/15	1,436,400	Hsbc Call	1	13.77	26/06/15
26/06/15	Hsbc	0.3500	30/06/15	2,015,400	Hsbc Call	4	77.30	30/06/15
26/06/15	Sterling	0.4000	27/07/15	500,000	Coventry BS	31	169.86	27/07/15
29/06/15	Black R	0.3645	01/07/15	1,058,000	Black Rock	2	21.13	01/07/15
30/06/15	Hsbc	0.3500	01/07/15	2,092,400	Hsbc Call	1	20.06	01/07/15
01/07/15	Black R	0.3537	02/07/15	2,700,000	Black Rock	1	26.16	02/07/15
01/07/15	DMO	0.2500	02/07/15	3,000,000	DMO	1	20.55	02/07/15
01/07/15	Hsbc	0.3500	03/07/15	2,589,400	Hsbc Call	2	49.66	03/07/15
01/07/15	Sterling	0.4000	27/07/15	2,000,000	Westbrom BS	26	569.86	27/07/15
01/07/15	Sterling	0.4100	03/08/15	1,000,000	Coventry BS	33	370.68	03/08/15
01/07/15	Sterling	0.4300	03/08/15	2,000,000	Nationwide BS	33	777.53	03/08/15
01/07/15	Sterling	0.4000	03/08/15	1,000,000	Skipton BS	33	361.64	03/08/15
02/07/15	Black R	0.3650	09/07/15	1,019,000	Black Rock	7	71.33	09/07/15
03/07/15	Hsbc	0.3500	06/07/15	2,447,400	Hsbc Call	3	70.40	06/07/15
06/07/15	Hsbc	0.3500	07/07/15	2,859,400	Hsbc Call	1	27.42	07/07/15
06/07/15	Sterling	0.4300	06/08/15	1,650,000	Principality BS	31	602.59	06/08/15
07/07/15	Hsbc	0.3500	08/07/15	2,581,400	Hsbc Call	1	24.75	08/07/15
08/07/15	Hsbc	0.3500	09/07/15	2,797,400	Hsbc Call	1	26.82	09/07/15
09/07/15	Hsbc	0.3500	10/07/15	2,243,400	Hsbc Call	1	21.51	10/07/15
09/07/15	Black R	0.3696	15/07/15	1,800,000	Black Rock	6	109.36	15/07/15
10/07/15	Hsbc	0.3500	13/07/15	1,600,400	Hsbc Call	3	46.04	13/07/15
13/07/15	Hsbc	0.3500	14/07/15	1,661,400	Hsbc Call	1	15.93	14/07/15
13/07/15	Sterling	0.4000	13/08/15	500,000	Coventry BS	31	169.86	13/08/15
14/07/15	Hsbc	0.3500	15/07/15	1,378,400	Hsbc Call	1	13.22	15/07/15
15/07/15	Hsbc	0.3500	17/07/15	2,378,400	Hsbc Call	2	45.61	17/07/15
15/07/15	Black R	0.3635	20/07/15	3,914,000	Black Rock	5	194.90	20/07/15
17/07/15	Hsbc	0.3500	21/07/15	2,281,400	Hsbc Call	4	87.51	21/07/15
20/07/15	Black R	0.3607	24/07/15	1,586,000	Black Rock	4	62.70	24/07/15
20/07/15	Sterling	0.4000	20/08/15	1,000,000	Skipton BS	31	339.73	20/08/15
21/07/15	Hsbc	0.3500	22/07/15	2,775,400	Hsbc Call	1	26.61	22/07/15
22/07/15	Hsbc	0.3500	23/07/15	2,824,400	Hsbc Call	1	27.08	23/07/15
22/07/15	Direct	0.4000	24/08/15	2,000,000	Hinckley & Rugby	33	723.29	24/08/15
23/07/15	Hsbc	0.3500	27/07/15	2,487,400	Hsbc Call	4	95.41	
24/07/15	Black R	0.3677	31/07/15	5,000,000	Black Rock	7	352.62	31/07/15
24/07/15	DMO	0.2500	31/07/15	2,566,000	DMO	7	123.03	31/07/15

27/07/15	Hsbc	0.3500	28/07/15	2,564,400	Hsbc Call	1	24.59	28/07/15
27/07/15	Sterling	0.4000	27/08/15	500,000	Coventry BS	31	169.86	27/08/15
27/07/15	Sterling	0.4300	27/08/15	2,000,000	Westbrom BS	31	730.41	27/08/15
28/07/15	Hsbc	0.3500	29/07/15	2,234,400	Hsbc Call	1	21.43	29/07/15
28/07/15	DMO	0.2500	31/07/15	1,000,000	DMO	3	20.55	31/07/15
29/07/15	Hsbc	0.3500	30/07/15	2,353,400	Hsbc Call	1	22.57	30/07/15
30/07/15	Hsbc	0.3500	31/07/15	2,497,400	Hsbc Call	1	23.95	31/07/15
30/07/15	Hsbc	0.3500	31/07/15	2,568,400	Hsbc Call	1	24.63	31/07/15
30/07/15	Hsbc	0.3500	03/08/15	2,568,400	Hsbc Call	4	98.51	03/08/15
30/07/15	Hsbc	0.3500	04/08/15	2,468,400	Hsbc Call	5	118.35	04/08/15
31/07/15	Hsbc	0.3500	01/08/15	2,568,400	Hsbc Call	1	24.63	01/08/15
31/07/15	Black R	0.3747	03/08/15	1,546,000	Black R	3	47.61	03/08/15
01/08/15	Hsbc	0.3500	02/08/15	2,568,400	Hsbc Call	1	24.63	02/08/15
03/08/15	Black R	0.3750	06/08/15	5,000,000	Black R	3	154.10	06/08/15
03/08/15	DMO	0.2500	07/08/15	2,652,000	DMO	4	72.66	07/08/15
03/08/15	Sterling	0.4300	03/09/15	2,000,000	Nationwide BS	31	730.41	03/09/15
03/08/15	Sterling	0.4000	03/09/15	1,000,000	Skipton BS	31	339.73	03/09/15
04/08/15	Hsbc	0.3500	05/08/15	2,274,400	Hsbc Call	1	21.81	05/08/15
05/08/15	Hsbc	0.3500	06/08/15	2,310,400	Hsbc Call	1	22.15	06/08/15
06/08/15	Hsbc	0.3500	10/08/15	2,628,400	Hsbc Call	4	100.82	10/08/15
06/08/15	Sterling	0.4300	07/09/15	1,650,000	Principality BS	32	622.03	07/09/15
07/08/15	Black R	0.3706	13/08/15	2,280,000	Black R	6	138.89	13/08/15
10/08/15	Hsbc	0.3500	12/08/15	2,743,400	Hsbc Call	2	52.61	12/08/15
12/08/15	Hsbc	0.3500	13/08/15	2,825,400	Hsbc Call	1	27.09	13/08/15
12/08/15	Hsbc	0.3500	18/08/15	2,825,400	Hsbc Call	6	162.56	18/08/15
13/08/15	Black R	0.3713	14/08/15	2,843,000	Black R	1	28.92	14/08/15
14/08/15	Black R	0.3721	17/08/15	1,754,000	Black R	3	53.64	17/08/15
17/08/15	Black R	0.3705	19/08/15	4,336,000	Black R	2	88.03	19/08/15
18/08/15	Hsbc	0.3500	21/08/15	2,544,400	Hsbc Call	3	73.20	21/08/15
19/08/15	Black R	0.3705	20/08/15	2,345,000	Black R	1	23.80	20/08/15
20/08/15	Black R	0.3755	25/08/15	3,779,000	Black R	5	194.39	25/08/15
21/08/15	Hsbc	0.3500	24/08/15	2,051,400	Hsbc Call	3	59.01	24/08/15
24/08/15	Hsbc	0.3500	25/08/15	865,400	Hsbc Call	1	8.30	25/08/15
24/08/15	Direct	0.4000	24/09/15	2,000,000	Hinckley & Rugby	31	679.45	24/09/15
25/08/15	Hsbc	0.3500	26/08/15	2,384,400	Hsbc Call	1	22.86	26/08/15

25/08/15	Black R	0.3762	27/08/15	1,600,000	Black R	2	32.98	27/08/15
26/08/15	Hsbc	0.3500	27/08/15	2,442,400	Hsbc Call	1	23.42	27/08/15
27/08/15	Hsbc	0.3500	28/08/15	1,921,400	Hsbc Call	1	18.42	28/08/15
27/08/15	Black R	0.3821	01/09/15	2,300,000	Black R	5	120.38	01/09/15
27/08/15	Sterling	0.4000	28/09/15	500,000	Coventry BS	32	175.34	28/09/15
27/08/15	Sterling	0.4300	28/09/15	2,000,000	Westbrom BS	32	753.97	28/09/15
28/08/15	Hsbc	0.3500	01/09/15	2,651,400	Hsbc Call	4	101.70	01/09/15
01/09/15	Hsbc	0.3500	02/09/15	2,694,400	Hsbc Call	1	25.84	02/09/15
01/09/15	Black R	0.3800	11/09/15	5,000,000	Black Rock	10	520.50	11/09/15
01/09/15	Sterling	0.4100	01/10/15	1,300,000	Coventry BS	30	438.08	01/10/15
01/09/15	Sterling	0.4000	01/10/15	1,000,000	Skipton BS	30	328.77	01/10/15
02/09/15	Hsbc	0.3500	03/09/15	2,656,400	Hsbc Call	1	25.47	03/09/15
03/09/15	Hsbc	0.3500	04/09/15	2,846,400	Hsbc Call	1	27.29	04/09/15
03/09/15	Sterling	0.4300	05/10/15	2,000,000	Nationwide BS	32	753.97	05/10/15
03/09/15	Sterling	0.4000	05/10/15	1,000,000	Skipton BS	32	350.68	05/10/15
04/09/15	Hsbc	0.3500	07/09/15	919,400	Hsbc Call	3	26.45	07/09/15
07/09/15	Hsbc	0.3500	08/09/15	1,139,400	Hsbc Call	1	10.93	08/09/15
07/09/15	Sterling	0.4300	07/10/15	1,650,000	Principality BS	30	583.15	07/10/15
08/09/15	Hsbc	0.3500	09/09/15	1,322,400	Hsbc Call	1	12.68	09/09/15
09/09/15	Hsbc	0.3500	10/09/15	1,551,400	Hsbc Call	1	14.88	10/09/15
10/09/15	Hsbc	0.3500	11/09/15	1,636,400	Hsbc Call	1	15.69	11/09/15
11/09/15	Hsbc	0.3500	14/09/15	1,945,400	Hsbc Call	3	55.96	14/09/15
14/09/15	Hsbc	0.3500	15/09/15	1,993,400	Hsbc Call	1	19.11	15/09/15
15/09/15	Hsbc	0.3500	16/09/15	2,040,400	Hsbc Call	1	19.57	16/09/15
15/09/15	Black rock	0.3875	21/09/15	3,400,000	Black Rock	6	216.57	21/09/15
16/09/15	Hsbc	0.3500	17/09/15	2,103,400	Hsbc Call	1	20.17	17/09/15
17/09/15	Hsbc	0.3500	18/09/15	2,161,400	Hsbc Call	1	20.73	18/09/15
18/09/15	Hsbc	0.3500	19/09/15	2,261,400	Hsbc Call	1	21.68	19/09/15
21/09/15	Black Rock	0.3890	01/10/15	1,478,000	Black Rock	10	157.52	01/10/15
22/09/15	Hsbc	0.3500	23/09/15	1,924,400	Hsbc Call	1	18.45	23/09/15
23/09/15	Hsbc	0.3500	24/09/15	1,959,400	Hsbc Call	1	18.79	24/09/15
24/09/15	Hsbc	0.3500	25/09/15	2,050,400	Hsbc Call	1	19.66	25/09/15
24/09/15	Direct	0.4000	23/10/15	2,000,000	Hinckley & Rugby	29	635.62	23/10/15
25/09/15	Hsbc	0.3500	28/09/15	1,074,400	Hsbc Call	3	30.91	28/09/15
28/09/15	Hsbc	0.3500	29/09/15	1,097,400	Hsbc Call	1	10.52	29/09/15

28/09/15	Sterling	0.4000	28/10/15	500,000	Coventry BS	30	164.38	28/10/15
28/09/15	Sterling	0.4300	28/10/15	2,000,000	Westbrom BS	30	706.85	28/10/15
29/09/15	Hsbc	0.3500	30/09/15	1,266,400	Hsbc Call	1	12.14	30/09/15
30/09/15	Hsbc	0.3500	01/10/15	1,339,400	Hsbc Call	1	12.84	01/10/15
01/10/15	Hsbc	0.3500	05/10/15	488,400	Hsbc Call	4	18.73	05/10/15
01/10/15	Black rock	0.3791	19/10/15	4,528,000	Black Rock	18	846.49	19/10/15
01/10/15	Sterling	0.4100	02/11/15	1,300,000	Coventry BS	32	467.29	02/11/15
01/10/15	Sterling	0.4000	02/11/15	1,000,000	Skipton BS	32	350.68	02/11/15
01/10/15	Sterling	0.4600	01/12/15	2,000,000	Nottingham BS	61	1,537.53	01/12/15
05/10/15	Hsbc	0.3500	06/10/15	1,595,400	Hsbc Call	1	15.30	06/10/15
05/10/15	Sterling	0.3400	16/10/15	1,000,000	Skipton BS	11	102.47	16/10/15
05/10/15	Sterling	0.4300	05/11/15	1,000,000	Nationwide BS	31	365.21	05/11/15
06/10/15	Hsbc	0.3500	07/10/15	1,631,400	Hsbc Call	1	15.64	07/10/15
07/10/15	Hsbc	0.3500	08/10/15	1,812,400	Hsbc Call	1	17.38	08/10/15
07/10/15	Sterling	0.4300	09/11/15	1,650,000	Principality BS	33	641.47	09/11/15
08/10/15	Hsbc	0.3500	09/10/15	1,908,400	Hsbc Call	1	18.30	09/10/15
09/10/15	Hsbc	0.3500	12/10/15	1,728,400	Hsbc Call	3	49.72	12/10/15
12/10/15	Hsbc	0.3500	13/10/15	1,801,400	Hsbc Call	1	17.27	13/10/15
13/10/15	Hsbc	0.3500	14/10/15	1,790,400	Hsbc Call	1	17.17	14/10/15
14/10/15	Hsbc	0.3500	16/10/15	1,934,400	Hsbc Call	2	37.10	16/10/15
15/10/15	DMO	0.2500	16/10/15	3,376,000	DMO	1	23.12	16/10/15
16/10/15	Hsbc	0.3500	19/10/15	323,400	Hsbc Call	3	9.30	19/10/15
19/10/15	Hsbc	0.3500	20/10/15	1,935,400	Hsbc Call	1	18.56	20/10/15
19/10/15	Sterling	0.4300	19/11/15	1,000,000	Nationwide BS	31	365.21	19/11/15
20/10/15	Hsbc	0.3500	21/10/15	2,189,400	Hsbc Call	1	20.99	21/10/15
21/10/15	Hsbc	0.3500	22/10/15	2,272,400	Hsbc Call	1	21.79	22/10/15
22/10/15	Hsbc	0.3500	26/10/15	1,681,400	Hsbc Call	4	64.49	26/10/15
23/10/15	Direct	0.4000	23/11/15	2,000,000	Hinckley & Rugby	31	679.45	23/11/15
26/10/15	Hsbc	0.3500	27/10/15	1,772,400	Hsbc Call	1	17.00	27/10/15
27/10/15	Hsbc	0.3500	28/10/15	1,521,400	Hsbc Call	1	14.59	28/10/15
28/10/15	Hsbc	0.3500	29/10/15	2,471,400	Hsbc Call	1	23.70	29/10/15
28/10/15	Sterling	0.4000	30/11/15	500,000	Coventry BS	33	180.82	30/11/15
28/10/15	Sterling	0.4300	30/11/15	2,000,000	Westbrom BS	33	777.53	30/11/15
29/10/15	Hsbc	0.3500	30/10/15	2,684,400	Hsbc Call	1	25.74	30/10/15
30/10/15	Hsbc	0.3500	02/11/15	2,039,400	Hsbc Call	3	58.67	02/11/15

