

# Public Document Pack



Hinckley & Bosworth  
Borough Council

**Bill Cullen** MBA (ISM), BA(Hons) MRTPI  
*Chief Executive*

Date: 11 May 2018

**To: Members of the Finance & Performance Scrutiny**

Membership to be confirmed at Annual Council

Copy to all other Members of the Council

(other recipients for information)

Dear member,

There will be a meeting of the **FINANCE & PERFORMANCE SCRUTINY** in the De Montfort Suite - Hinckley Hub on **MONDAY, 21 MAY 2018** 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

## FINANCE & PERFORMANCE SCRUTINY - 21 MAY 2018

### A G E N D A

1. APOLOGIES AND SUBSTITUTIONS
2. MINUTES OF PREVIOUS MEETING (Pages 1 - 2)
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 received in accordance with Council Procedure Rule 12.
6. HOUSING CONTRACTORS REPORT (Pages 3 - 10)  
To brief members on the split in distribution of work between the in-house repairs team and contractors, as requested at a previous meeting.
7. PERFORMANCE AND RISK END OF YEAR REPORT (Pages 11 - 24)  
To provide members with the end of year outturn position for performance indicators, service improvement plans, corporate risks and service area risks.
8. REVENUE & CAPITAL OUTTURN END OF YEAR (Pages 25 - 32)  
To inform members of the draft financial outturn for 2017/18.
9. TREASURY MANAGEMENT QUARTER 4 2017/18 (Pages 33 - 38)  
To inform members of the council's treasury management activity in the fourth quarter of 2017/18.
10. SUNDRY DEBTS QUARTER 4 2017/18 (Pages 39 - 42)  
To inform members of the position on sundry debts as at 31 March 2018.
11. FINANCE & PERFORMANCE SCRUTINY WORK PROGRAMME (Pages 43 - 46)
12. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY  
As raised under item 3.

# Agenda Item 2

## HINCKLEY AND BOSWORTH BOROUGH COUNCIL

### FINANCE & PERFORMANCE SCRUTINY

29 JANUARY 2018 AT 6.30 PM

PRESENT: Mr KWP Lynch - Chairman

Mrs R Camamile, Mr DS Cope, Mr DW MacDonald, Mrs H Smith, Mr R Ward and Mr HG Williams

Members in attendance: Councillors Mr MA Hall and Mr K Morrell

Officers in attendance: Ilyas Bham, Julie Kenny, Steven Merry, Rebecca Owen and Simon Smith

#### 296 MINUTES OF PREVIOUS MEETING

RESOLVED – the minutes of the meeting held on 6 November 2017 be confirmed and signed by the Chairman.

#### 297 DECLARATIONS OF INTEREST

No interests were declared at this stage.

#### 298 FRONT LINE SERVICE REVIEW - ENVIRONMENTAL HEALTH

Members received a report about the food hygiene rating scheme and pest control services as part of the programme of frontline service reviews. In response to members' questions, the following points were noted:

- 94.3% of businesses were inspected in 2016/17
- The time taken to inspect a new business was dependent upon whether or not they approached the council for advice prior to commencing operation
- Officers worked closely with those food businesses achieving less than a level 3
- The pest control service focussed on pests that had a public health significance
- Fees for certain pest control services were reduced or waived for those on some benefits
- Our pest control contractor carried out three visits as a general rule, and after those visits may refer the matter back to the council to investigate whether there was a wider issue.

It was requested that other areas of the Environmental Health service be reviewed in future, for example noise and pollution.

#### 299 PERFORMANCE AND RISK QUARTER 3 2017/18

The performance and risk management third quarter summary was presented to members. It was noted that 13 of the 56 indicators were not on target. During discussion and in response to members' questions, the following points were raised:

- The improvement in the number of lost calls, which members were pleased to see
- The need to include in the report actions to be taken to address those areas where performance had not met the target

- The suggestion of benchmarking sickness absence against the private sector. It was agreed that this could be benchmarked at the year end. It was also suggested that reasons for any differences be explored
- The problem of recruitment and retention in the Building Control service which resulted in a business case for a shared service now being worked on.

300 TREASURY MANAGEMENT Q3 2017-18

The treasury management activity for the third quarter of 2017/18 was presented. Discussion ensued on the historic situation in relation to the HRA buyout.

301 SUNDRY DEBTS - QUARTER 3 2017/18

Members were updated on the position in relation to sundry debts as at 31 December 2017. In response to a member's question, it was noted that each case was considered on its own merits.

302 BUSINESS RATES RETENTION AND POOLING ARRANGEMENTS

The quarterly business rates and pooling update was presented to members. The need to set budget aside for pending appeals was discussed.

303 FINANCE & PERFORMANCE SCRUTINY WORK PROGRAMME

Consideration was given to the work programme. It was noted that the Customer Services review would be brought to the March meeting.

(The Meeting closed at 7.30 pm)

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CHAIRMAN



## Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

**Finance and Performance Scrutiny**      **21 May 2018**

WARDS AFFECTED: ALL WARDS

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### HOUSING CONTRACTORS REPORT

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#### 1. **PURPOSE OF REPORT**

To brief Members on the split in distribution of work between the In-house Repairs Team and Contractors in delivering repair services to the council house stock, in response to the request of a previous meeting.

#### 2. **RECOMMENDATION**

Members note the report.

#### 3. **BACKGROUND TO THE REPORT**

3.1 The council housing service is responsible for 3314 council properties and the Housing Revenue Account (HRA) holds the budget for the service. The HRA Business Plan forecasts the investment requirements for the service over the next 30 years.

3.2 The Housing Repairs and Investment Team are responsible for the repairs, maintenance and investment for the Council's housing stock. The service has five main work-streams:

- Responsive and void repairs
- Cyclic contracts
- Aids and adaptations
- Investment works
- Asset Management

#### 3.3 **Responsive Repairs and Void Work**

Responsive repairs are completed by the Council's 'In-house Repairs Team' (IRT) and to our four priorities:

- Emergency repairs within 24 hours (including Out of Hours repairs within 4 hours)
- Urgent repairs within 5 working days
- Routine repairs within 20 working days

- Programmed routine repairs 60 working days

### 3.4 **Cyclic Maintenance**

This is work of a recurrent nature that is undertaken at regular intervals, and includes:

- Annual Gas and solid fuel servicing – Each year we visit every one of our properties to service and test the gas supply and appliances or solid fuel boiler where no gas is present.
- Fire prevention checks – All sheltered schemes and communal shared areas within the housing stock are assessed on a monthly basis to ensure the correct working of fire prevention equipment.
- Painting programme - This work is to paint all external communal areas/buildings within the housing stock and is completed over a 7 year period.
- Electrical testing programme - This is to test and complete identified emergency work from the tests to ensure that the installations are in safe. This programme is completed over a 5 year period. Where a property is deemed to be in need of a complete rewire following the test, it will be completed under the planned rewire programme.

### 3.5 **Aids and Adaptations**

The Council undertakes work to enable tenants to remain independent in their homes for as long as possible. This could be by way of installing grab rails, ramps or Level access shower rooms. In extreme cases we have also extended properties.

In 2017/18 we will have:

- converted 38 bathrooms in to Level Access shower rooms
- improved the access to 16 properties for tenants with reduced mobility
- extended 1 property in Barwell giving additional ground floor bedroom a level access shower and all fully accessible
- adapted a kitchen to be accessible for wheelchair use
- fitted 3 stair lifts to properties
- fitted support aid rails to 191 properties

### 3.6 **Planned Investment Works**

These works are completed with the aim of the Council reaching and maintaining the Governments Decent Home Standard for its' housing stock. The works are completed as planned programmes, ensuring value for money by replacing components just before the end of their predicted life span. They are also completed in groups of properties requiring work of the same type and by specialist contractors. During 2017/18 we have delivered:

- 568 upgrades to electrical installations
- 151 replacement of battery smoke alarms with hard wired ones
- 121 Carbon Monoxide alarms fitted
- 48 Full rewires
- 160 boilers/heating replacements with 'A' rated boilers
- 13 solid fuel heating systems replaced with renewable technology in 'non gas' areas using Air Source Heat Pumps
- Replacement of the Communal Boiler and plant room at Mayflower Court (Sheltered scheme)
- 147 homes with new Windows/Doors

- 21 Roof replacements
- 170 Kitchen replacements
- 107 Bathrooms renewals

### 3.7 Asset Management

The Service has a team of surveyors who undertake the inspection of properties to authorise required works or dilapidation reports. In support of this we also engaged Savills plc to undertake stock condition surveys on 40% of our housing stock. In addition to this our surveyors help manage major work projects funded by the HRA, such as the remodelling of existing properties and the building of new homes.

### 4.0 **SPLIT OF WORK BETWEEN IN HOUSE REPAIRS TEAM AND CONTRACTORS**

4.1 The table below shows the breakdown of how the larger work-streams are currently distributed between contractors and the IRT and details the annual average budget for each of the types of work over the next three years.

Work type	Ave budget £	Contractor and % of spend	
		IRT	External
Responsive Repairs	1,200,000	77	23*
Void repairs	660,000	18	82
Gas servicing	379,346	0	100
Electrical testing	63,224	9	91
Asbestos Surveying	70,000	0	100
Asbestos Removal	70,000	0	100**
Window/Door Replacements	226,846	0	100
Electrical upgrades/Rewires	589,014	25	75
Boiler/Heating renewals	466,494	1	99
Roof replacements	1,029,802	0	100
Kitchen renewals	592,897	6	94
Bathroom renewals	289,288	20	80
Adaptations	385,393	1	99
External painting	130,000	100	0
<b>(As at April 2018)</b>			

**\*specialist work contracted out on an ad-hock basis such as emergency lock changes, drainage scans and unblocking, scaffolding etc.**

**\*\*Some of this is undertaken by the Council's ground-care team.**

### 4.2 Responsive repairs and voids

4.2.1 In September 2011 the council brought the responsive repairs service back in house following an unsuccessful 'Partnering' relationship with a major contractor.

4.2.2 Some of the major benefits of having an IRT for responsive repairs are;

- being able to react quickly to changing demands without contract ties and delays
- ability to reprioritise daily work patterns to cover all eventualities and emergencies
- control of both cost and quality
- continuity of workforce
- effective client/contractor relationships
- control of spend locally (Labour and Materials).