02/11/15	Hsbc	0.3500	03/11/15	2,539,400	Hsbc Call	1	24.35	03/11/15	
02/11/15	Black R	0.3738	13/11/15	4,568,000	Black Rock	11	514.58	13/11/15	
02/11/15	Sterling	0.4000	27/11/15	1,300,000	Coventry BS	25	356.16	27/11/15	
02/11/15	Sterling	0.4000	27/11/15	1,000,000	Skipton BS	25	273.97	27/11/15	
03/11/15	Hsbc	0.3500	04/11/15	2,394,400	Hsbc Call	1	22.96	04/11/15	
04/11/15	Hsbc	0.3500	05/11/15	2,488,400	Hsbc Call	1	23.86	05/11/15	
05/11/15	Hsbc	0.3500	06/11/15	2,605,400	Hsbc Call	1	24.98	06/11/15	
05/11/15	Sterling	0.3500	27/11/15	1,000,000	Skipton BS	22	210.96	27/11/15	
06/11/15	Hsbc	0.3500	09/11/15	2,540,400	Hsbc Call	3	73.08	09/11/15	
09/11/15	Hsbc	0.3500	10/11/15	2,676,400	Hsbc Call	1	25.66	10/11/15	
09/11/15	Sterling	0.4300	09/12/15	1,650,000	Principality BS	30	583.15	09/12/15	
10/11/15	Hsbc	0.3500	11/11/15	2,650,400	Hsbc Call	1	25.41	11/11/15	
11/11/15	Hsbc	0.3500	12/11/15	2,798,400	Hsbc Call	1	26.83	12/11/15	
12/11/15	Hsbc	0.3500	13/11/15	2,903,400	Hsbc Call	1	27.84	13/11/15	
13/11/15	Hsbc	0.3500	17/11/15	2,621,400	Hsbc Call	4	100.55	17/11/15	
16/11/15	Black R	0.3702	24/11/15	2,979,000	Black Rock	8	241.68	24/11/15	
17/11/15	Hsbc	0.3500	18/11/15	2,316,400	Hsbc Call	1	22.21	18/11/15	
18/11/15	Hsbc	0.3500	19/11/15	2,178,400	Hsbc Call	1	20.89	19/11/15	
19/11/15	Hsbc	0.3500	20/11/15	1,185,400	Hsbc Call	1	11.37	20/11/15	
20/11/15	Hsbc	0.3500	23/11/15	888,400	Hsbc Call	3	25.56	23/11/15	
23/11/15	Hsbc	0.3500	24/11/15	916,400	Hsbc Call	1	8.79	24/11/15	
23/11/15	Direct	0.4000	23/12/15	2,000,000	Hinckley & Rugby	30	657.53	23/12/15	
24/11/15	Hsbc	0.3500	25/11/15	2,652,400	Hsbc Call	1	25.43	25/11/15	
25/11/15	Hsbc	0.3500	26/11/15	2,101,400	Hsbc Call	1	20.15	26/11/15	
26/11/15	Hsbc	0.3500	27/11/15	2,305,400	Hsbc Call	1	22.11	27/11/15	
27/11/15	Hsbc	0.3500	30/11/15	1,740,400	Hsbc Call	3	50.07	30/11/15	
27/11/15	Sterling	0.4100	29/12/15	1,300,000	Coventry BS	32	467.29	29/12/15	
27/11/15	Sterling	0.4000	29/12/15	1,000,000	Skipton BS	32	350.68	29/12/15	
27/11/15	Sterling	0.4000	29/12/15	1,000,000	Skipton BS	32	350.68	29/12/15	
30/11/15	Hsbc	0.3500	01/12/15	2,823,400	Hsbc Call	1	27.07	01/12/15	
30/11/15	Sterling	0.4000	30/12/15	500,000	Coventry BS	30	164.38	30/12/15	
30/11/15	Sterling	0.4300	30/12/15	2,000,000	Westbrom BS	30	706.85	30/12/15	
01/12/15	Hsbc	0.3500	02/12/15	2,774,400	Hsbc Call	1	26.60	02/12/15	
01/12/15	Black R	0.3700	04/12/15	5,000,000	Black Rock	3	152.06	04/12/15	
01/12/15	Sterling	0.4000	04/01/16	2,000,000	Nottingham BS	34	745.21		2,000,000



02/12/15	Hsbc	0.3500	03/12/15	2,904,400	Hsbc Call	1	27.85	03/12/15	
03/12/15	Hsbc	0.3500	04/12/15	2,999,400	Hsbc Call	1	28.76	04/12/15	
04/12/15	Hsbc	0.3500	07/12/15	2,400,400	Hsbc Call	3	69.05	07/12/15	
04/12/15	Black R	0.3645	14/12/15	4,350,000	Black Rock	10	434.44	14/12/15	
07/12/15	Hsbc	0.3500	08/12/15	2,754,400	Hsbc Call	1	26.41	08/12/15	
08/12/15	Hsbc	0.3500	09/12/15	1,712,400	Hsbc Call	1	16.42	09/12/15	
09/12/15	Hsbc	0.3500	10/12/15	1,841,400	Hsbc Call	1	17.66	10/12/15	
09/12/15	Sterling	0.4000	04/01/16	1,650,000	Principality BS	26	470.14		1,650,000
10/12/15	Hsbc	0.3500	11/12/15	2,287,400	Hsbc Call	1	21.93	11/12/15	
11/12/15	Hsbc	0.3500	16/12/15	2,188,400	Hsbc Call	5	104.92	16/12/15	
14/12/15	Black R	0.3678	21/12/15	4,457,000	Black Rock	7	314.35	21/12/15	
15/12/15	DMO	0.2500	18/12/15	2,291,000	DMO	3	47.08	18/12/15	
16/12/15	Hsbc	0.3500	17/12/15	2,274,400	Hsbc Call	1	21.81	17/12/15	
17/12/15	Hsbc	0.3500	18/12/15	2,384,400	Hsbc Call	1	22.86	18/12/15	
18/12/15	Hsbc	0.3500	22/12/15	1,529,400	Hsbc Call	4	58.66	22/12/15	
21/12/15	Black R	0.3696	23/12/15	2,402,000	Black Rock	2	48.64	23/12/15	
22/12/15	Hsbc	0.3500	23/12/15	1,247,400	Hsbc Call	1	11.96	23/12/15	
23/12/15	Hsbc	0.3500	24/12/15	2,247,400	Hsbc Call	1	21.55	23/12/15	
23/12/15	Black R	0.3535	04/01/16	1,330,000	Black Rock	12	154.57		1,330,000
23/12/15	Direct	0.4000	22/01/16	2,000,000	Hinckley & Rugby	30	657.53		2,000,000
24/12/15	Hsbc	0.3500	29/12/15	1,295,400	Hsbc Call	5	62.11	23/12/15	
29/12/15	Hsbc	0.3500	30/12/15	2,312,400	Hsbc Call	1	22.17	23/12/15	
29/12/15	Sterling	0.4100	29/01/16	1,300,000	Coventry BS	31	452.68		1,300,000
29/12/15	Sterling	0.4000	29/01/16	1,000,000	Skipton BS	31	339.73		1,000,000
29/12/15	Sterling	0.4000	29/01/16	1,000,000	Skipton BS	31	339.73		1,000,000
30/12/15	Hsbc	0.3500	31/12/15	2,381,400	Hsbc Call	1	22.84	23/12/15	
30/12/15	Sterling	0.4000	01/02/16	500,000	Coventry BS	33	180.82		500,000
30/12/15	Sterling	0.4200	01/02/16	2,000,000	Westbrom BS	33	759.45		2,000,000
31/12/15	Hsbc	0.3500	01/01/16	1,188,400	Hsbc Call	1	11.40		1,188,400
					<b>TOTAL</b>		<b>198,038</b>		<b>13,968,400</b>

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**FINANCE, AUDIT AND PERFORMANCE COMMITTEE –  
21 MARCH 2016**

**REVENUE AND CAPITAL OUTTURN – QUARTER 3 2015/16  
REPORT OF INTERIM HEAD OF FINANCE (DEPUTY S151 OFFICER)**

**1. PURPOSE OF REPORT**

1.1 To inform members of the revenue and capital outturn at the end of the third quarter of 2015/16

**2. RECOMMENDATION**

2.1 That the committee notes the report

**3. BACKGROUND TO THE REPORT**

3.1 Attached to this report are the monthly outturn reports including the following information for the quarter ending 31 December 2015:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- Capital Programme outturn by scheme
- Outturn position for the Housing Revenue and Housing Repairs accounts

General Fund

3.2 When the budget was approved by Council in February 2015 it was anticipated that £159,456 would be taken to General Fund balances and a net £188,634 transferred from earmarked reserves. Since that date, the budget has been increased by £473,897, representing supplementary budgets that have been approved in line with financial procedures rules.

3.3 On 21 July 2014 Council approved that £100,128 of unspent budgets from 2014/15 could be carried forward to 2015/16. These were included in the 3 quarter outturn report.

3.4 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:

	<b>Timing Differences</b>	<b>Outturn variances</b>	<b>Explanation</b>
	<b>£000's Under spend/(Overspend)</b>		
General Grants	87	630	The Council has been awarded a "section 31 grant" in 2014/15 and 2015/16 to reimburse the cost of offering a number of business rate exemptions. The level of this grant that may be retained depends on the business rates outturn at 31 <sup>st</sup> March each year. Therefore in order to be prudent, this income is placed into the Business Rates reserve pending any notification.

Refuse Collection		101	There is additional trade waste income, and savings on fuel, staff overtime and vehicle leasing, but offset to some extent by additional LCC disposal costs.
Corporate Management	1	149	Mainly underspends on restructure costs, with additional savings on members' allowances and bank charges.
Local land charges	(4)	139	Additional grant income for new burdens
Car Park income	5	52	Mainly additional income from Britannia Car Park (mid April- 8th October 2015), and additional pay and display income,
Planning Policy	3	322	Local Plan 2026 Plus is funded from reserves. The Retail Capacity Study has been committed for 15/16. All the other schemes have now been scheduled for future years. This balance will now be used in in 2016/17 and 2017/18 for sport, recreation and transport studies.
Development Control		110	Additional planning fees received/forecast in year, but this is dependent on planning applications received and approved.

3.5 Based on these forecasts the current 2015/16 outturn shows £ 11,468,967 being spent on services with £ 381,811 net being transferred to earmarked reserves and £273,113 being transferred to General Fund balances. On this basis a net under spend of £113,657 is forecast to year end.

#### Capital

3.6 £ 16,351,807 has been spent on capital schemes to the end of December 2015 against a budget for that period of £ 20,207,604. This represents an under-spend of £ 3,825,796. The major service variations in excess of £50,000 have been summarised as follows:

<b>Scheme</b>	<b>£000's Under spend/ (Overspend)</b>	<b>Explanation</b>
Regional Growth Fund	439	Scheme will be funded from unspent grants received in previous year. The carry forward of income was approved by Council in July 2015 and has been reflected in the 2nd quarter monitoring.
Public Realm	256	Funds committed for Station Rd works, therefore underspend is due to timing of the works being completed.
Disabled Facilities Grant	199	The funds are fully committed for the year. Demand is being monitored as demand is high.
Council Office Relocation	(68)	Awaiting final invoice from contractor for works performed. No further spend anticipated.
Minor Works Grants	56	Fewer lower value applications received to date. However more major works applications have been received, therefore this underspend will be part of a virement request to cover

		demand on major works.
Private Sector Leasing	85	Budget reduced at February Council by £50,000 to reflect expenditure
Housing Repairs (Cumulative repairs schemes)	552	Difference represents the value of "Work in Progress" (WIP) currently sat within the Council's Orchard system. This will be transferred to the financial ledger following completion of works. The value of this WIP is being monitored on a periodic basis to ensure that the outturn on these budgets is accurately forecast. Taking into account this balance as at 31 <sup>st</sup> December 2015, a small under spend is forecast to year end.
Affordable Housing	1,860	An indicative budget allocation was included in the 2015/16 budget pending approval of particular schemes.

### Housing Revenue Account

3.7 As 31 December 2015 it is anticipated that the HRA outturn deficit will be £278,555 against a latest budget showing £325,555.

3.8 The Housing Repairs Account, is currently forecasting to be £103,555 in deficit which compares to the budget for 2015/16 which is a deficit of £102,124.

#### 4. **FINANCIAL IMPLICATIONS (AW)**

The financial implications on the Council's budget position are outlined in the report.

#### 5. **LEGAL IMPLICATIONS (JB)**

No legal implications.

#### 6. **CORPORATE PLAN IMPLICATIONS**

The budget ultimately addresses all Corporate Plan objectives.

#### 7. **CONSULTATION**

All budget holders have been consulted in collating the information for this report. This information has previously been reported to Executive Briefing.

#### 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
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	S Kohli

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

None

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

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Background Papers:           Civica Financial Files

Author:                           Ashley Wilson, Interim Head of Finance, ext 5609

Executive Member:           Cllr M Surtees

December 2015 Budget Monitoring Summary 2015/16

Service	Budget as per Feb 15 budget Book	Supplementary Budgets/virements approved to date	Latest Budget used for Monitoring ledger	recharges	Budget per Monitoring Report	Estimated Outturn Variations	Estimated Outturn
Central Services	2,990,531	313,983	3,304,514	(778,430)	2,526,084	(1,033,000)	2,271,514
Leisure & Environment	6,488,829	382,414	6,871,243	(1,497,490)	5,373,753	(145,000)	6,726,243
Housing (GF)	901,744	122,910	1,024,654	(189,220)	835,434	(96,000)	928,654
Planning	1,629,340	386,552	2,015,892	(1,245,550)	770,342	(434,000)	1,581,892
Direct Services Organisation	(176,410)	0	(176,410)	(239,360)	(415,770)	0	(176,410)
Support Services	0	88,074	88,074	3,957,890	4,045,964	14,000	102,074
Estimated Salary (Savings)/Overspend	0	0	0	0	0	35,000	35,000
<b>TOTAL SERVICE EXPENDITURE</b>	<b>11,834,034</b>	<b>1,293,933</b>	<b>13,127,967</b>	<b>7,840</b>	<b>13,135,807</b>	<b>(1,659,000)</b>	<b>11,468,967</b>
Special Expenses	(618,360)	0	(618,360)	0	(618,360)	(23,000)	(641,360)
Capital Accounting	(1,360,840)	0	(1,360,840)	0	(1,360,840)	(20,000)	(1,380,840)
External Interest - Net	4,100	0	4,100	0	4,100	10,000	14,100
IAS 19 Adjustment	(129,980)	0	(129,980)	0	(129,980)	0	(129,980)
Transfer to Pension Reserve	3,880	0	3,880	0	3,880	0	3,880
Cont to / from UG & C	0	(301,352)	(301,352)	0	(301,352)	0	(301,352)
Carry forwards 1/4/15	0	(100,128)	(100,128)	0	(100,128)	(26,554)	(126,682)
Transfer to Reserves	667,000	0	667,000	0	667,000	815,000	1,482,000
Revenue Contribution for Capital Outlay	0	0	0	0	0	(20,000)	(20,000)
Use of Reserves	(890,951)	(418,556)	(1,309,507)	0	(1,309,507)	336,000	(973,507)
<b>BUDGET REQUIREMENT</b>	<b>9,508,883</b>	<b>473,897</b>	<b>9,982,780</b>	<b>7,840</b>	<b>9,990,620</b>	<b>(587,554)</b>	<b>9,395,226</b>
Financing							
Council Tax	3,416,138	0	3,416,138	0	3,416,138	0	3,416,138
Council Tax Freeze Grant	230,746	0	230,746	0	230,746	0	230,746
Revenue Support Grant	1,120,574	0	1,120,574	0	1,120,574	0	1,120,574
Council Tax Support Grant	544,764	0	544,764	0	544,764	0	544,764
National Non-Domestic Rate	2,294,404	0	2,294,404	0	2,294,404	0	2,294,404
New Homes Bonus	1,974,742	0	1,974,742	0	1,974,742	0	1,974,742
Collection Fund Surplus	86,971	0	86,971	0	86,971	0	86,971
<b>TOTAL RESOURCES (HBBC BUDGET)</b>	<b>9,668,339</b>	<b>0</b>	<b>9,668,339</b>	<b>0</b>	<b>9,668,339</b>	<b>0</b>	<b>9,668,339</b>
<b>Movement in General Fund Balances</b>	<b>159,456</b>	<b>(473,897)</b>	<b>(314,441)</b>	<b>(7,840)</b>	<b>(322,281)</b>	<b>587,554</b>	<b>273,113</b>
Special Expenses							
Expenditure	618,360	0	618,360	0	618,360	23,000	641,360
Council Tax Income	574,222	0	574,222	0	574,222	0	574,222
Special Expenses to /(from) Reserves	(44,139)	(5,467)	(49,606)	0	(49,606)	0	(49,606)
Special Expenses mvt in Balances	0	5,467	5,467	0	5,467	0	5,467
Special Expenses New Homes Bonus	0	0	0	0	0	0	0
<b>BUDGET REQUIREMENT</b>	<b>574,221</b>	<b>0</b>	<b>574,221</b>	<b>0</b>	<b>574,221</b>	<b>23,000</b>	<b>597,221</b>
Total Movement in Balances	159,456	100,324	259,780	(7,840)	251,940	610,554	870,334
Balance at 1st April 2015	1,106,507	0	1,106,507	0	1,106,507	0	1,106,507
Audit adjustments	(28,951)	0	(28,951)	0	(28,951)	0	(28,951)
Revised Balance 1st April 2015	1,077,556	0	1,077,556	0	1,077,556	0	1,077,556
Balance at 31 March 2015	1,237,012	100,324	1,337,336	0	1,329,496	610,554	1,947,890
<b>NBR</b>	<b>10,083,104</b>	<b>473,897</b>	<b>10,557,001</b>	<b>7,840</b>	<b>10,564,841</b>	<b>(564,554)</b>	<b>9,992,447</b>

Under/overspend	£
Mvt to/(from) Balances Budget	159,456
Mvt to/(from) Balances Budget (Outturn)	273,113
Outturn change	113,657
November position	-30,556
Month on month change	-144,213

() = Underspend

General Fund Service Area 2015/16 Monthly Outturn to December 15

			Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2015/16	Forecast Outturn	Forecast Variation to Year End	REF
as45	Central Services	Corporate Management	684,378	503,116	181,262	96,000	85,262	1,240,816	1,091,816	149,000	1.1
as40		Corporate Management (Civic)	18,720	12,310	6,410	1,000	5,410	29,910	29,910		1.2
as75		Council Tax / NNDR	288,198	141,406	146,792	111,000	35,792	308,310	259,310	49,000	1.3
ag35		Council Tax Support	178,340	78,209	100,131	71,000	29,131	271,850	240,850	31,000	1.4
as90		Emergency Planning	31,874	32,017	-143		-143	34,564	34,564		
as65		General Grants	222,071	-339,436	561,507	87,000	474,507	347,870	-282,130	630,000	1.5
as70		Local Land Charges	10,744	-119,478	130,222	-4,000	134,222	14,587	-124,413	139,000	1.6
as60		Register and Borough Elections	235,574	197,629	37,945		37,945	278,177	243,177	35,000	1.7
	<b>Central Services</b>		<b>1,669,899</b>	<b>505,773</b>	<b>1,164,126</b>	<b>362,000</b>	<b>802,126</b>	<b>2,526,084</b>	<b>1,493,084</b>	<b>1,033,000</b>	
cs04	Direct Services Organisat	DSO Grounds Maintenance	-186,125	-167,221	-18,904	-17,000	-1,904	-230,330	-230,330		
cs05		DSO Housing Repairs	-147,815	247,831	-395,646	-394,000	-1,646	-185,440	-185,440		
	<b>Direct Services Organisation</b>		<b>-333,940</b>	<b>80,610</b>	<b>-414,550</b>	<b>-411,000</b>	<b>-3,550</b>	<b>-415,770</b>	<b>-415,770</b>	<b>0</b>	
ag40	Housing (Gen Fund)	Benefits Fraud	133,188	75,097	58,091	35,000	23,091	176,440	160,440	16,000	3.1
ag50		Contribution to Housing Rev Ac	16,674	0	16,674	17,000	-326	22,230	22,230		
ag60		Energy Conservation Act	0	0	0		0	0	0		
ag20		Forest Road Garages	45,600	-4,510	50,110	50,000	110	21,200	15,200	6,000	3.2
ag75		Homelessness	124,331	62,127	62,204	21,000	41,204	171,897	145,897	26,000	3.3
ag10		Housing Advances	195	189	6		6	260	260		
ag80		Housing Strategy	32,862	34,758	-1,896		-1,896	45,120	45,120		
ag70		Private Sector Housing	201,139	179,710	21,429	14,000	7,429	629,772	609,772	20,000	3.4
ag30		Rent Allowances	-180,046	-1,090,754	910,708	673,000	237,708	-231,485	-259,485	28,000	3.5
	<b>Housing (Gen Fund)</b>		<b>373,943</b>	<b>-743,382</b>	<b>1,117,325</b>	<b>810,000</b>	<b>307,325</b>	<b>835,434</b>	<b>739,434</b>	<b>96,000</b>	
ac65	Leisure & Environment	Allotments	3,071	3,029	42		42	4,540	4,540		
ac05		Cemeteries	115,413	110,926	4,487		4,487	155,100	155,100		
ac90		Children and Young People	67,902	52,706	15,196	6,000	9,196	126,583	126,583		4.1
as86		CCTV	82,836	84,482	-1,646		-1,646	117,525	117,525		
as85		Community Safety	232,300	168,047	64,253	8,000	56,253	369,830	354,830	15,000	4.2
ac70		Countryside Management	85,863	72,836	13,027	6,000	7,027	113,274	109,274	4,000	4.3
ac87		Creative Communities	49,197	46,324	2,873		2,873	58,930	63,930	-5,000	4.4
ac45		Dog Warden Service	28,633	28,592	41		41	36,217	36,217		
ac35		Environmental Health	379,316	393,615	-14,299		-14,299	538,948	538,948		4.5
aq40		Land Drainage	25,572	25,079	493		493	40,024	40,024		
ac60		Leisure Centre	92,142	122,649	-30,507		-30,507	124,420	160,420	-36,000	4.6
ac89		Leisure Promotion	39,440	40,328	-888		-888	37,630	37,630		
ac95		Licences	-16,339	-14,357	-1,982		-1,982	2,419	2,419		
ac68		Parks	508,187	497,988	10,199		10,199	679,868	699,868	-20,000	4.7
ac30		Pest Control	16,774	18,108	-1,334		-1,334	20,340	23,340	-3,000	4.8



General Fund Service Area 2015/16 Monthly Outturn to December 15

		Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2015/16	Forecast Outturn	Forecast Variation to Year End	REF
ac10		Public Conveniences	22,311	17,667	4,644	4,644	31,670	31,670		
ac20		Recycling	837,453	695,204	142,249	75,000	1,106,278	1,005,278	101,000	4.9
ac15		Refuse Collection	727,199	686,281	40,918	40,918	944,754	900,754	44,000	4.10
ac83		Sports Development	132,622	112,032	20,590	6,000	178,185	178,185		4.11
ac25		Street Cleansing	542,844	525,293	17,551	(20,000)	720,734	679,734	41,000	4.12
cs03		Waste Business Improvements	-27,229	-37,417	10,188	10,188	-33,516	-37,516	4,000	4.13
	<b>Leisure &amp; Environment</b>		<b>3,945,507</b>	<b>3,649,413</b>	<b>296,094</b>	<b>81,000</b>	<b>5,373,753</b>	<b>5,228,753</b>	<b>145,000</b>	
aq15	Planning	Building Inspection	2,307	-4,005	6,312	6,312	14,599	9,599	5,000	5.1
aq20		Car Parks	-119,678	-176,147	56,469	5,000	-174,425	-226,425	52,000	5.2
aq70		Community Planning	94,564	113,259	-18,695	-15,000	126,550	126,550		
aq11		Development Control	164,373	-12,156	176,529	176,529	274,416	164,416	110,000	5.3
aq14		Economic Development	139,383	262,206	-122,823	-123,000	175,106	175,106		
aq13		Environmental Initiatives	1,477	1,416	61	61	37,140	37,140		
aq05		Highways Miscellaneous	68,751	67,084	1,667	1,667	89,114	89,114		
aq35		Industrial Estates	-460,892	-484,955	24,063	24,063	-627,116	-627,116		5.4
aq05		Markets	-22,326	17,977	-40,303	-40,303	-38,255	745	-39,000	5.5
aq00		Misc Property	65,028	79,698	-14,670	-13,000	64,624	80,624	-16,000	5.6
aq12		Planning Policy	605,711	217,669	388,042	3,000	786,555	464,555	322,000	5.7
aq05		Public Transport	0	30	-30	-30	0	0		
aq75		Sustainable Development	30,472	31,419	-947	-947	42,034	42,034		
	<b>Planning</b>		<b>569,170</b>	<b>113,496</b>	<b>455,674</b>	<b>-143,000</b>	<b>770,342</b>	<b>336,342</b>	<b>434,000</b>	
as05	Support Services Holding	Asset Management	183,341	149,101	34,240	6,000	245,820	245,820		6.1
as07		Communications & Promotion	164,319	183,334	-19,015	-19,015	223,243	226,243	-3,000	6.2
as45		Corporate Management	351,370	357,391	-6,021	-6,021	494,702	494,702		6.3
as25		Council Offices	881,249	839,735	41,514	32,000	1,128,994	1,118,994	10,000	6.4
as15		Finance Support	429,181	418,295	10,886	16,000	629,756	650,756	-21,000	6.5
as30		Health & Safety	32,183	34,754	-2,571	-2,571	48,735	48,735		
as20		I.T. Support	1,168,772	1,168,170	602	602	1,239,868	1,239,868		
as10		Legal /Administration	1,003,679	926,270	77,409	12,000	1,295,604	1,295,604		6.6
as06		Performance & Scrutiny	41,006	40,263	743	743	54,512	54,512		
		HRA element of Support Services	-812,462	-887,101	74,639	74,639	-1,284,070	-1,284,070		6.7
		Revs & Bens Element of Support Services	-23,402	-22,863	-539	-539	-31,200	-31,200		
	<b>Support Services Holding A/c</b>		<b>3,419,236</b>	<b>3,207,349</b>	<b>211,887</b>	<b>66,000</b>	<b>4,045,964</b>	<b>4,059,964</b>	<b>-14,000</b>	
	<b>Position as at 30/12/2015</b>		<b>9,643,815</b>	<b>6,813,258</b>	<b>2,830,557</b>	<b>765,000</b>	<b>13,135,807</b>	<b>11,441,807</b>	<b>1,694,000</b>	
	<b>Estimated year end salary overspend</b>								<b>-35,000</b>	
	<b>Pay award pressure (Chief Officers)</b>									
	<b>Pay award pressure</b>									
							<b>13,135,807</b>	<b>11,441,807</b>	<b>1,659,000</b>	

<b>Outturn Explanations April to December 2015</b>					
<b>Key : ( ) = overspend</b>					
		<b>Variation To Date</b>	<b>Forecasted Year End Variance at December</b>	<b>Forecasted Yr. End Variance November</b>	<b>Month on Month Change</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>1</b>	<b>Central Services</b>	<b>802,000</b>	<b>1,033,000</b>	<b>764,000</b>	<b>269,000</b>
1.1	<ul style="list-style-type: none"> <li>➤ Corporate Management - £9k underspend on Members Allowance for admin support, £6k underspend on Members Allowance change in pension scheme, £2k underspend on Members Allowance - due to 2nd opposition leader budget not being required, £63k underspend on Staff Severance costs, budget entered in 2015/16 but actual cost accrued into 2014/15, £1k underspend on Contribution to other bodies, £5k underspend on Bank Charges, (£1k) Other Minor overspends</li> <li>Year End - £6k saving on Members Allowance for admin support, £6k saving on Members Allowance for Pension Contributions as no longer able to pay into scheme, £3k saving on Members Allowance - due to 2nd Opposition Leader was budgeted for, £1k saving on Contribution to other bodies, £3k saving on Bank Charges - Over Accrual for February &amp; March charges, £130k Underspend on Staff Severance costs, budget entered in 2015/16 but actual cost accrued into 2014/15</li> </ul>	85,000	0	0	0
1.2	<ul style="list-style-type: none"> <li>➤ Corporate Management - Civic - £3k Underspend on Civic Hospitality, £2k other minor underspends</li> </ul>	5,000			
1.3	<ul style="list-style-type: none"> <li>➤ Council Tax/ NNDR - £37k reduction in HBBC contribution to the Revenues &amp; Benefits Partnership as a result of partnership restructure, (£1k) other minor variances</li> <li>Year End - £49k reduction in HBBC contribution to the Revenues &amp; Benefits Partnership as a result of partnership restructure</li> </ul>	36,000	0	0	0
1.4	<ul style="list-style-type: none"> <li>➤ Council Tax Support - £24k reduction in HBBC contribution to the Revenues &amp; Benefits Partnership as a result of partnership restructure, £5k Other Minor underspends</li> <li>Year End - £31k reduction in HBBC contribution to the Revenues &amp; Benefits Partnership as a result of partnership restructure</li> </ul>	29,000	0	0	0
1.5	<ul style="list-style-type: none"> <li>➤ General Grants - £474k S31 grant income received in respect of Business Rates Retention Scheme</li> <li>Year End - £630k - S31 grant income received in respect of Business Rates Retention Scheme. Retained element will depend on actual reliefs provided. Amount therefore placed in reserve pending NNDR3</li> <li>➤ Local land charges - £139K additional income for new burdens, (£4K) income not received for land searches and licence fees</li> </ul>	474,000	0	0	0
1.6	<ul style="list-style-type: none"> <li>➤ Local land charges - £139K additional income for new burdens</li> </ul>	135,000			
1.7	<ul style="list-style-type: none"> <li>➤ Elections - £36k Savings on the cost of borough elections, (£3k) - salary variance, £4k postage savings , £1k minor variations</li> <li>Year End - Elections - £35k Estimated saving on the cost of borough elections</li> </ul>	38,000	0	0	0
<b>2</b>	<b>Direct Service Organisations</b>	<b>(2,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
2.1	<ul style="list-style-type: none"> <li>➤ DSO Grounds - (£10k) salaries overspend, (£6k) overtime overspend, £12k additional income, £2k minor variances</li> </ul>	(2,000)	0	0	0
<b>3</b>	<b>Housing (General Fund)</b>	<b>309,000</b>	<b>96,000</b>	<b>80,000</b>	<b>16,000</b>
3.1	<ul style="list-style-type: none"> <li>➤ Benefits Fraud - £10k additional income received from Income Management, £12k reduction in HBBC contribution to the Revenues &amp; Benefits Partnership as a result of partnership restructure, £1k Other Minor underspends</li> <li>Year End - £16k reduction in HBBC contribution to the Revenues &amp; Benefits Partnership as a result of partnership restructure</li> </ul>	23,000	0	0	0
3.2	<ul style="list-style-type: none"> <li>➤ Forest road garages - Year end - additional rent £6K</li> </ul>		6,000		6,000
3.3	<ul style="list-style-type: none"> <li>➤ Homelessness - £18k Prevention underspend as private landlords and housing associations are not accepting people that they consider high risk (ccjs, bankruptcy or previous bad behaviour etc.), £19K Salary underspend due to vacant posts, £7K Bed and breakfast underspend due to lack of demand, £5K mortgage prevention saving due lack of demand, £2K Universal credit preparation saving, (£9K) loss of income due to reduced demand for services, (£1K) other minor variance.</li> </ul>	41,000	0	0	0