- 4.2.3 We use a 'schedule of rates' for managing the payment of responsive repairs. As the availability for profit against these rates is minimal, it makes this type of work less appealing for contractors and is therefore better suited for the IRT.
- 4.2.4 We use the same method for the payment of works in our empty properties however, as there are multiple jobs to be completed at each property to bring them up to standard, this type of work is more appealing to contractors.
- 4.2.5 We use the IRT and two small/medium sized local contractors for the delivery of works in voids as this helps in the management of peaks and troughs in workflow for the IRT.
- 4.2.6 During 2016/17 we completed 11,880 General repairs reported by tenants including repairs such as leaking taps and gutters, roof leaks, electrical faults, plastering repairs etc. We also brought 220 empty properties up to our agreed standard to get them ready for re-letting. This year we are estimating even more work will be required and completed.
- 4.3 Cyclic Maintenance**
- 4.3.1 Annual gas and solid fuel servicing - Vinshire Plumbing and Heating Ltd are contracted with us to provide a 3 star servicing and repair agreement. This means that they will undertake the annual servicing and certification of gas (and solid fuel) appliances and also undertake any repairs that are required within a fixed cost per property. As this work requires specialist skills and management teams, we can not compete with the contractor's rates who deliver this type of work as their core business. This work was procured under a local framework (Efficiency East Midlands) and expires 31/03/2020 with an option to extend for a further two years.
- 4.3.2 Fire prevention checks – The IRT visits all sheltered schemes and communal shared areas within the Housing stock on a monthly basis to check the operation of fire doors and emergency lighting to ensure that they are in good working order. They also complete any work that is identified as being required from these checks alongside any other works that is recommended from the annual Fire Risk Assessments completed for these areas. This work is delivered alongside responsive repairs and administered by the same management team.
- 4.3.3 7 Year Painting programme – Quality of work can be a real problem with painting contracts. It has been commonplace in the industry, with shorter term contracts for contractors, to cut corners with preparation of surfaces and use of primers and undercoats. This is because it is difficult to see if they have been used after the event and the Client would not know until the top coat failed long after the contractors have gone. The IRT deliver this work with a good team of painters providing quality and at comparable prices to external contractors.
- 4.3.4 5 year Electrical testing programme - This work is currently undertaken by J Tomlinson Ltd, who also deliver our planned electrical works programme. Whilst the IRT also do testing and electrical work they are not currently able to do the amount of work that is required. This may be an area considered for in-house expansion in future years. This contract is currently being retendered under the EEM framework and will next expire 31/03/2020 with an option to extend for a further year.

**4.4 Aids and Adaptations**



- 4.4.1 The IRT complete the smaller works such as grab rails, lever taps and door widening alongside responsive repairs and administered by the same management team.
- 4.4.2 Larger works such as the replacement of standard baths with Level access showers and external ramps are given to external contractors, who specialise in this type of work. This work will be re-tendered later this year via the Efficiency East Midlands (EEM) framework.
- 4.4.3 We have at times also had to extend properties or undertake a large amount of structural works and this work is tendered on a property by property basis.
- 4.5 **Planned Investment works**
- 4.5.1 Electrical upgrades and renewals are currently undertaken by J Tomlinson Ltd, who also deliver our 5 year electrical testing programme. Whilst the IRT also do testing and electrical work at the same rates, they are not currently able to do the amount of work that is required. This may be an area considered for in-house expansion in future years. The contract is currently being retendered under the EEM framework and will next expire 31/03/2020 with an option to extend for a further year.
- 4.5.2 Gas boiler/heating replacements are currently completed by Vinshire Plumbing and Heating Ltd, alongside the 3\* gas and solid fuel serving contract. Undertaking all the servicing, repairs and renewals by one contractor ensures that they deliver quality workmanship, as if they do not it ends up costing them money. This contract expires 31/03/2019 with an option to extend for a further year.
- 4.5.3 Renewal of a commercial boiler in one of our sheltered schemes; and replacement of solid fuel boilers with modern technology (Air Source Heat Pump) in 'non gas' areas is undertaken by J Tomlinson via the EEM framework. This is specialist work that the IRT do not currently have the expertise to deliver. This contract expires 31/03/2020
- 4.5.4 Window/Door renewals and repairs are being completed by Onyx windows who won the tender for this work last year. This contract expires 31/03/2020 with an option to extend for a further two years.
- 4.5.5 Roof repairs and renewals are being completed by Jarvis Roofing Ltd. This work was tendered in 2017 and is due for renewal 31/03/2020 with an option to extend for a further two years.
- 4.5.6 Kitchen replacements are completed by Matthew and Tannert Ltd, who were awarded this work last year via the EEM framework.. Whilst the IRT have the capability of doing this work, there is currently limited capacity to do so. This may be an area for future expansion of the IRT if it can prove competitive on a larger scale. The current agreement is due for renewal 31/03/2020.
- 4.5.7 Most of the bathrooms renewals are being completed by Matthews and Tannert Ltd, who won this work under the EEM framework last year. A pilot was undertaken by the IRT during 2017 to compare cost/quality against contractors. This pilot proved that the IRT could complete work slightly cheaper than contractors but does not have the capacity to do the work with current resources. This may be an area for growing the IRT in future years. The current contract is due for renewal 31/03/2020.
- 5.0 **SUMMARY**

- 5.1 It can be seen from section 4 above that the IRT is best utilised in the delivery of the work that it currently undertakes. Customer service is extremely high as are the other Key Performance Indicators that monitor service delivery.
- 5.2 There may be opportunity for the IRT to expand into more of the planned and cyclic works in the future however it does not currently have the capacity to expand into these areas and for some functions the IRT also doesn't have the specialist knowledge and skills.
- 5.3 One benefit of delivering work in-house is that the labour can be sourced locally from within the community giving local people the opportunity of employment.
- 5.4 The repairs service already works well with the local college in giving work placements for trainees and is actively working towards replacing vacant positions with apprentices rather than qualified tradespersons where the service can accommodate this.

6. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 6.1 Open session

7. FINANCIAL IMPLICATIONS (IB)

- 7.1 All contracts are let based on the Council's Financial Procedure Rules. These rules are summarised below:-

Before proceeding to raise an order/enter into a new contract for the supply of goods, works or services, the procuring officer should first ensure that there are:

- No current in-house arrangements in existence
- No current corporate contracts in place.

The following limits apply:

- Orders up to £5,000: informal prices
  - £5,001 to £20,000: two written quotations
  - £20,001 to £50,000: three written quotations on the basis of a detailed specification and the Councils' procurement officer must be consulted
  - £50,001+: a formal tendering procedure, set out in contract procedure rules must be used and the councils' procurement officer must be consulted.
- Where the council is a lead authority in procuring goods or services for a number of authorities, it is the gross value of the order that will determine the level of authorisation.

8 LEGAL IMPLICATIONS (AR)

- 8.1 None arising directly from this report.