	Forecasted year end variations	Variation To Date	Forecasted Year End Variance at December	Forecasted Yr. End Variance November	Month on Month Change
	Year End - £26k Homelessness prevention underspend based on current level of demand. This a demand led service so the underspend may change in future months	0	26,000	26,000	0
3.4	➤ Private Sector Leasing - £9K additional rent for private sector leasing, £6K costs saving due to all properties currently being occupied, (£10K) salary overspend due to vacancy factor, £2K minor variations	7,000			
	➤ Private Sector Leasing - Year End - £12K extra rent for Private Sector Leasing, £8K cost savings due to all properties currently being occupied.	0	20,000	26,000	(6,000)
3.5	➤ Rent Allowances - £208k additional income received from Benefit overpayments, £14k additional income received from DWP for data matching initiative, £18k reduction in HBBC contribution to the Revenues & Benefits Partnership as a result of partnership restructure, (£2k) Income from Legal costs lower than anticipated	238,000	0	0	0
	Year End - (£100k) Subsidy Impact Increased costs - Any fluctuations will be monitored. This amount fluctuates in year, £104k additional Income from Benefits Overpayments, £24k reduction in HBBC contribution to the Revenues & Benefits Partnership as a result of partnership restructure		28,000	12,000	16,000
4	Leisure & Environment	<b>203,000</b>	<b>145,000</b>	<b>136,000</b>	<b>9,000</b>
4.1	➤ Children and Young People - £12k salary variation, (£3k) Minor variations	9,000	0	0	0
4.2	➤ Community Safety - (£7K) Salary overspend due to vacancy factor, £12K neighbourhood action underspend as the setup costs were less than anticipated, £11K consultancy underspend due to work being carried out internally, £5K hired & contracted services underspend, £2K underspend budgeted for mobile speed camera which has not been required yet this year, £4K underspend for minor projects over many projects, £18K to be spent on childrens works, £9K to be spent male abuse services, £3K minor variance	57,000	0	0	0
	➤ Year End - £15K neighbourhood action underspend as the setup costs are less than anticipated	0	15,000	15,000	0
4.3	➤ Countryside Management - £4k Additional income from English Woodland Grant Scheme, £3k minor variances	7,000	0	0	0
	➤ Year End - £4k Additional income from English Woodland Grant Scheme	0	4,000	4,000	0
4.4	➤ Creative Communities - (£5k) Year End Income target for year unlikely to be met due to limited opportunities for income generation from other public bodies.	3,000	(5,000)	(5,000)	0
4.5	➤ Environmental Health - (£16k) Salary overspend due to vacancy factor, £2k other minor underspends	(14,000)	0	0	0
4.6	➤ Leisure Centre - (£11k) One off equipment hire costs due to change in the service provider. A supplementary request for the shortfall has subsequently been actioned. (£16k) Impact of Insurance premium income for leisure centre which will not be received under the new contract. (£4k) minor variations	(31,000)	0	0	0
	➤ Year End - (£15k) reduction in one off management fee for contractual arrangements at the current Leisure Centre, (£21k) Income in respect of insurance premium which will not be recharged to the new provider under the terms of the new interim contract with Places for People.		(36,000)	(36,000)	0
4.7	➤ Parks - £6k savings metered water, £4k savings sewer & environmental costs, (£4k) salaries overspend, £4k minor variances	10,000	0	0	0
	➤ Year end - (£28k) Severn Trent Water additional charges relating to surface water drainage at Richmond Park. A £21k contingent liability was disclosed in the 2014/15 statement of accounts, £5k savings metered water, £4k savings sewer & environmental costs, (£1k) misc income shortfall	0	(20,000)	(19,000)	(1,000)
4.8	➤ Pest Control - Year End - (£3k) Additional pest control costs due to increased pest control activity.	0	(3,000)	(3,000)	0
4.9	➤ Recycling - £57k Kerbside recycling savings on palm contract, £6k fuel savings, £21k agency staff savings, £16k vehicle leasing savings, £7k over accrual of Jan-Mar 2015 green waste fees, £4k additional miscellaneous income, £1k advertising savings, less (£24k) shortfall recycling income from LCC, (£20k) salaries overspend, (£5k) income shortfall from green bins, £4k minor variances	67,000	0	0	0
	➤ Yr. end - £71k Kerbside recycling savings on palm contract, £9k fuel savings, £7k over accrual of Jan-Mar 2015 green waste fees, (£23k) reduced recycling income from LCC, £21k agency staff cost savings, £16k vehicle hire savings, £4k additional miscellaneous income, (£5k) shortfall green bin fees, £1k advertising savings	0	101,000	53,000	48,000
4.10	➤ Refuse - £32k Additional trade waste income, £19k fuel savings, £5k extra bulky waste income, (£11k) additional trade waste disposal costs, £2k vehicle leasing savings, £7k staff overtime savings, (£3k) agency staff overspend, (£14k) salary overspend, £4k minor variances	41,000	0	0	0

		Forecasted year end variations	Variation To Date	Forecasted Year End Variance at December	Forecasted Yr. End Variance November	Month on Month Change
		Yr. end - £39k additional trade waste income, £25k fuel savings, £7k staff overtime savings, £2k vehicle leasing savings, £1k extra income from bulky waste, £1k postage savings, £2k additional misc income, (£31) additional LCC trade waste disposal costs, (£2k) income shortfall from LCC due to reduced out of County tipping	0	44,000	83,000	(39,000)
4.11	➤	Sports Development - £15k underspend on salaries.	15,000	0	0	0
4.12	➤	Street Cleansing - £9k additional bulky waste income, £4k fuel savings, £13k vehicle leasing savings, (£6k) salaries overspend, £1k agency staff underspend, £1k additional fixed penalty notice income, £6k repairs & maintenance underspend, £1k equipment/materials savings, £4k additional streets variation income, £5k minor variances. Yr. end - £13k additional income from bulky item collections, £4k fuel savings, £13k vehicle leasing savings, £2k agency staff savings, £1k equipment & materials savings, £1k additional fixed penalty notice income, £8k additional streets variation income, (£1k) staff standby overspend	38,000	0	0	0
4.13	➤	Waste Business Improvements - £6k staff overtime underspend, £4k additional income for new bins, Yr. end - £4k additional income for new bins	10,000	0	0	0
5		<b>Planning</b>	<b>597,000</b>	<b>434,000</b>	<b>419,000</b>	<b>15,000</b>
5.1	➤	Building inspection - (£7K) Salary over spend due to vacancy factor, £11K additional income, £2K other minor variations	6,000	0	0	0
	➤	Building inspection - Year end £5K additional income.	0	5,000	0	5,000
5.2	➤	Car Parks - £23k net additional income from running Britannia Car Park (mid April-8th October 2015), £32k additional pay and display income, £9k additional season ticket income, £6k salary underspend, (£10k) reduction penalty notice income from LCC, (£4k) Harborough District Council invoice for April 2015 parking enforcement costs prior to appointment of HBBC staff, (£2k) Castle Street rent adjustment, (£1k) extra costs from LCC for parking enforcement processing, (£1k) additional Hired and Contracted costs (Kings cash collection).	52,000	0	0	0
	➤	Yr. end - £23k net additional income from running Britannia Car Park (mid April- 8th October 2015), £42k additional pay and display income, £7k additional season ticket income, (£10k) reduction in penalty notice income from LCC, (£2k) Castle Street rent adjustment, (£5k) Harborough District Council invoice for April 2015 parking enforcement costs prior to appointment of HBBC staff, (£1k) extra costs from LCC for parking enforcement processing, (£2k) additional Hired & Contracted costs (Kings cash collection)	0	52,000	40,000	12,000
5.3	➤	Development Control - £48K salary underspend due to vacant post, £15K agency staff saving due to agency staff finishing contract earlier than anticipated, £57K increase in planning fees received. (£13K) pressure on pre application advice fees due to not being able to charge for advice on builds of 1 - 10 houses, £65k Legal fees for appeals and enforcement underspend, £4K Minor variations	176,000	0	0	0
		Year End - £100K Forecast additional planning fee income based on application pathway. Officers are in the process of reforecasting this figure based on known and anticipated applications; (£20K) pressure on pre application advice fees due to not being able to charge for advice on builds of 1 - 10 house development control were not included in budgeting for this and have been trying to put a plan in place however after discussions this month the lack of resources now means they will not get this in place. £30K legal fees - appeals costs to be lower than expected	0	110,000	110,000	0
5.4	➤	Industrial Estates - £9k additional rental income on industrial units (there are likely to be some w/offs before year end the figure is to be confirmed), £10k saving on NNDR due to high occupancy of industrial units, £2k underspend on electricity for vacant properties, £3k Other minor underspend	24,000	0	0	0
5.5	➤	Markets - (£37k) Income target not achieved based on current activity levels, (£10k) Salary variance due to vacancy factor, £4k cleansing saving, £3k minor variations Year end - (£39k) Predicted under recovery of market income. The assessment has been made based on the likely income if a similar amount were received compared to last year for the remainder of the year.	(40,000)	0	0	0
			0	(39,000)	(37,000)	(2,000)
5.6	➤	Miscellaneous Properties Miscellaneous Properties Yr End -(£16k) Forecasted under recovery of income due to Block C delays		0	0	0
				(16,000)	(16,000)	0
5.7	➤	Planning Policy - £112k Local Plan 2026 Plus, £214K Site allocation & generic Development fund for retail capacity study, £25K consultancy expenses not spent being reviewed for possible savings, £32k expenses being incurred internal recharges being calculated along with potentially keeping short term members of staff to perform work and £2k other minor variation.	385,000			0

	Forecasted year end variations	Variation To Date	Forecasted Year End Variance at December	Forecasted Yr. End Variance November	Month on Month Change
	Year End - £132k - Local Plan 2026 Plus - The budget for 15/16 is £162k, this is funded from LDF Reserves, only £30k for Retail Capacity Study committed for 15/16. All the other schemes have now been scheduled for future years (16/17 and 17/18). £190K underspend in the Site allocation budget all further work will be in the in 16/17. Therefore £322k will be drawn down from reserves in future years.	0	322,000	322,000	0
6	<b>Support Services Holding A/c</b>	<b>148,000</b>	<b>(14,000)</b>	<b>(7,000)</b>	<b>(7,000)</b>
6.1	➤ Asset Management - £8k underspend on Salaries, £11k underspend on Asset Maintenance on the Leisure Centre, £4k underspend on Asset Maintenance on the Parks Special Expenses, £4k underspend on Asset Maintenance on Industrial Estates, £1k minor underspends	28,000	0	0	0
6.2	➤ Communications and Promotions (£15K) salary overspend , (£3k) reduced advertising income, (£1k) minor variations	(19,000)	0	0	0
	Year end - (£3k) An allowance was made in the original budget for generating advertising income on the website but this will not now be realised as the project has not proceeded.	0	(3,000)	(3,000)	0
6.3	➤ Corporate Management - (£6K) salary overspend	(6,000)	0	0	0
6.4	➤ Council Offices - £3k underspend on Salaries, £3k underspend on utility costs, £7k Rent on the Hub - underspend due to lower than anticipated annual rent review, (£3k) overspend on premises insurance at the Hub, £1k underspend on Asset Maintenance at the Middlefield Lane Depot, (£1k) Other Minor overspends	10,000	0	0	0
	➤ Year End - £8k saving on Hub Rent due to lower than anticipated increase following annual rent review, £2k saving on Asset Maintenance at Middlefield Lane Depot		10,000	10,000	
6.5	➤ Finance Support -(£17k) Salary overspend due to vacancy factor , £3k saving on accountancy computer software maintenance, £2k on accountancy Consultancy vacant property review, £1k saving on accountancy shared employees contribution, £6k other minor underspends.	(5,000)	0	0	0
	➤ Year End - (£1k) Internal Audit overspend identified as per audit plan for 2015/16, £1k income from NWLDC for shared employees contribution, £3k Accountancy computer software maintenance saving , £6k Accountancy vacant property review saving. (£30k) additional bad debt provision required as a result of increased amount of debt outstanding.		(21,000)	(14,000)	(7,000)
6.6	➤ Legal & Admin - £64k Legal salary underspend due to vacant posts (to be used for additional agency support) , £1k other minor Underspends. Year end - legal support saving net of agency costs reflected within year end salary figure	65,000	0	0	0
6.7	➤ HRA element of support services	75,000	0	0	0

<b>Total (over)/under spend</b>	<b>2,057,000</b>	<b>1,694,000</b>	<b>1,392,000</b>	<b>302,000</b>
<b>Estimated Year end salary (over)/under spend</b>		(35,000)	(52,000)	17,000
<b>Pay award pressure (Chief Officers)</b>				
<b>Pay award pressure</b>				
<b>Forecasted year end saving</b>		<b>1,659,000</b>	<b>1,340,000</b>	<b>319,000</b>

Summary of Timing Differences in Variations

Monthly Outturn Report 1st April to 31st December 15

Under spends/(Overspends) caused by timing differences

		£	£
Corporate Management	Awaiting in LCC invoice for prior year Capital Cost of Early Retirement Miscoding of Mayors Travel Expenses corrected in January 16 Bank Charges for October & November - invoiced not yet received Local Housing Company costs to be incurred as and when required. Any underspend to be transferred to reserves	37,000 (1,000) 4,000 55,000	
	Miscoding of Mayors Travel Expenses corrected in January 16 Internet Bank Charges for November still outstanding	(1,000) 2,000	<b>96,000</b>
Corporate Management -(Civic)	Miscoding of Mayors Travel Expenses corrected in January 16	1,000	<b>1,000</b>
Council Tax/ NNDR	Delay in payment of contributions to the Revenues & Benefits Partnership, due to costs not yet having been incurred by the Partnership Revenues & Benefits Quarter 3 charges	15,000 96,000	<b>111,000</b>
Council Tax Support	Delay in payment of contributions to the Revenues & Benefits Partnership, due to costs not yet having been incurred by the Partnership Revenues & Benefits Quarter 3 charges	11,000 60,000	<b>71,000</b>
General Grants	S31 grant income in respect of Business Rates Retention Scheme - 2014/15 element to be repaid to DCLG	87,000	<b>87,000</b>
Local Land charges	Reprofiling of expenditure in respect of hired and contract services	(4,000)	<b>(4,000)</b>
DSO Grounds Maintenance	Groundcare variations income for October, November and December to be processed in January	(17,000)	<b>(17,000)</b>
DSO Housing repairs	Painting income works budget to be reprofiled Minor variations WIP & deficit to be recharged Vehicle leasing prepayments Awaiting materials invoices	(24,000) (7,000) (363,000) (18,000) 18,000	<b>(394,000)</b>
Benefits Fraud	Delay in payment of contributions to the Revenues & Benefits Partnership, due to costs not yet having been incurred by the Partnership Revenues & Benefits Quarter 3 charges	5,000 30,000	<b>35,000</b>
Contribution to Housing Rev Ac	Contribution to control centre processed in January	17,000	<b>17,000</b>