9 CORPORATE PLAN IMPLICATIONS

- 9.1 The housing service contributes to all three Corporate Plan priorities of People, Place and Prosperity.

10 CONSULTATION

10.1 None

11 RISK IMPLICATIONS

11.1 None arising from the report.

12. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

12.1 The service does a great deal of work at both operational and strategic levels, with the Evaluation Panel, Together for Tenants and the newly formed Tenants' Repairs Working Groups. We work with tenants/residents on all aspects of the service.

13. CORPORATE IMPLICATIONS

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

- Community Safety implications
- Environmental implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications

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Background papers: None

Contact Officer: Sharon Stacey ext 5636  
Executive Member: Councillor P Wallace

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Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

## FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY: 21 May 2018

WARDS AFFECTED: ALL WARDS

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### **Performance and Risk Management Framework end of year summary for 2017/18**

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#### **Report of Director (Corporate Services)**

##### 1. PURPOSE OF REPORT

- 1.1 To provide members with the end of year 2017/18 outturn position for:
- Performance indicators including benchmarking where available
  - Service improvement plans
  - Corporate risks
  - Service area risks

##### 2. RECOMMENDATION

- 2.1 That members:
- Note the 2017/18 end of year position for items listed at 1.1 above
  - Recommend any actions that should be taken to improve performance on indicators that did not meet their set targets
  - Recommend any actions that should be taken to address service improvement plans that did not meet their set target date/s
  - Review risks that pose the most significant threat to the Council's objectives and priorities (red risks)

##### 3. BACKGROUND TO THE REPORT

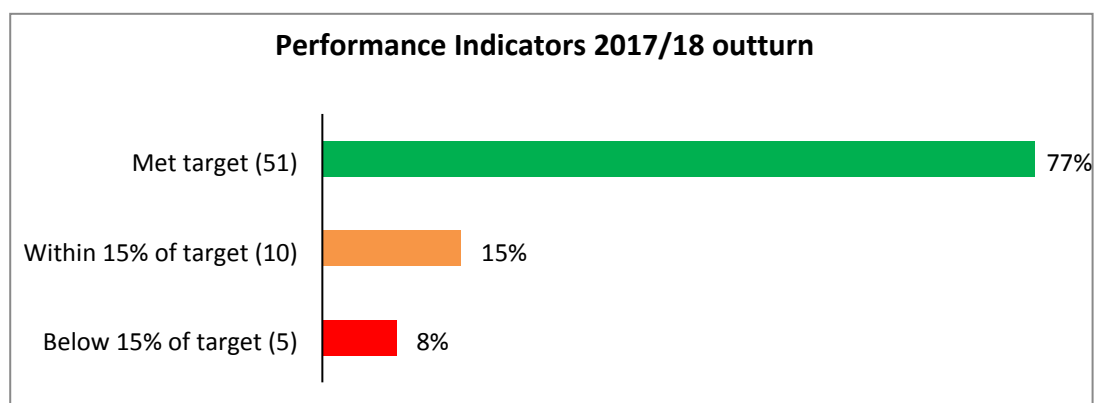
- 3.1 Hinckley and Bosworth Borough Council provide a wide range of services that are delivered to the community and set strategic aims that help focus on priorities in order to deliver the council's vision for Hinckley & Bosworth to be: "A Place of Opportunity"
- This is achieved by managing performance 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 called 'TEN' which is hosted on the intranet.

Overall summary for the period April to March 2017/18

- 3.5 Performance Indicators: For the year 2017/18 a total of 70 indicators covering all service areas have been monitored for performance
- 3.5.1 Returns not updated due to year end data capture process:
- NI154 Net additional homes (due to data capture process, return not available until June 2018)
  - NI155 Affordable homes delivered (due to data capture process, return not available until June 2018)
  - NI159 Supply of ready to develop housing sites (due to data capture process, return not available until June 2018)
  - NI185 CO2 reduction from council operations (due to data capture process, return not available until sometime in the summer of 2018)

3.5.2 Performance to target:



The 15 indicators that did not meet their targets were:

Indicator	Target	Actual	Comments
Customer Services: Lost calls	17%	17.07%	Calls answered year to date: 115,682. Year to date target not met due to high lost call percentages earlier in year. Performance had improved consistently since August and has been better than target. March itself was a challenging month again with annual billing and garden bin sticker payments but was still below target at 16.37%
Indicator	Target	Actual	Comments