Summary of Timing Differences in Variations

Monthly Outturn Report 1st April to 31st December 15

Under spends/(Overspends) caused by timing differences

		£	£
Forest road carraes	Deferred capital budget to corrected in January Rent budget to be approved in January	45,000 5,000	<b>50,000</b>
Homelessness	£21K Bond repayment to be adjusted for cash element in March 2016	21,000	<b>21,000</b>
Private Sector Leasing	Awaiting payment for DASH subscriptions Funds to be returned to the 4 ways to warmth scheme (Due to costs being lower than expected) Virement in January for member of staff for 1 month	4,000 8,000 2,000	<b>14,000</b>
Rent Allowances	Revenues & Benefits Quarter 3 charges Rent Allowance Payments for December 2015 paid in January 2016 Income for Legal costs coded incorrectly - recoded in January 2016 Grant Audit work for 2015/16 charged in advance Additional subsidy income not yet received (increased expenditure incurred to date)	47,000 772,000 (1,000) (7,000) (138,000)	<b>673,000</b>
Childrens and Young People	Awaiting invoices for Sure Start services	7,000	<b>6,000</b>
Community Safety	Grant budget carried forward. Budget to be reprofiled Delivery of positive activities session expected in March. Budget to be reprofiled. PCC monies received ahead of budgeted profile. Budget to be reprofiled	3,000 4,000 1,000	<b>8,000</b>
Countryside Management	Awaiting invoices for cesspit emptying	6,000	<b>6,000</b>
Recycling	November and December dry recycling charges to be paid in January (Palm contract) October recycling credit settlement invoice agreed with LCC and raised in January Awaiting LCC confirmation before November & December recycling credit settlement invoices are raised Quarter 4 "on account" recycling income invoiced in advance October green waste income from LCC - invoiced in January November and December green waste income not yet invoiced - awaiting agreement with LCC December green waste disposal costs to be paid in January	90,000 (17,000) (33,000) 60,000 (15,000) (20,000) 10,000	<b>75,000</b>
Sports Development	Invoice awaited for shared officer costs from North West Leicestershire DC	6,000	<b>6,000</b>
Street Cleansing	Street Cleansing variation income for October, November and December to be processed in January	(20,000)	<b>(20,000)</b>

Summary of Timing Differences in Variations

Monthly Outturn Report 1st April to 31st December 15

Under spends/(Overspends) caused by timing differences

		£	£
Car Parks	Quarter 3 Severn Trent sewer work invoices not yet received November & December Kings Armoured Security invoices to be paid in January	3,000 2,000	<b>5,000</b>
Community planning	VCS hub contribution to be reprofiled January	(15,000)	<b>(15,000)</b>
Economic Development	RGF grant income moved to receipts in advance in November Shared services income to be invoiced to Oadby & Wigston council Xmas lights switch on event to be reprofiled to January	(95,000) (32,000) 4,000	<b>(123,000)</b>
Miscellaneous Properties	Cleaning Contract - October & November charges still outstanding Delay in invoicing Cineworld for rent from December 15	4,000 (17,000)	<b>(13,000)</b>
Planning policy	Gypsy travel assessment invoice expected in February	3,000	<b>3,000</b>
Asset Management	Cleaning Contract - October & November charges still outstanding	6,000	<b>6,000</b>
Council Offices	Electricity Costs for October - Invoice not yet received Metered Water Costs to November 15 - Invoice not yet Received Invoice for Security staffing costs re November paid in January Invoices not yet received for Leicestershire County Council Shared Service Staff Cleaning Contract - October & November charges still outstanding 2014/15 Accrual re telephone costs at the Leisure Centre still outstanding	5,000 3,000 5,000 4,000 10,000 5,000	<b>32,000</b>
Finance Support	Internal Audit Fees- Invoice not yet received for May to December Cashier Computer software upgrade & Maintenance - Invoice not yet received	13,000 3,000	<b>16,000</b>
Legal & Admin	Delay in payment of Agency costs relating to Legal interim staff Delay in upgrade of Business Objects for Human Resources	6,000 6,000	<b>12,000</b>
<b>TOTAL TIMING DIFFERENCES</b>			<b>765,000</b>



**Capital Programme Summary**  
**31st Dec 2015**

<b>Description</b>	<b>Latest Budget</b>	<b>Budget to Date</b>	<b>Actual</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>General Fund</b>				
Community Direction	15,659,980	10,033,599	8,736,525	1,267,074
Business, Contract and Streetscene Services	876,168	360,693	274,614	86,079
Corporate Direction	5,831,132	4,499,649	4,439,119	60,530
	<b>22,367,280</b>	<b>14,893,941</b>	<b>13,450,258</b>	<b>1,413,683</b>
<b>HRA</b>	<b>7,139,310</b>	<b>5,313,663</b>	<b>2,901,549</b>	<b>2,412,114</b>
<b>Grand Total</b>	<b>29,506,590</b>	<b>20,207,604</b>	<b>16,351,807</b>	<b>3,825,796</b>

31st Dec 2015  
Corporate Direction

Code	Description	Latest Budget £	Budget to Date £	Actual £	Variance £	
ssd	Financial Systems	4,350	3,264	5,546	(2,282)	
spv	Asset Management Enhancement Works	33,699	0	6,374	(6,374)	Expenditure has been committed.
spk	Council Office Relocation	0	0	(68,269)	68,269	Previous year accrual outstanding
sqe	Leisure Centre Demolition	106,890	7,483	8,714	(1,231)	Investigations being completed.
spq	Depot Demolition	0	0	(525)	525	
		<b>144,939</b>	<b>10,747</b>	<b>(48,160)</b>	<b>58,907</b>	
ssa	General Renewal -Extensions	14,840	11,132	(2,905)	14,037	Previous year accrual outstanding
ssp	Channel Shift	20,000	20,000	20,681	(681)	
ssq	Channel Shift - My Account	442,500	184,375	182,934	1,441	Expenditure has been committed.
ssr	Channel Shift -Data Centre Consolidation	98,500	41,042	43,123	(2,082)	
sss	Channel Shift - Virtual Desktop	153,000	51,000	47,204	3,796	
ssx	Rolling Server Review	40,000	0	0	0	To be spent in full by year end TCA funding to be used first
		<b>768,840</b>	<b>307,549</b>	<b>291,037</b>	<b>16,511</b>	
	Mobile Web	0	0	14,888	(14,888)	Ongoing Steria Web Development support. Supplementray budget to be requested
sun						
sut	Crescent Development	4,500,000	4,060,000	4,060,000	0	Contract Payment
svu	Block C Fit Out	121,353	121,353	121,353	(0)	
	Block C additional Fit Out	100,000	0	0	0	
suw	E Budget	22,000	0	0	0	Expenditure has been committed.
rbg	hardware	114,000	0	0	0	Procurement delayed due to Channel Shift Project.
sux	Software Upgrade - Windows	60,000	0	0	0	Budget will no longer be required in year
		<b>4,917,353</b>	<b>4,181,353</b>	<b>4,196,242</b>	<b>(14,889)</b>	
		<b>5,831,132</b>	<b>4,499,649</b>	<b>4,439,119</b>	<b>60,530</b>	

31st Dec 2015  
Community Direction

Code	Description	Latest Budget £	Budget to Date £	Actual £	Variance £	
rdi	Leisure Centre	11,124,705	7,288,142	7,268,719	19,423	Works due to be completed April 2016
rtv	CCTV	72,000	0	0	0	Works will commence in Mid January and take approximately 6-8 weeks
rbv	New Squash Facility	219,729	219,729	186,853	32,876	Awaiting final invoices for works
roa	Major Works Grants	162,172	129,685	105,463	24,222	Budget currently overcommitted for year by £70k . Executive report pending
roj	Private Sector Leasing	120,000	79,200	(5,865)	85,065	Prior year accruals outstanding for works
rom	Private Sector Housing Enforcement	120,000	30,000	0	0	Report to ease restriction on what this can be spent on
rob	Disabled Facilities Grant	563,433	483,714	284,503	199,211	Budget committed for the year. Demand is being monitored (Currently higher
roh	Minor Works Grants	80,000	62,507	5,943	56,564	Fewer lower value applications received to date. However more major works applications have been received. £70k Virement to be requested
roe	Green Deal Fuel Poverty	40,079	40,079	0	40,079	Funding committed to be completed by yr./end
rof	Green Deal Capital Fund	10,408	10,408	13,276	(2,868)	Funding committed to be completed by yr./end
		<b>12,512,526</b>	<b>8,343,464</b>	<b>7,858,893</b>	<b>454,571</b>	
rkt	Resurfacing Car Parks	17,000	17,000	13,335	3,665	
rkf	Rural Broadband	58,000	43,507	0	43,507	Awaiting invoice from County Council
rjc	Borough Improvements	80,010	67,515	23,700	43,815	Project delayed due to capacity issues . Budget committed
rjq	Shop Front Improvements Barwell	6,698	5,024	0	5,024	
rjz	Station Road Public Realm	20,593	20,593	(9,704)	30,297	Prior year accruals outstanding for works. Budget committed
rol	Noise Monitoring	0	0	8,182	(8,182)	Supplementary budget to be requested. Budget was in 14/15. Goods should have arrived at the end of March
sus	Public Realm	339,495	255,528	0	255,528	£360k budget committed for Station Rd works.
	RGF schemes	2,625,658	1,280,968	842,118	438,850	To be funded from unapplied earmarked grants. Budget to be reprofiled
		<b>3,147,454</b>	<b>1,690,135</b>	<b>877,632</b>	<b>812,503</b>	
	Grand Total	<b>15,659,980</b>	<b>10,033,599</b>	<b>8,736,525</b>	<b>1,267,074</b>	
<b>Streetscene Services</b>						
rbc	Burbage Common	2,184	1,638	683	955	
rbl	Preston Road	65,000	42,900	33,412	9,488	Estimated completion February 2016
rbn	Gowrie Close	2,724	2,724	1,793	932	
rbo	Stoneygate Estate	15,374	15,374	14,070	1,304	
rbq	Queens Park	57,725	57,725	47,907	9,818	£50k Budget committed, project may run into 2016/17
rbs	Battling Brook	4,185	4,185	4,585	(400)	
rbw	Burbage Woods Improvements	1,069	1,069	344	725	
rbx	Richmond Park	5,000	5,000	4,714	286	
ran	Memorial Safety Programme	7,130	1,783	1,993	(210)	
rfn	Parks : Major Works	31,986	15,674	12,148	3,526	
rgg	Parish & Community Initiatives	132,471	94,971	42,863	52,108	Awaiting confirmations from parishes. £73k committed balance will be a saving
rkt	Resurfacing Car Parks	15,000	450	419	31	
sqf	Argents Mead Phase 1 Upgrade	110,000	1,100	1,200	(100)	£53k Play equipment committed, installation may run into 2016/17
ce	Recycling Containers	136,590	116,100	108,483	7,617	Budget committed
rcs	Incab System	35,110	0	0	0	IT contract changes may result in slippage in this project to 2016/17
roo	Refuse Collection Vehicle	75,000	0	0	0	Vehicle purchase not required in year.
sva	Granville Road Play Improvements	18,620	0	0	0	Project to commence February '16
svb	Waterside Open Space (SEA)	41,000	0	0	0	Project delayed until site is adopted
svc	Play Area N Hinckley (SEA)	60,000	0	0	0	Delayed until funding has been identified
svd	Play Area Westfields (SEA)	60,000	0	0	0	Delayed until funding has been identified
		<b>876,168</b>	<b>360,693</b>	<b>274,614</b>	<b>86,079</b>	

31st Dec 2015  
HRA Capital 2015

	Description	Total Budget	Budget to Date	Actual	Variance
			£	£	£
	Major Voids	797,682	610,756	489,820	120,936
	Programmed Repairs	340,780	255,622	288,340	(32,718)
saa	Adaptation Of HRA Dwellings-Social Serv	416,440	287,427	288,427	(1,000)
sai	Windows : Single to Double Glazing	200,000	185,849	144,429	41,420
sak	Re-Roofing	107,603	82,981	40,692	42,289
sbh	Kitchen Upgrades	536,447	337,594	295,660	41,934
sbw	Boiler Replacement	558,000	418,556	482,637	(64,081)
sbx	Low Maintenance Doors	32,000	24,002	16,324	7,678
sum	Housing Repairs Software System	50,375	48,289	25,198	23,091
sah	Electrical Works and Testing	628,781	483,839	167,296	316,543
sup	Sheltered Scheme Enhancements	102,200	76,661	26,622	50,039
suq	Enhancement Works - New Kitchen/Bathroom	277,540	188,551	240,748	(52,197)
sas	Housing Asset Management System (AMS)	40,800	20,455	13,196	7,259
sap	Orchard System Upgrade	3,925	3,925	1,913	2,012
sur	Affordable Housing	2,980,737	2,239,650	379,871	1,859,779
sve	Conversion to flats	66,000	49,506	0	49,506
rok	Neighbourhood Action Hub set up costs	0	0	375	(375)
		<b>7,139,310</b>	<b>5,313,663</b>	<b>2,901,549</b>	<b>2,412,114</b>

After allowing for work in progress and recharge for overhead recovery there is an overall break even position expected that the year end position will be a break even position

Budget to be reprofiled.

Budget committed  
New contract in place and work has now been rescheduled. Contract still behind. Contractor meeting to be held in week commencing 23/11/15  
£30k committed to date. Balance to be c/fwd

Budget to be reprofiled

A 5 year development plan is currently being revised. This will be presented to the Executive shortly

Housing Revenue Account

Key : ( ) = overspend

	2015/16 ORIGINAL ESTIMATE £	2015/16 LATEST ESTIMATE £	2015/16 BUDGET to December £	2015/16 ACTUAL to December £	VARIANCE to December £	TIMING £	VARIANCE Excl TIMING £	F'CASTED OUTTURN £	F'CASTED VARIATION TO YEAR END £	REF	November VARIATION TO YEAR END £	MONTH ON MONTH CHANGE £
<b>SUMMARY HOUSING REVENUE ACCOUNT</b>												
<b>INCOME</b>												
Dwelling Rents	(13,262,955)	(13,262,955)	(9,948,543)	(10,018,945)	70,402	(108,902)	179,303	(13,212,955)	(50,000)	1	(50,000)	-
Non Dwelling Rents (garages & land)	(80,616)	(80,616)	(62,485)	(61,500)	(985)	-	(985)	(80,616)	-		-	-
Contributions to Expenditure	(16,830)	(16,830)	(12,624)	-	(12,624)	(13,000)	376	(16,830)	-		-	-
	<b>(13,360,401)</b>	<b>(13,360,401)</b>	<b>(10,023,652)</b>	<b>(10,080,445)</b>	<b>56,793</b>	<b>(121,902)</b>	<b>178,695</b>	<b>(13,310,401)</b>	<b>(50,000)</b>		<b>(50,000)</b>	<b>-</b>
<b>EXPENDITURE</b>												
Supervision & Management (General)	1,915,352	1,994,349	1,349,564	1,328,288	21,276	25,000	(3,724)	1,913,349	81,000	2	75,000	6,000
Supervision & Management (Special)	607,498	790,772	561,803	580,959	(19,156)	(2,000)	(17,156)	774,772	16,000	3	30,000	(14,000)
Lump Sum LCC pension contribution	53,000	53,000	53,000	53,000	-	-	-	53,000	-	4	-	-
Contribution to Housing Repairs A/C	3,192,165	3,192,165	-	-	-	-	-	3,192,165	-		-	-
Depreciation (Item 8 Debit)	2,974,420	2,974,420	-	-	-	-	-	2,974,420	-		-	-
Capital Charges : Debt Management	4,220	4,220	4,220	3,750	470	-	470	4,220	-		-	-
Increase in Provision for Bad Debts	144,000	144,000	-	-	-	-	-	144,000	-		-	-
Interest on Borrowing	2,099,100	2,099,100	-	-	-	-	-	2,099,100	-		-	-
	<b>10,989,755</b>	<b>11,252,026</b>	<b>1,968,587</b>	<b>1,965,997</b>	<b>2,590</b>	<b>23,000</b>	<b>(20,410)</b>	<b>11,155,026</b>	<b>97,000</b>		<b>105,000</b>	<b>(8,000)</b>
<b>Net (Income)/Cost of Services</b>	<b>(2,370,646)</b>	<b>(2,108,375)</b>	<b>(8,055,065)</b>	<b>(8,114,448)</b>	<b>59,383</b>	<b>(98,902)</b>	<b>158,285</b>	<b>(2,155,375)</b>	<b>47,000</b>		<b>55,000</b>	<b>(8,000)</b>
Transfer from Major Repairs Reserve	(778,000)	(778,000)	-	-	-	-	-	(778,000)	-		-	-
Interest Receivable	(30,020)	(30,020)	-	-	-	-	-	(30,020)	-		-	-
IAS19 Adjustment	(19,120)	(19,120)	-	-	-	-	-	(19,120)	-		-	-
Accumulated Absences	-	-	-	(15,891)	15,891	-	15,891	-	-	5	-	-
<b>Net Operating (Income)/Cost</b>	<b>(3,197,786)</b>	<b>(2,935,515)</b>	<b>(8,055,065)</b>	<b>(8,130,339)</b>	<b>75,274</b>	<b>(98,902)</b>	<b>174,176</b>	<b>(2,982,515)</b>	<b>47,000</b>		<b>55,000</b>	<b>(8,000)</b>
<b>CONTRIBUTIONS</b>												
Contribution to Piper Alarm Reserve	10,400	10,400	-	-	-	-	-	10,400	-		-	-
Contribution to/(from) Service Improvement Reserve	(20,000)	(20,000)	-	-	-	-	-	(20,000)	-		-	-
Contribution to Pension Reserve	3,520	3,520	-	-	-	-	-	3,520	-		-	-
Transfer to Major Reserves	800,000	800,000	-	-	-	-	-	800,000	-		-	-
Transfer to Regeneration Reserve	2,467,150	2,467,150	-	-	-	-	-	2,467,150	-		-	-
	<b>63,284</b>	<b>325,555</b>	<b>(8,055,065)</b>	<b>(8,130,339)</b>	<b>75,274</b>	<b>(98,902)</b>	<b>174,176</b>	<b>278,555</b>	<b>47,000</b>		<b>55,000</b>	<b>(8,000)</b>

TIMING VARIANCE VARIANCE AT YEAR END REF

**Explanations for Variances**

**Income**

Timing - (£109k) 3 Day of Rent Income relates to December  
 £113K Piper alarm rents received investigations of where this needs to be allocated will be done in December  
 £66K Dwelling Rents variance as budgeted figures lower than actual. A formal process for forecasting is to be established for January monitoring

Year End - (£50k) Dwelling Rents forecast based on the average outturn position for the last 3 financial years.

(£13K) Contribution from control centre to be processed in January

**Expenditure**

See next page for Supervision and Management variances

See next page for Supervision and Management variances

Pension journal required

Accumulated Absence costs reversed at yr. end.

	£000's	£000's	£000's	REF
Timing - (£109k) 3 Day of Rent Income relates to December	(109)			1
£113K Piper alarm rents received investigations of where this needs to be allocated will be done in December		113		
£66K Dwelling Rents variance as budgeted figures lower than actual. A formal process for forecasting is to be established for January monitoring		66		1
Year End - (£50k) Dwelling Rents forecast based on the average outturn position for the last 3 financial years.			(50)	1
(£13K) Contribution from control centre to be processed in January	(13)			
See next page for Supervision and Management variances	25	(4)	81	2
See next page for Supervision and Management variances	(2)	(17)	16	3
Pension journal required	-	-	-	4
Accumulated Absence costs reversed at yr. end.	-	16	-	5
	<b>(99)</b>	<b>174</b>	<b>47</b>	
			<b>55</b>	<b>(8)</b>

Housing Revenue Account

Key : ( ) = overspend

	2015/16 ORIGINAL ESTIMATE £	2015/16 LATEST ESTIMATE £	2015/16 BUDGET to December £	2015/16 ACTUAL to December £	VARIANCE to December £	TIMING	VARIANCE Excl TIMING	F'CASTED OUTTURN	F'CASTED VARIATION TO YEAR END	REF	November VARIATION TO YEAR END £	MONTH ON MONTH CHANGE £
<b>SUPERVISION &amp; MANAGEMENT (GENERAL)</b>												
Employees	713,532	773,522	557,556	524,236.86	33,319	34,000	(681)	698,522	75,000	2.1	75,000	-
Premises Related Expenditure	152,290	152,290	97,642	92,514.55	5,127	10,000	(4,873)	152,290	-	2.2	-	-
Transport Related Expenditure	18,030	18,030	13,524	12,699.96	824		824	18,030	-		-	-
Supplies & Services	206,360	252,061	224,266	217,686.37	6,580	-	6,580	252,061	-	2.3	-	-
Central & Administrative Expenses	891,280	900,570	524,761	556,199.54	(31,439)	(31,000)	(439)	900,570	-	2.4	-	-
<b>Gross Expenditure</b>	<b>1,981,492</b>	<b>2,096,473</b>	<b>1,417,749</b>	<b>1,403,337</b>	<b>14,412</b>	<b>13,000</b>	<b>1,412</b>	<b>1,995,712</b>	<b>75,000</b>		<b>75,000</b>	<b>-</b>
Revenue Income	(66,140)	(94,124)	-62,183	-75,049.36	12,866	18,000	(5,134)	(100,124)	6,000	2.5	-	6,000
Recharges	-	(8,000)	-6,002	0	(6,002)	(6,000)	(2)	(8,000)			-	-
<b>Total Income</b>	<b>(66,140)</b>	<b>(102,124)</b>	<b>(68,185)</b>	<b>(75,049)</b>	<b>6,864</b>	<b>12,000</b>	<b>(5,136)</b>	<b>(108,124)</b>	<b>6,000</b>		<b>-</b>	<b>6,000</b>
<b>Net Expenditure to HRA</b>	<b>1,915,352</b>	<b>1,994,349</b>	<b>1,349,564</b>	<b>1,328,288</b>	<b>21,276</b>	<b>25,000</b>	<b>(3,724)</b>	<b>1,887,588</b>	<b>81,000</b>		<b>75,000</b>	<b>6,000</b>
<b>SUPERVISION &amp; MANAGEMENT (SPECIAL)</b>												
Employees	614,210	589,117	433,026	402,251.39	30,775	9,000	21,775	569,117	20,000	3.1	20,000	-
Premises Related Expenditure	401,211	401,211	279,316	256,546.78	22,769		22,769	391,211	10,000	3.2	20,000	(10,000)
Transport Related Expenditure	10,550	10,550	7,935	10,256.28	(2,321)		(2,321)	10,550	-		-	-
Supplies & Services	139,100	168,904	139,257	126,628.99	12,628	3,000	9,628	168,904	-	3.3	-	-
Central & Administrative Expenses	114,080	114,080	85,606	99,753.35	(14,147)	(14,000)	(147)	114,080	-	3.4	-	-
<b>Gross Expenditure</b>	<b>1,279,151</b>	<b>1,283,862</b>	<b>945,140</b>	<b>895,437</b>	<b>49,703</b>	<b>(2,000)</b>	<b>51,703</b>	<b>1,253,862</b>	<b>30,000</b>		<b>40,000</b>	<b>(10,000)</b>
Revenue Income	(617,733)	(439,170)	(329,417)	(314,478)	(14,939)	-	(14,939)	(425,170)	(14,000)	3.5	-	(14,000)
Recharges	(53,920)	(53,920)	(53,920)	-	(53,920)		(53,920)	(53,920)	-		-	-
<b>Total Income</b>	<b>(671,653)</b>	<b>(493,090)</b>	<b>(383,337)</b>	<b>(314,478)</b>	<b>(68,859)</b>	<b>-</b>	<b>(68,859)</b>	<b>(479,090)</b>	<b>(14,000)</b>		<b>-</b>	<b>(14,000)</b>
<b>Net Expenditure to HRA</b>	<b>607,498</b>	<b>790,772</b>	<b>561,803</b>	<b>580,959</b>	<b>(19,156)</b>	<b>(2,000)</b>	<b>(17,156)</b>	<b>774,772</b>	<b>16,000</b>		<b>40,000</b>	<b>(24,000)</b>

Explanations for Variances

**SUPERVISION & MANAGEMENT (GENERAL)**

**Employees**

(£16k) Salaries overspend due to vacancy factor, £7k Holiday Pay/Flexi, £4K staff restructure, £38K Severance budget forecast underspend to date, £1K Other minor variances

34

2.1

£75K Severance budget not to spend in year.

75

**Premises Related Expenditure**

£10K discretionary housing benefit budget to be reprofiled in January

10

2.2

(£5K) overspend on council tax charge relating to void properties

(5)

**Supplies & Services**

2.3

(£5K) Computer software budget to be done in January, (£3K) Consultancy to reprofile December, £6K consultancy costs for new build expected December, £2K right to move spend to happen before March

0

£2K Underspend on Subscription currently being reviewed for year end savings, £5K underspend tenant to court action costs, savings to be reviewed.

7

**Central & Admin Expenses**

2.4

Timing - (£31k) due to profile of budget to be fully recharged by the end of the year.

(31)

Explanations for Variances	TIMING £000's	VARIANCE £000's	VARIANCE AT YEAR END	REF
<b>SUPERVISION &amp; MANAGEMENT (GENERAL) (Continued)</b>				
<b>Revenue Income</b>				
£14K CBL income, £4K extra funding received for staff shared employees reprofile in December	18			<b>2.5</b>
(£8K) monies recorded as output VAT gross figure recorded as the budget not the net, £2K extra income received for council tax due refund of council tax, £1K Other minor variations		(5)		
(£6K) VAT for Universal Credit monies, the budget was recorded gross and £12K for additional choice based letting.			6	
<b>Recharges</b>				
(£6K) recharges to be calculate and fully recharged by the year end	(6)			
	<b>25</b>	<b>(3)</b>		<b>81</b>
<b>SUPERVISION &amp; MANAGEMENT (SPECIAL)</b>				
<b>Employees</b>				
£9k Holiday Pay/Flexi to be processed at year end	9			<b>3.1</b>
£46k Salary underspend due several vacancies due to be filled in the next few months, (£20k) Agency Cover for vacancies, (£7K) overspend on overtime, £2K salary standby underspend		21		
Year End - £20k Salary underspend due to vacant posts			20	
<b>Premises Related Expenditure</b>				
£20K Electricity underspend due to less spending in summer months, £5K gas underspend due to more efficient boilers and less spending on heating in summer months. Other minor variances (£3K)		22		<b>3.2</b>
Year End - £10k Gas saving based on previous years savings and no major back dated meter reading queries.			10	
<b>Supplies &amp; Services</b>				
£10K timing Piper alarm budget to be reprofiled January, (£7k) equipment overspend reprofile to be done in January	3			<b>3.3</b>
£5K telephone underspend due to lack of demand for use of the telephones in properties, £4K Minor variations		9		
<b>Central &amp; Admin Expenses</b>				
Timing - (£14k) Minor Variances which should be fully recharged by year end	(14)			<b>3.4</b>
<b>Revenue Income</b>				
(£12k) - Sheltered Scheme Service Charge income lower than expected. This is due to charges on some vacant properties expected and not being received, (£8K) under receipt on lifeline income, £4K fees & charges extra income, £1K minor variation		(15)		<b>3.5</b>
(£14k) - Sheltered Scheme Service Charge reduction due to voids and warden properties void.			(14)	
<b>Recharges</b>				
(£54K) HRA repair account recharge to be done in January		(54)		
	<b>(2)</b>	<b>(17)</b>		<b>16</b>

HOUSING REPAIRS ACCOUNT	2015/16	2015/16	2015/16	VARIANCE		F'CASTED		F'CASTED		
	LATEST BUDGET £	BUDGET to Dec £	ACTUAL to Dec £	to Dec £	TIMING £	VARIANCE Excl TIMING £	OUTTURN £	DEFICIT £	VARIATION YEAR END £	REF
<b>Administration</b>										
Employee Costs	363,184	263,311	249,596	13,715	6,000	7,715	363,184	-	-	1
Transport Related Expenditure	7,250	5,438	2,405	3,033		3,033	7,250		-	
Supplies & Services	128,763	84,391	59,966	24,425	14,000	10,425	128,763		12,000	2
Central Administrative Expenses	261,850	196,411	224,156	(27,745)	(24,000)	(3,745)	261,850		-	3
<b>Total Housing Repairs Administration</b>	<b>761,047</b>	<b>549,551</b>	<b>536,123</b>	<b>13,428</b>	<b>(4,000)</b>	<b>17,428</b>	<b>761,047</b>	<b>-</b>	<b>12,000</b>	
<b>Programmed Repairs</b> ("Major Works" e.g. Central Heating Service)	<b>560,230</b>	<b>389,960</b>	<b>367,011</b>	22,949	23,000	(51)	<b>560,230</b>		-	4
<b>Responsive Repairs</b>	<b>1,202,655</b>	<b>899,596</b>	<b>592,429</b>	<b>307,167</b>	<b>251,000</b>	<b>56,167</b>	1,202,655		56,000	5
<b>GROSS EXPENDITURE</b>	<b>2,523,932</b>	<b>1,839,107</b>	<b>1,495,563</b>	<b>343,544</b>	<b>270,000</b>	<b>73,544</b>	<b>2,523,932</b>	<b>-</b>	<b>68,000</b>	
Contribution from HRA	(3,192,165)	-	-	-	-	-	(3,192,165)		-	
Other Income	(4,063)	(1,509)	(6,695)	5,186	-	-	(2,632)		(1,431)	
IAS19 Adjustment	(3,580)						(3,580)		-	
<b>TOTAL INCOME</b>	<b>(3,199,808)</b>	<b>(1,509)</b>	<b>(6,695)</b>	<b>5,186</b>	<b>-</b>	<b>-</b>	<b>(3,198,377)</b>	<b>-</b>	<b>(1,431)</b>	
Contribution to HRA Reserves	778,000	-	-	-	-	-	778,000		-	
<b>NET EXPENDITURE</b>	<b>102,124</b>	<b>1,837,598</b>	<b>1,488,868</b>	<b>348,730</b>	<b>270,000</b>	<b>73,544</b>	<b>103,555</b>	<b>-</b>	<b>66,569</b>	
<b>Variations</b>										
	<b>TIMING VARIANCE</b>	<b>Outturn</b>								
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>							
1 Savings due to vacant posts		4								
Holiday pay accrual	3									
Awaiting agency invoices	3									
Other minor variations		3								
	<u>6</u>	<u>7</u>								
2 Consultancy Fees. Health and Safety assessments not required in year		10	12							
IT Maintenance budget to be repofiled	(16)									
Control Centre costs processed in December	30									
	<u>14</u>	<u>10</u>	<u>12</u>							
3 Saving on office recharges due to invoices paid ahead of budgetted profile	(18)									
Other minor variations	(6)									
	<u>(24)</u>									
4 Heating and Painting budgets to be repofiled	23									
	<u>23</u>									
5 Work in progress and under recovery of works to be recharged	251									
Current underspend to date due to demand nature of budget		56	56							
	<u>251</u>	<u>56</u>	<u>56</u>							
	<u>270</u>	<u>63</u>	<u>68</u>							



## FINANCE AUDIT & PERFORMANCE COMMITTEE 21 MARCH 2016

### PERFORMANCE & RISK MANAGEMENT FRAMEWORK 2015/16

#### QUARTER 3 OUTTURN

#### REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

### WARDS AFFECTED: ALL WARDS

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#### 1. PURPOSE OF REPORT

- 1.1 To provide the Committee with the 3<sup>rd</sup> quarter 2015/16 outturn position for :
- Performance Indicators (PIs) including available benchmarking
  - Service Improvement Plans (SIPs)
  - Corporate risks
  - Service area risks

#### 2. RECOMMENDATION

That the Committee:

- 2.1 Note the 3<sup>rd</sup> quarter (2015/16) position for items listed at 1.1 above
- 2.2 Recommend any actions that should be taken to improve performance on indicators failing to meet target
- 2.3 Recommend any actions that should be taken to address SIP actions showing slippage to target dates
- 2.4 Review risks that pose the most significant threat to the Council's objectives and priorities (red risks)

#### 3. BACKGROUND TO THE REPORT

- 3.1 Hinckley and Bosworth Borough Council provide a wide range of services that are delivered to the community and set strategic aims that help focus on priorities in order to deliver the vision: "**A Borough to be proud of**".