Customer services: Person sees customer within 10 mins	78%	70.27%		14,838 customers seen year to date. Changes to Universal Credit and Benefit Caps have led to more complex enquiries. All visitors are seen at Meet and Greet on arrival and only customers needing assistance are issued tickets to see an advisor. Although performance is behind target, satisfaction results continue to support customers are happy to wait for the service provided
Absenteeism: Working days lost to sickness absence	8	10.42		The council has experienced a sharp increase in long term absence cases which has directly impacted upon the overall sickness annual outturn. Short term absence has remained static compared to last year. The majority of long term cases for 2017/18 have now been resolved with only one long term case being managed in March 2018 (compared to 3 in March 2017). This should put us in a stronger starting position for April 2018.
Street-scene: Grounds Maintenance sites meeting Quality criteria	89%	85.17%		Targets missed, mainly due to turnover of Ground maintenance staff (9 in total) and periods of reliance on agency staff.
Street-scene: Residual household waste per household	435kg	476kg		An increase in residual waste has occurred compared to 2016/17. The Mechanical and Biological Treatment facility at Cotesbach which changed the composition of refuse to recycling output has resulted in an increase of residual waste overall. There has also been a reduction of circa 170T's during 2017/18 of dry-recycling from kerbside collections which will also increase this figure. It is hoped the change to a comingled collection service will increase the amount of material collected from 1 April 2018.
Street-scene: No of justified missed bins	1,000	1,390		1,390 missed bins whilst above the stretch target (1,000) represents 0.05% of the 2.5M collections completed for 2018/19. Targets to be revised for 2018/19.
Household waste sent for reuse, recycling & composting	49%	46%		The end of year forecast for 2017/18 is currently predicting circa 45-47% in view of a reduction in tonnage for garden waste in March compared to 2016/17 and a reduction in the weight of dry-recycling material collected (which could be attributable to light-weighting of products). The closure of the MBT facility at Cotesbach has also resulted in a loss of recycling performance from the conversion of residual waste to recycling output. The new comingled recycling service is expected to increase the amount of recycling material collected.
Resident satisfaction with street cleanliness	85%	71%		Figure taken from annual resident's satisfaction survey. Full report will be taken to SLT in May 2018. Low satisfaction mainly due to (as per comments provided by respondents to the survey): Levels of litter and the time taken by HBBC to clean it up and the amount of dog mess around
Housing: Rent collection & arrears recovery	98%	96.34%		Rent performance is hindered by the implementation of Universal Credit as many tenants are waiting on a claim to become active. This has impacted on current tenant arrears levels.
Housing: Rent collection & arrears recovery - evictions	0.24% (8)	0.3% (10)		Eviction rates have risen due to a number of factors including positive action to deal with rising arrears levels, and joint possession action on other breaches of tenancy.

Indicator	Target	Actual	Comments
Housing Repairs: % satisfied with repairs	95%	93.27%	Satisfaction has remained static throughout the year since the new implementation of a 1-5 scoring as recommended by tenants. This data is based on 2059 returned surveys, which is 24% of jobs completed by the In-House team.
Housing benefit overpayments collection rate	36%	33.71%	Collection rates have improved when compared to last year (31%), however our success in identifying fraud and error within Housing Benefit by implementing DWP initiatives mean that our performance has been affected as we have to recover more overpayments in year
Housing: No households living in Temp Accommodation	12	14	Lack of available family properties has meant applicants are in hostel for longer period. 8 families in hostel, 3 pending decision and 5 accepted. 2 single males in B&B both accepted. Due to their issues, certain type of property is needed. 1 applicant in refuge, case accepted. 3 applicants in rent connect private lease properties - 1 x a family and 2 single males. 2 cases accepted and one pending decision.
Resident satisfaction sports and leisure facilities	80%	77%	Return is from annual resident satisfaction survey. Full report will go to SLT in May 2018 Latest result is slightly down from last year which is mainly due to lower satisfaction levels from respondents from rural areas who made numerous comments about there being no facilities locally and that there is no local public transport from rural villages into Hinckley town centre
Street-scene Cost of household waste	£24.00	£25.98	The main reasons for the increase are increases to: salary costs, fuel costs, agency staff costs, & support service costs

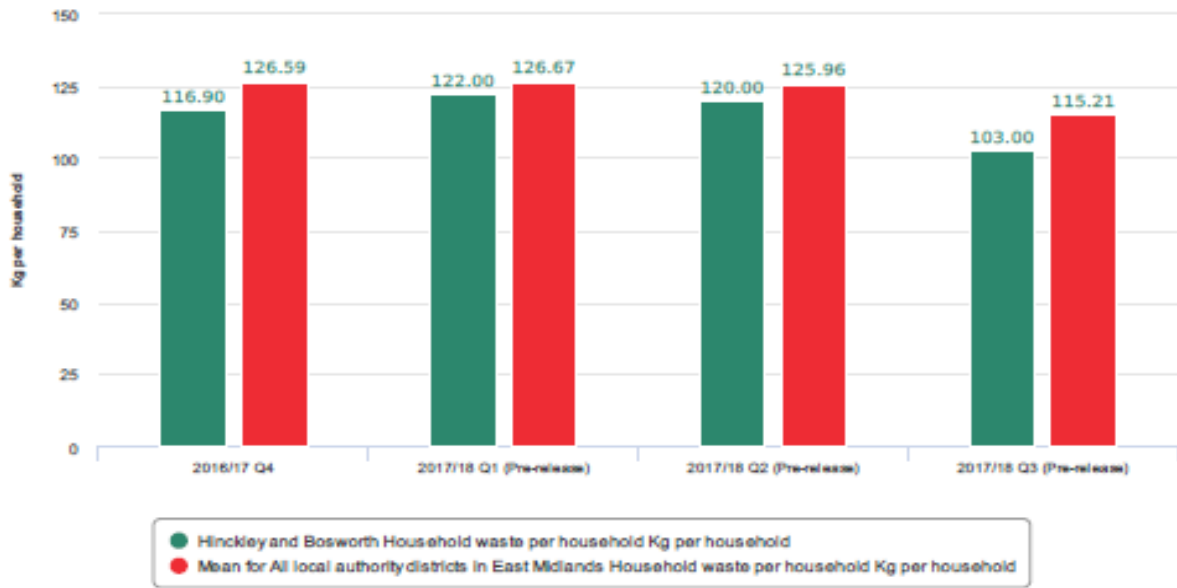
Two indicators performed significantly better than target:

Indicator	Target	Actual	Comments
Street-scene: Resident satisfaction with the waste service	91%	94%	Return is from the annual resident satisfaction survey. Performance remains high, improving by 4% on the previous survey (2016/17)
Street-scene: Percent take up of green waste collection service	50%	77%	77% outturn figure represents the number of eligible garden waste households (those previously having a garden service) taking-up the paid for service. This is a 1% increase on the figure for 2016/17.