This is achieved by managing performance in the following ways:

- On a daily basis within each section
  - On a monthly basis within each service area
  - On a quarterly basis through the council's decision-making process
  - On an annual basis through the production of the council's "Corporate Plan"
- 3.2 The Council's performance is monitored through Service Improvement Plans and includes performance indicators which are measurable. These are set by the Council to show how well local priorities and objectives are being met.
- 3.3 Inherent in the corporate aims and outcomes are "risks" that create uncertainty. The Council recognises it has a duty to manage these risks in a structured way to help ensure delivery of priorities and to provide value for money services. The Council has a Risk Management Strategy which sets out the framework for the monitoring and management of risks.

3.4 Performance and risk management is embedded into all the Council's business activities in a structured and consistent manner. All Service Improvement Plans which include Performance Indicators and Risks are held and managed on the Council's performance management system: TEN

4. OVERALL SUMMARY - 3<sup>rd</sup> quarter 2015/16

4.1 Performance Indicators - for this financial year (2015/16). There are **seventy four** performance indicators that measure and monitor performance across Council services.

**Nine** indicators are currently not meeting their targets and are detailed in the table below

Indicator	3rd Qtr target	3rd Qtr actual	Comments
Cultural Services: CS4. Increase footfall at Hinckley Leisure Centre	152,500	112,947	November & December is a quiet time of the year for LC footfall. This has been compounded with a 3% drop in fitness members each month across the quarter, affecting footfall in the classes and gym usage. Fitness memberships being affected by new budget gyms doing promotion and pre-sales; Simply Gym (Crescent) and Snap Fitness (Sainsburys).
Street scene: R & R1a No of justified missed bins	651	760	Cumulative for April - Dec (December is 83) Base line for year-end figure is 936 Q3 Performance has seen some increases above profiled monthly targets resulting in some slippage. The percentage of missed bins to date however remains very low at 0.03% (760 missed bins out of a total 2.8M collections).
Housing repairs: LHS2. Percentage of Priority 2 works completed on time	100%	97.83%	Out of 2392 jobs 52 have been completed out of target in the first three quarters. Each has been individually investigated and addressed. Regular monthly meetings are being held with responsible managers to improve the figures
Street Scene: NI192 - Household waste sent for reuse, recycling & composting	54%	52.10%	Year-end estimate. Q3 Audited data for 2014/15 released December confirms drop in overall recycling performance (from 56.1% in 2013/14 to 52.7% in 2014/15) due to 1500 tonnes less green waste and an additional 1200 tonnes of residual waste collected. HBBC remain high performing in comparison to other authorities being the 2nd highest performing authority in Leicestershire and 6th (out of 40 Collection Authorities) for the East Midlands

Indicator	3rd Qtr target	3rd Qtr actual	Comments
Revs & Bens: LRBP7. Housing Benefit overpayments collection rate	31.53%	29.11%	The profiled target is down by 3%. The debt has increased which is mainly down to HMRC/DWP Real Time Information and FERIS initiatives to ensure accuracy of Housing Benefit awards.  It is unlikely that the target will be reached by end of year.
Street Scene: LI195 Assessment of street cleaning surveys	405	440	Quarter 3 of the Assessments of Street Cleanliness Surveys (ASC) have shown a decrease in cleansing standards within some sites across Earl Shilton and Barwell. Sites are monitored within the first week of the quarter and the last week of the quarter, we believe the drop in standards are due to two factors, reduced numbers of staff we have working in these areas related to long term sickness and high levels of pavement and kerbside detritus due to the time of year. Areas highlighted have now been cleansed and staff from other areas have been deployed to help make improvements in these areas
Planning: NI157b. Processing of Planning apps - minor	80%	77.48%	Apps processed April – December: 179/231. A very small no of apps (4) have caused the PI to fall slightly short of the target
Planning: NI157c. Processing of Planning apps - other	85%	83.16%	Apps processed April - December - 410/493. small no of apps (4) have caused the PI to fall slightly short of the target
Housing: LHS213. Housing advice, preventing homelessness	350	314 ( <i>2<sup>nd</sup> qtr return, awaiting 3<sup>rd</sup> qtr figures</i> )	We operate intensive case management approach and don't close a case until a positive outcome or the applicant cv loses contact or refuses assistance. Previously advice would be given and the case closed so we got a lot of repeat presentations. Although the numbers have reduced, the no of contacts with each applicant (or with people on their behalf) have increased.

4.2 Benchmarking indicators - As part of an East Midlands Performance Benchmark group initiative there are now **seven** indicators which can be compared against other district councils. The group is currently working to agree additional indicators to benchmark. The table below shows the latest status (2<sup>nd</sup> qtr 2015/16) of agreed indicators against all (participating) district councils.

Indicator	No of participating district councils	Participating councils – performance median	HBBC performance	HBBC rank	HBBC quartile within participating councils
Residual	80	119 kg	103 kg	16	Top quartile

household waste per household					
Percentage of household waste sent for reuse, recycling and composting	82	55.13%	52.1%	52	2 <sup>nd</sup> quartile
Average number of working days lost to sickness absence per FTE	104	2.0	1.6	25	Top quartile
Number of formal complaints received per 10,000 population	91	4.16	2.32	23	Top quartile
Number of fly tipping incidents per 1000 population	71	1.76	2.15	38	3 <sup>rd</sup> quartile
Number of fly tipping enforcements per 1000 population	54	0.32	0.09	17	2 <sup>nd</sup> quartile
Number of unique website visitors as % of population	68	93	80	38	3 <sup>rd</sup> quartile

4.3 Service Improvements Plans – In total for 2015/16 there are **three hundred and seventy three** SIP actions across all council services.

As agreed with Joint Boards, for 2015/16, only those SIP actions with a “corporate impact” (i.e not business as usual) will be monitored by the Joint Boards. Of the three hundred and seventy three actions, **one hundred and sixty six** have been flagged as having a corporate impact.

Of these, one hundred and sixty six, **twenty five** service improvement plans have been highlighted (snapshot as at 25 Jan 2016) by service managers/lead officers as slipping from their original intended target date/s. These are detailed below along with explanations on progress:

SIP Action	Progress	Target date/s
Channel Shift Strategy - procure and implement web based solution "My Account" to access all services by end March 2016 ( <i>Corporate Governance</i> )	Provider now awarded and My Account solution is currently being implemented	March 2016
Implement legal structure and scrutiny of formally merged Community Safety Partnership ( <i>Corporate Governance</i> )	Delay across partnership in moving forward. Training session, report to Council re formal merger, and first meeting of joint scrutiny to be rescheduled	December 2015

Conduct a review of TOIL and flexi time policy ( <i>Corporate Governance</i> )	TOIL policy now with Unison for consultation.	August 2015
Consider the requirements for set up of a dedicated counter fraud team or sharing resourced with Leicester City Council. ( <i>Finance &amp; Compliance</i> )	Further work has been undertaken to understand the product that Leicester City Council are offering, alongside establishing the impact on the Council of SFIS. The LCC product was originally meant to go live in August 2015 but this has slipped. Decision now likely to Jan/Feb 2016.	September 2015
Implement the Civica budget monitoring module and associated upgrade to web based browser by August 2015. Ensure all budget holders are fully trained in operating new system. ( <i>Finance &amp; Compliance</i> )	Meeting has been held with Civica. Works have commenced in September. Testing taking place in November. Project Completion February.	August 2015
REDEVELOPMENT OF LEISURE CENTRE: sale of site -if council approves that option ( <i>Estates</i> )	Pending council decision to sell or develop via the proposed housing construction company.	September 2016
Comprehensive condition survey and stonework repairs for cemetery chapel ( <i>Estates</i> )	Condition Survey Complete. Obtaining quotes for identified works, target date for completion works end Sept 2015 . Work on chapels commenced October with planned completion Jan 2016. Green space consulted to avoid burial bookings.	June 2015

SIP action	Progress	Target date/s
Bringing the enforcement "Compliance Stage" in-house (IRRV recommendation) ( <i>Revs/Bens</i> )	Potential for partnership working to be explored. [June 15] The option exists to extend the current contract through to October 2017 LA's within Leicestershire are all planning to extend their current arrangements. [Sept] No further work on the compliance element. Extension letters to be sent to extend current arrangements (Dec) Business Case to be prepared this project will continue into 2016/17	March 2016
Establish a single employer for the Partnership (IRRV recommendation) ( <i>Revs/Bens</i> )	Implementation date will be dependent upon selected model [June 15] No update [Sept] No update (Dec) This project will be carried forward to 2016/17 in discussion with partnership management board.	March 2016
Implementation of Mobile Communications for visiting officers (IRRV recommendation) ( <i>Revs/Bens</i> )	[June 15] The product has been enhanced with more functionality, however more testing is required before it's rolled out. [Sept] As visiting officers are now generic implementation has been deferred until the end of the financial year to review requirements (Dec) This project will commence from April 2016	July 2015
Introduce common terms and conditions across the Partnership (IRRV recommendation) ( <i>Revs/Bens</i> )	Implementation date dependent upon selected model [June 15] No update [Sept] No update (Dec) This links in with Single Employer project and discussions are taking place but no decision has been made. This project will continue to 2016/17.	March 2016
Procure a new responsive performance management tool (IRRV recommendation) ( <i>Revs/Bens</i> )	IRRV to undertake appraisal of performance tools within the market place and provide a recommendation [June 15] Various companies have been invited in to demonstrate their product during July & August [Sept] Analysis of products and cost (Dec) Product demonstration provided to both team leaders and senior officers. Partnership Management Board have agreed to proceed to purchase product. Currently negotiating contract terms and conditions with preferred bidder once completed will be in a position to place purchase order.	September 2015

SIP action	Progress	Target date/s
Update SLA between Partnership and customer services (IRRV recommendation) ( <i>Revs/Bens</i> )	<p>Consultation required on new arrangements moving forward To include Revs/Bens attendance at customer services Streamlining process for receipt of post Common approach to scanning of documents [June 15] No update [Sept] Meeting with LA's to discuss on-going requirements for assessment staff to attend HDC &amp; NWLDC offices (Dec 15) Discussions are taking place with each customer services team for each Council to then agree broad outline for service level agreement. This project will continue into 2016/17.</p>	August 2015
An overall reduction in missed bins ( <i>Street scene</i> )	<p>Q2 Performance has improved in August &amp; September and predicting to meet target (900) at year end. Q3 Performance has seen some increases above profiled monthly targets resulting in some slippage. The percentage of missed bins to date however remains very low at 0.03% (760 missed bins out of a total 2.8M collections).</p>	March 2016
SIP action	Progress	Target date/s
Develop and support CCTV system, inc major upgrade to cameras ( <i>Cultural Services</i> )	<p>Q1 - The specification for the replacement CCTV cameras has now been completed and will be advertised to test the market place during the next quarter. The old CCTV cameras will be replaced with state of the art cameras by the end of the September. All of the CCTV cameras are currently operational, there are currently a couple of outstanding issues, but these are not affecting the operation of the cameras.</p> <p>Q2 - All of the CCTV cameras are currently operational, although one camera has an issue with its iris. Seven companies have entered tenders for the replacement of the CCTV cameras. The tenders are being analysed and a result will be come to within the next week. Police, CCTV operators and the BID will have a say in the winning bid. The work will start at the end of October and should take around 6 weeks to complete.</p> <p>Q3 - Seven companies entered tenders for the replacement of the CCTV</p>	Summer 2015

	<p>cameras and a company called Technology Solutions were the successful candidates. The new company is now working on preparation work to start the installation at the end of January with a completion during March. They have also started work on maintaining the current cameras. All of the town centre cameras will be placed on to Wi-Fi at the same time as they are installed to reduce on-going revenue costs and give control of transmission to HBBC. Once completed, Hinckley will have a state of the art CCTV control room and operation that will be effective for future operation.</p> <p>One CCTV camera is currently not operating but is due to be visited in early January.</p> <p>Although showing some slippage the procurement has been completed and contracts signed. Scoping technical works have been undertaken during Jan 2016 with the works commencing in Feb, with completion due in March 2016.</p>	
<p>Develop continuous market engagement with HCA regarding the PSL scheme. <i>(Housing)</i></p>	<p>Met with the HCA who are keen to work further with the PSH on empty properties. Consideration being given to capacity requirements needed to undertake more work through this funding.</p>	<p>September 2017</p>



SIP action	Progress	Target date/s
Develop services delivered to HBBC Leaseholders, ensuring they are efficient and more co-ordinated, and Provide opportunities for leaseholders to influence the services they receive. ( <i>Housing</i> )	<p>Q1 - Leaseholder details now updated and process of monitoring now being carried out by the Admin Team. Further meetings with Housing Repairs, Legal and Resident Involvement Officer to be arranged in QTR 2 to review leasehold schedules and explore engagement opportunities.</p> <p>Q2 - Leaseholder survey has been developed and in draft form. Meeting arranged for November with Hsg Repairs, Private Sector Housing and RI Officer to discuss leaseholder charges and repairs, to agree improvements.</p> <p>Q3 - November meeting cancelled and to be re-arranged in January to discuss Leaseholder survey and 2015/16 invoices.</p>	March 2016
Development of CSP e- update for local voluntary organisations, members and parishes etc ( <i>Community Safety</i> )	This is currently in draft and awaiting approval from Blaby District Council who are our strategic community safety partners	July 2015
Maintain high levels of recycling through effective collection services and reduce waste going to landfill ( <i>Street scene</i> )	<p>Q3 Audited data for 2014/15 released December confirms a drop in overall recycling performance (from 56.1% in 2013/14 to 52.7% in 2014/15) due to 1500 tonnes less green waste and an additional 1200 tonnes of residual waste collected. HBBC remain high performing in comparison to other authorities being the 2nd highest performing authority in Leicestershire and 6th (out of 40 Collection Authorities) for the East Midlands. Performance for 2015/16 at the end of Q2 is currently predicting year end performance similar to 2014/15 at 52% with slight reductions in residual waste and dry recycling with a larger reduction in green waste collected in comparison to 2013/14. Discussions continue through Leicestershire Waste Partnership to look at options to collect food waste which would further increase recycling performance and contribute to the revised EU target to recycle 65% of waste by 2030.</p>	March 2016