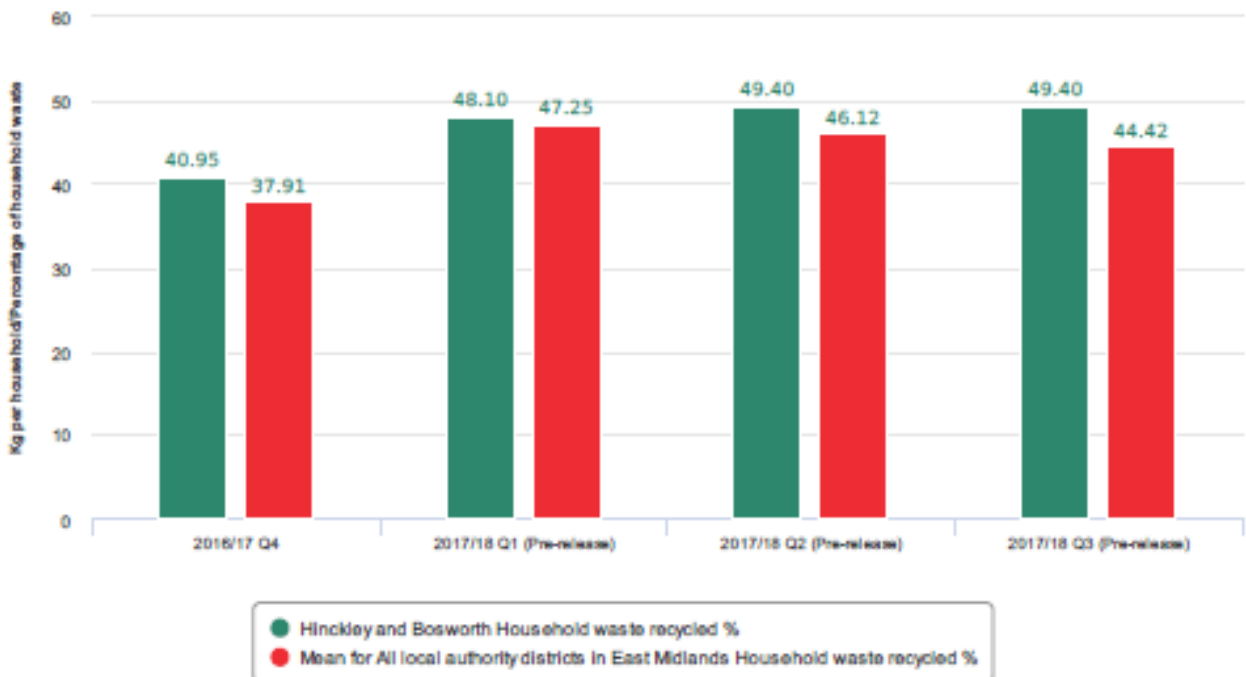
- 3.6 Benchmarking - As part of an East Midlands Performance Benchmark group initiative there are currently six indicators which can be compared against other district councils in the East Midlands. Please note that the returns are provisional figures entered by councils onto the LG (Local government) Inform site for benchmarking purposes only.



**Residual household waste per household - quarterly (kg per household) (2017/18 Q3) for Hinckley and Bosworth & All local authority districts in East Midlands**



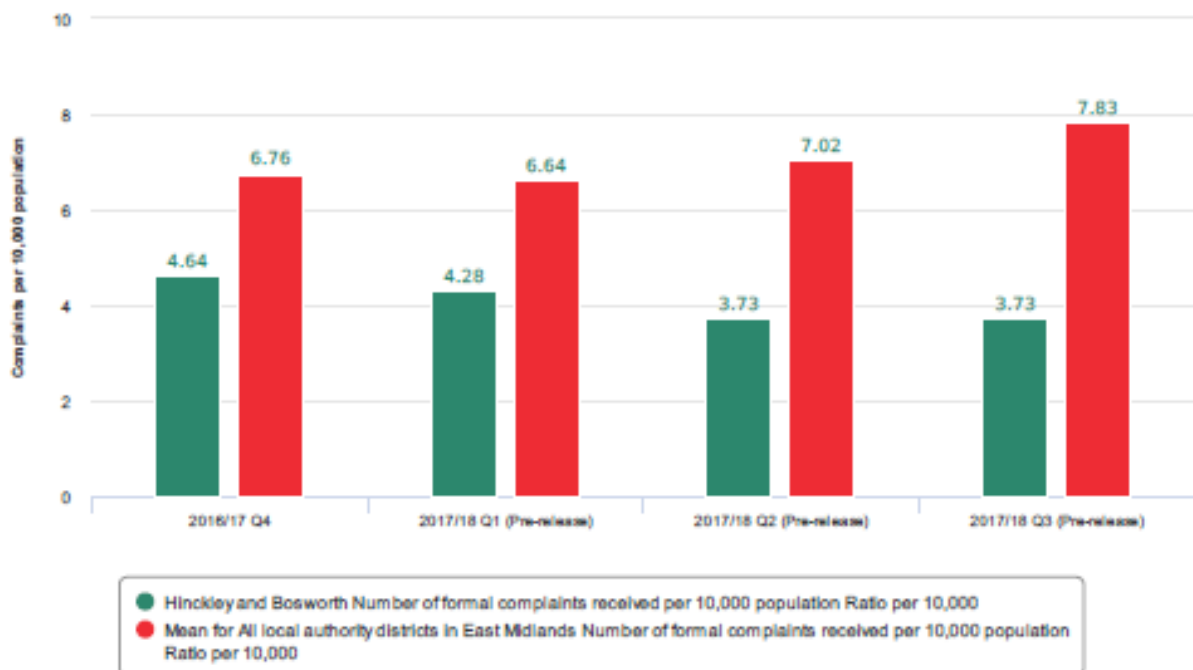
**Percentage of household waste sent for reuse, recycling and composting - quarterly (%) (2017/18 Q3) for Hinckley and Bosworth & All local authority districts in East Midlands**



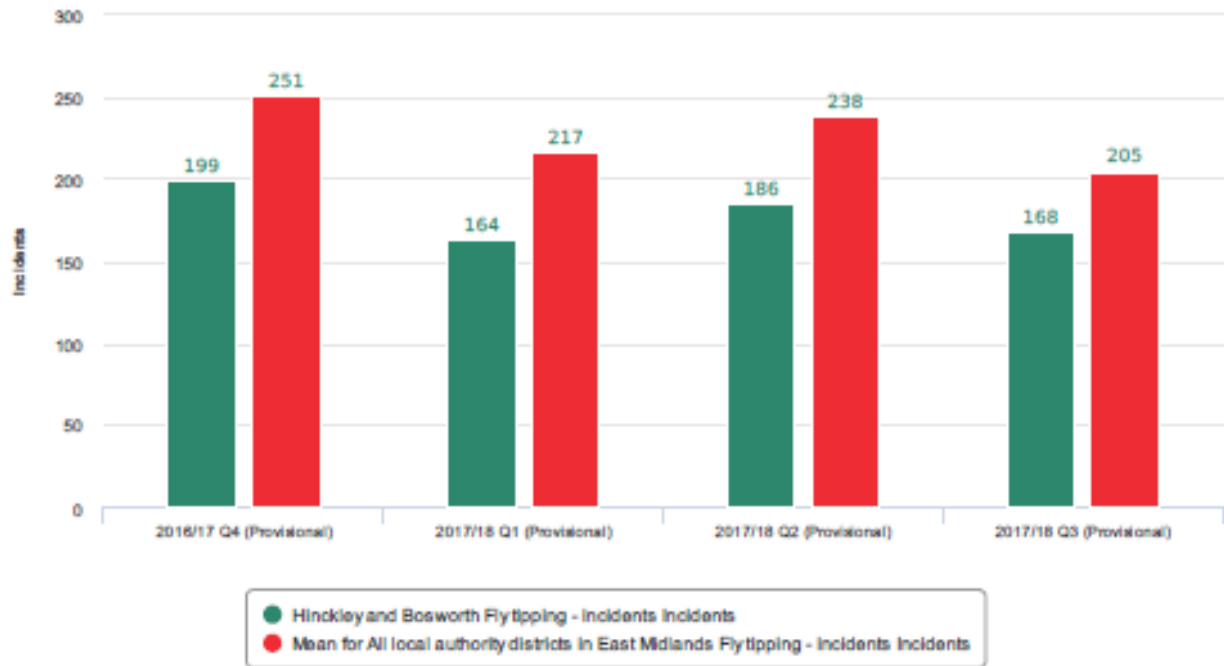
Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee (excluding schools) - quarterly (days per fte) (2017/18 Q3) for Hinckley and Bosworth & All local authority districts in East Midlands



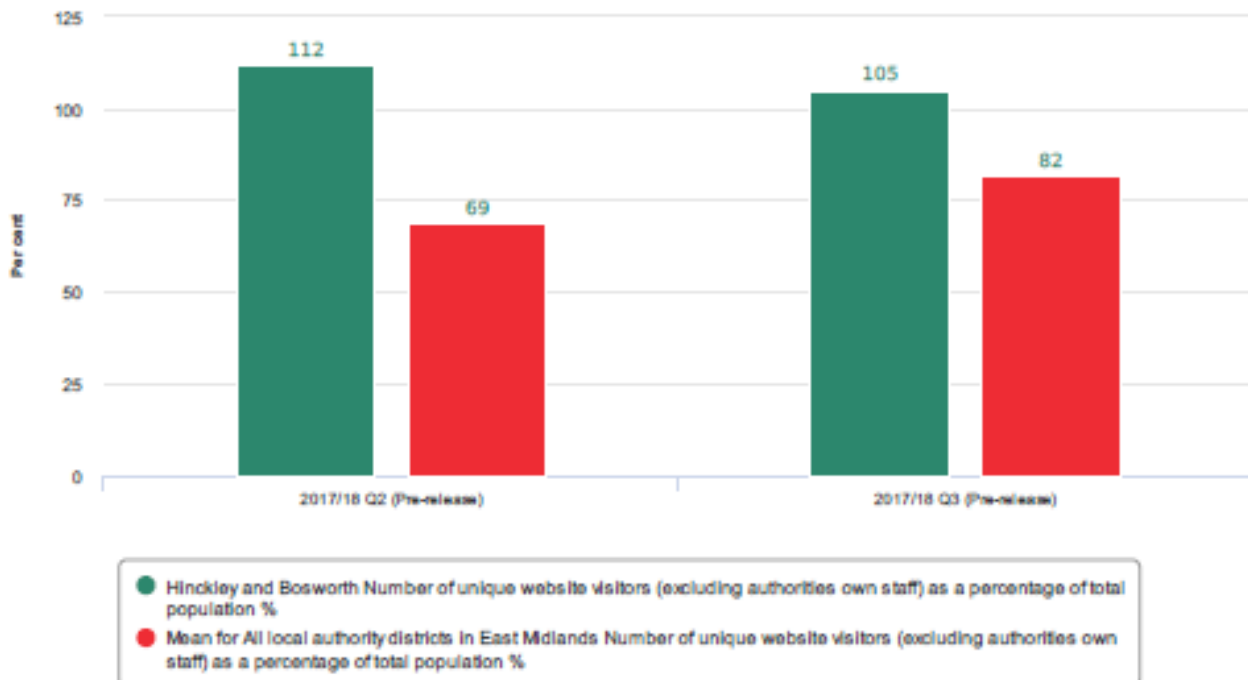
Number of formal complaints received per 10,000 population (per 10,000) (from 2016/17 Q4 to 2017/18 Q3 (Pre-release)) for Hinckley and Bosworth



**Number of fly tipping incidents (incidents) (2017/18 Q3) for Hinckley and Bosworth & All local authority districts in East Midlands**



**Number of unique website visitors (excluding authorities own staff) as a percentage of total population (%) (2017/18 Q3) for Hinckley and Bosworth & All local authority districts in East Midlands**



3.7 Service improvements plans - In total for 2017/18 there were two hundred and eighty service improvement plans across all council services.