SIP action	Progress	Target date/s
Review pre-application processes ( <i>Planning</i> )	<p>This ties in with new charging schedule. Procedure needs to be in place to ensure collection of income and to make sure service properly resourced to deliver pre-application service.</p> <p>Sept 15 - This has now been put back to later in the year/early 2016 due to work pressures in respect of the management of the team.</p>	August 2015
Support the DWP in the implementation of Universal credit and minimise the impact of on council house rental stream ( <i>Housing</i> )	<p>Q1 - One year post recruited to the housing service to work with tenants who will migrated to UC.</p> <p>Q2 - One year post recruited to the housing service to work with tenants who will be migrated to UC ongoing.</p> <p>Q3 - One year post recruited to the housing service to work with tenants who will be migrated to UC</p>	April 2015 ongoing
Develop marketing strategy for Building Control to increase application income ( <i>Planning</i> )	<p>Income for 2015/16 set as part of budget process. Improvements being put into place to grow / develop the business. Next stage is marketing the service and improved working practices with other Council services to increase market share and generate additional income.</p> <p>Contact prospective customers using the planning list and pre-application meetings Working with neighbouring authorities to engage with clients locally and regionally to promote the Leic's LABC services.</p> <p>MOU for cross boundary support with Nuneaton and Bedworth BC to improve resilience at times of short fall of cover due to leave/sickness etc for Out of Hours and Inspections</p> <p>Due to work loads and staffing issues no further work has been carried out on the Marketing Strategy</p> <p>Contact with prospective customers using the planning list and pre-application meetings is happening and continuing to win work, but there is also the risk that we could grow beyond our capacity.</p> <p>MOU for cross boundary support with Nuneaton and Bedworth BC has stalled due to their owing staffing issues and neither manager having time to deal with the matter.</p>	September 2015

4.4 Corporate/Strategic risks – There are a total of **thirty** risks on the corporate risk register as at the end of Dec 2015). Of these, **fifteen** are high (red) net risk level and are detailed below.

Red risks are those that have been identified as posing the most significant threat and are reviewed on a monthly basis to ensure actions are adopted to reduce the likelihood of the risk happening and/or reduce the level of impact the risk poses.

Risk	Review commentary	Last review
S.01 - Failure to focus on priorities and initiatives	<p>'Crescent' Development now completed. Sainsbury's, Cineworld and others have taken occupancy - full occupancy anticipated by May 2016.</p> <p>Balanced budget for 2016/17 being finalised, without need for Council Tax referendum (additional level of Tax increase allowed by Government), but wider context of MTFS (longer-term decisions) still being progressed. Budget and MTFS being agreed at Council on 18 February.</p>	Jan 2016
S.06 - Failure to implement the Town Centre Plan	<p>The scheme construction is predominantly complete with minor works and snagging to be completed. Handover from the contractor of Block C took place in December 2016. Handover of the rest of the scheme from contractor to Tin Hat is scheduled to take place at the end of January 2016. A programme of snagging works is in place for Block C and is being overseen by the Council's Project Manager and Assets Manager. Cineworld, Sainsbury's and the Elbow Room are fully operational. Fit out has commenced on a number of the larger retail units and good progress being made on letting of Block C units. Officers are seeking to secure agreement between the scheme management bus operators and LCC to facilitate the full operational use of the bus station which is unlikely to be fully operational until March 2016. Concerns have been raised over the design of bus shelters, which were approved by LCC as transport authority. Officers are seeking to facilitate agreement over improvements to the shelters.</p> <p>Station Road Public Realm scheme was complete on programme in November 2015 and is fully open.</p> <p>Marketing Group is planning the opening of the full scheme - target date in March 2016, followed by a larger festival event in the summer.</p>	Jan 2016

Risk	Review commentary	Last review
S.11 - Failure to successfully deliver the Medium Term Financial Strategy	<p>The position for 2016/17 has now become even more uncertain with the change in Administration and the initial direction of reducing debt through early redemption of borrowing, no introduction of green waste recycling charges and limiting Council Tax increases to 2%. This effectively means that the Council will now be facing a deficit in the budget for 2016/17 of around £500K to £600K as the shortfall resulting from LCC decision to remove recycling credits from 2015/16 was funded from general fund balances and reserves for this current year.</p> <p>Although there is a desire to increase income through "invest to earn" projects the revenue benefits will not be seen in 2016/17 and with the time lag resulting from the need for comprehensive business plans is unlikely until 2018/19 at the earliest.</p> <p>This position is of concern and will need further detailed discussions with the new administration.</p>	Jan 2016
S.12 - Insufficient Business Continuity Management (incl Disaster recovery) arrangements	COB will continue to monitor SLB has undertaken exercises on emergency planning scenarios and a further session has been arranged. SA and JK to attend a 'county-wide' session in January 2015	Jan 2016
S.14 - Dealing with numerous Public Enquiries	The Appeal performance of the Council is good with the majority of Appeals over the last year being dismissed. However, there continues to be issues regarding overturns on some key housing schemes and there are some key Public Inquiries scheduled for some major housing applications.	Jan 2016
S.15 - Failure to successfully adopt & deliver LDF	<p>The Inspectors report was scheduled to be received in December 2015. The Council is still awaiting the Inspectors report, although recommendations on additional allocations are not expected.</p> <p>The current LDS was adopted last year and covers the period 2015-2018. Initial work has commenced on preparation of the new Local Plan. Briefings have taken place of Leicestershire Leaders and HBBC's Cross Party Planning Working Group on the emerging Strategic Growth Plan for Leicestershire. A Developer Forum is scheduled for 28 January 2016 to commence dialogue on potential future growth scenarios and options which will feed into the plan making process.</p>	Jan 2016
S.22 - Failure of County Council Support/ engagement for the LSP	LCC have still not responded to a request to complete its own benchmarking exercise for Leicestershire Together. However, LCC have recently announced a fundamental review of Leicestershire Together, with a view to reducing resourcing to the Partnership along with questions being raised by LCC Chief Executive over the effectiveness of the Partnership April update: LCC have not yet published outcomes of its review of Leicestershire Together	Jan 2016

Risk	Review commentary	Last review
S.25 - Failure to provide a fit for purpose Leisure Centre	Good progress is being made on the construction of the new Leisure Centre which is over two thirds complete with scheduled opening week commencing 2 May 2016. The issues over competing private gym facilities is now resolved with PFP and correspondence has been received to that effect	Jan 2016
S.30 - Review by the Equalities Commission for Human Rights of disability issues	One complex case likely to be referred to Ombudsman for adjudication	Jan 2016
S.33 - MIRA RGF Fund	Progress has been made contractually with Galiford Try and the HE to secure agreement over the minor alterations arising from Safety Audit. These works are being undertaken to facilitate handover of the scheme to the HE which is being managed and monitored by the Council's Project Manager. Part of the plan is to reduce the contractual maintenance liability period of the contractor to facilitate earlier handover to HE to ensure the outstanding funding available for completion of snagging works remains in budget.	Jan 2016
S.34 - Safeguarding of vulnerable adults, children & young people	<p>PWC have conducted an internal Safeguarding audit. The draft outcomes are positive with minor recommendations. This report will be formally presented to F&amp;A committee in Q4.</p> <p>Risk remains high due the number of referrals being received by Designated Safeguarding Officers - average 5 per week.</p>	Jan 2016
S.37 - Non delivery of capital projects which are interdependent	<p>The restrictions in funding new capital projects remains. The position has been further exasperated by the direction from the current administration to reduce borrowing in the HRA. This is not only expensive in redemption costs but will threaten the deliverability of the current Housing Business Case. An investment/development strategy is being prepared by the Chief Officer for Housing and Communities which will be presented for consideration to the Executive on 5th August. The Chief Officer for Finance and the Deputy Chief Executive (Corporate Direction) are also seeking external advice on the restructuring of borrowing. This again will be presented to the executive on 5th August.</p> <p>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 dependant upon approved borrowing by the Company from the Council with some equity funding. The desire to keep borrowing at pre 2015 election levels may restrict the viability and future of the company. This will be under constant review between now and February 2016 when it is intended to take a comprehensive report to the Council together with the 2016/17 budget and MTFs.</p>	Jan 2016

Risk	Review commentary	Last review
S.43 - Leicestershire County Council budget cuts	<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 and budget for 2015/16.</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 ongoing impact on Leicestershire District council's budgets.</p> <p>Position is under constant review.</p> <p>Recent direction from the Administration not to increase Council Tax by more than 2% and not to introduce charges for Green waste will have an immediate impact on the budget deficit for 2016/17. This position is considered not sustainable and further discussions are needed with members of the administration</p>	Jan 2016
S.45 - Council does not prevent or detect fraudulent activities	<p>Leicestershire Transformation Bid successful. Kat Plummer now working with Leicester City (accountable body) and the Leicestershire revenues and Benefits Partnership to set up a counter fraud service. This should be in place by 31 March 2015. 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</p>	Jan 2016
S.46 - Construction of Hinckley Leisure Centre	<p>£9.5m has been spent to date. The construction is 70% complete. Regular reports on risks are shared with Project Board.</p> <p>Completion is due late April/early May 2016.</p>	Jan 2016

4.4.1 As part of the quarterly review of the Strategic Risk Register:

- No new risks have been added
- No existing risks have increased (got worse) in rating
- Two (Variances to Housing Repairs Account & Loss of Key Contractor (dry recycling) risks have improved in rating
- No risks have been closed

4.5 Service area risks - There are a total of **ninety one** risks (as at end Dec 2015) across all service areas which are kept on individual service area risk registers. Of these, **thirteen** have a high net risk level (red risks). These are all detailed below:

Risk	Review commentary	Last review
CLS.04 - Risk of realising	Although reporting a red risk the Project Board is	January

plans for Hinckley Leisure Centre ( <i>Cultural Services</i> )	comfortable with how the risks are being managed. Full detailed risk register is held by Project Manager.  Station Road works are being coordinated 4 net red risks remain On budget and on programme.	2016
DLS.19 – Recruitment & retention of staff ( <i>Planning</i> )	Permanent management structure being progressed - due for completion Jan / Feb 2016.  Consultants appointed or being appointed to cover for vacant posts.  Recruitment of vacant enforcement posts completed.	November 2016
DLS.42 - Meet the need of Gypsy and Travellers in the borough ( <i>Planning</i> )	Recent planning permissions have been granted which helps to boost the supply of gypsy and traveler pitches in the Borough. Additional pitches will be required each year to meet demand. An updated Gypsy and Traveler Accommodation assessment has been commissioned to ensure compliance with Planning Policy for Travelers. This will tell us how many additional pitches are required for the remainder of the Plan period (up until 2016).	August 2015
DLS.44 - Five year housing land supply ( <i>Planning</i> )	A 5.69 Year Housing Land Supply has been reported at the April 2015 monitoring base date. Maintenance of 5 Year Housing Land Supply continues to require positive action:  1. Barwell Section 106 Agreement to be completed by August 2015 so permission can be issued and work on site can begin. 2. Barwell pre-commencement conditions to be discharged promptly. 3. Earl Shilton SUE planning application to be encouraged from developers. 4. Sites within the Site Allocations document are being promoted for early delivery. 5. Member engagement / training in relation to housing developments has taken place. 6. Site Allocations & DM Policies DPD being considered at Examination hearings starting 29 September 2015. 7. Encourage additional SHLAA sites to come forward for development where appropriate. 8. Developer Forums for strategic development sites	August 2015
HCS.84 - Ending of funding for the DA Children's worker ( <i>Housing</i> )	Options paper being written to consider how the service could continue. Work with partners to influence commissioning decisions around this work.	October 2015
<b>Risk</b>	<b>Review commentary</b>	<b>Last review</b>
HCS.85 - Reduction in supported accommodation/hostel spaces	Closely monitor use of temporary accommodation. Review of council hostel accommodation and work with partners to	October 2015

due to county council commissioning ( <i>Housing</i> )	identify accommodation	
HCS.86 - Private rented sector becoming more expensive resulting in increased demand for housing options/council accommodation ( <i>Housing</i> )	Consider alternative provision, including private sector leasing and the establishment of a social lettings agency.	October 2015
HCS.87 - PCC Commissioning uncertainties ( <i>Housing</i> )	Robust response to current consultation. Work closely with the PCC's office and partners to ensure effective commissioning decisions	October 2015
HCS.88 - Impact of police changes resulting in increase demand for ASB services ( <i>Housing</i> )	Continual effective partnership working to ensure assistance from partners. Consideration of not dealing with particular lower level issues	October 2015
HCS.89 - Impact of changes in legislation/new responsibilities ( <i>Housing</i> )	flag up impacts and capacity issues at earliest opportunity. Ensure officers are appropriately trained	October 2015
HCS.90 - Impact of agencies reducing their services ( <i>Housing</i> )	Ensure flag up impacts and capacity issues at earliest opportunity. Work with partner agencies to reduce impact where possible through joint working.	October 2015
HCS.91 - Central government housing proposals, including the 1% rent reduction ( <i>Housing</i> )	Refresh of the HRA Investment Strategy taking place to identify impacts and consider options	October 2015
SS.37 – external funding ( <i>Street scene</i> )	Q3: LCC advised 24/12/15 a 13 week consultation period with districts. Indication is that LCC needs to remove the full budget. Q4: Actions needed to work with waste partnership to develop alternative mechanisms. response to LCC to be developed.	January 2016

4.5.1 As part of the quarterly review of the service risk registers:

- Three new risks have been added:
  - Ability to recruit vacant posts (Building Control)
  - Reputation of Building Control service
  - Loss of work to approved inspectors (Building Control)
- No existing risk has increased in rating
- No existing risks have decreased (improved) in rating
- Fifteen risks have been closed

5. FINANCIAL IMPLICATIONS [AW]

None arising directly from this report.

6. LEGAL IMPLICATIONS [MR]

None arising directly from this report

6. CORPORATE PLAN IMPLICATIONS



The report provides an update on the achievement of the Council's vision and revised Corporate Plan 2013 - 2016. The issues covered in this report relate to, and support the achievement of all the Council's Strategic Aims:

- Creating a vibrant place to work and live
- Empowering communities
- Supporting individuals
- Providing value for money and pro-active services

7. CONSULTATION

Each service area has contributed information to the report and the performance outturn information is available on the council's performance and risk management system TEN.

8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

This report summarizes all risks, strategic and operational (SIP) and therefore considers the risk implications with regards to the Corporate Plan.

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Equality and Rural implications are considered as part of the implementation of the Corporate Plan 2013-16.

10. CORPORATE IMPLICATIONS

All

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Background papers: TEN reports

Contact Officer: Cal Bellavia ☎5795

Executive Member: Cllr A Wright

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

<b>Meeting date</b>	<b>Agenda Items</b>
21 <sup>st</sup> March 2016	External Audit Plan 2015/2016 Capital and Revenue Outturn – 3 <sup>rd</sup> Quarter 2015/2016 Aged Debts – 3 <sup>rd</sup> Quarter 2015/2016 Business Rates Retention – 3 <sup>rd</sup> Quarter 2015/2016 Treasury Management Update – 3 <sup>rd</sup> Quarter 2015/2016 Performance and Risk Update – 3 <sup>rd</sup> 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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