As agreed with the Strategic Leadership Team (SLT), only those service improvement plans with a “Corporate Impact” (i.e. not business as usual) were monitored by SLT. Of the two hundred and eighty service improvement plans, ninety were flagged as having a “Corporate impact”.

3.7.1 Out of the 90 corporate plans, 15 missed their target dates (as highlighted by service managers/lead officers):

Service area	Description	Comments	Target date/s
Corporate Governance	Develop a dignity at Work Policy	This has resulted in slippage due to other policies being prioritised. To be carried forward next year	March 2018
Estates	Increase In Atkins Income: target to increase year on year rental income / conferencing facilities.	Rental/conferencing income has increased but not met the set target of 7%	7% increase on annual income
Community Housing & Housing Repairs	Undertake a review of our homeless hostels and Clarendon House	This action will be c/fwd into SIP for 2018/19 as it is partly dependant on the Grant match funding which has not yet been determined.	December 2017
Corporate Governance	Channel Shift Strategy - Implement web based solution "My Account"	The implementation of My-Account is two-fold: 1) Build the customer web portal 'My-Account' This has been built - we do have some outstanding queries in regard to branding of the site (in order to make sure it mirrors the HBBC website). Nearly complete. Few minor issues to resolve. 2) Update the Customer Services System (CRM) The CRM is live. Whilst the CRM element of the project has been delivered, the web based portal 'My-Account' has had slippage due to an additional requirement to update all Achieve forms (these are e-based forms used in CRM and the web portal) by February 2018. This was unforeseen and has had an impact on the project, however this is now complete. The project team has had to put My-Account on hold to deliver other priorities such as the upgrade of Achieve forms, developing the new Garden Waste process and more recently, work regarding the waste round changes. Meeting in April to discuss the launch of My-Account alongside outstanding work as detailed above. A priority plan has been put in place in order ensure that the project will be delivered including hiring bank staff to assist with the upgrading of forms. The project team meet every three weeks to ensure that the conflicting priorities are managed.	March 2018

Service area	Description	Comments	Target date/s
--------------	-------------	----------	---------------

Corporate Governance	Identify impact of new national living wage	Two-year proposal - Employers have offered a flat pay award for 2018/19 and new pay structure for 2019/20 (which should address the risks in regard to the living wage). This offer is currently being negotiated with the trade unions and consultation is taking place with its membership which will end mid-March. Update: Consultation outcome GMB has voted in favour of the offer 20.3.18 Unison members have narrowly rejected the offer. However, the NJC committee has recommended accepting the offer given the marginal outcome and is seeking views on this nationally, from the branch committees by 5 April. Employer's side is meeting 10 April to consider outcome.	March 2018
Planning	Organise urban design training for elected members	Q4: New urban design consultants appointed to review SPD who will also do training of Officers and Members, should it be required.	September 2017
Planning	Work with other council services to develop a Building Control enforcement policy	Q4. No suitable example found that can be used so will look to produce own version once staffing resources permit	August 2017
Finance	Fraud Hub Ensure the outputs from the fraud hub established at Leicester City are reviewed and acted upon to ensure any weaknesses identified are addressed as appropriate, with fraud incident reports being reported to the Audit Committee.	There has been a technical problem, not HBBC fault, in relation to uploading information. This being worked on to rectify. Once done matching will take place. Council Tax data is now being submitted to the fraud hub on a monthly basis as agreed. With regard to Business Rates we have provided the test data and await his feedback before we can submit any live files.	March 2018
Housing Operations	To procure a contractor and commence work on the remodelling of Ambion Court	Delays experienced with the design process have now been resolved. PQQ tender Stage has been completed with 4 successful contractors to be invited to tender. Works on Site now scheduled to commence 2nd quarter 2018/19. Complex currently being stripped out of existing fixtures & fittings SIP action included in SIP 2018/19	December 2017
Planning	Review planning application registration process to ensure correct information is provided	Q4. Draft completed and consultation of internal departments, and local agents completed. Responses are being incorporated in to the document prior to adoption by end of April 2018	August 2017

Service area	Description	Comments	Target date/s
Planning	Review of standard planning conditions in conjunction with other service areas to ensure high quality development	Q4. Consultations carried out and draft updated. Final review of wording underway and numbering before IT uploads on the system. Roll out end of April 2018	July 2017
Street-scene	Green Space Delivery Plan 2014-2018 - Delivery of 6 projects at Richmond Park Hollycroft Park Argents Mead Langdale Recreation Ground Clarendon Park Harrowbrook	Q4 - Works have continued at Langdale park. Fencing and entrance arches completed at Richmond Park. Works at Clarendon park will be carried forward into next year along with the completion of the works at Langdale and further works at Argents Mead to improve the moat area. Works at Hollycroft park will be planned based on the results of the recent consultation carried out at the site.	March 2018
Street-scene	Maintain High Levels of Recycling Performance and continue to promote the diversion of waste from the residual waste stream	2016/17 audited data is now available and confirms an outturn of 49.4% for 2016/17 being a reduction of 2.2% on 2015/16 performance. Performance has reduced following the introduction of the charge for garden waste from 1 April 2016. The end of year forecast for 2017/18 is currently predicting circa 45-47% in view of a reduction in tonnage for garden waste in March compared to 2016/17 and a reduction in the weight of dry-recycling material collected (which could be attributable to light-weighting of products). The new comingled recycling service is expected to increase the amount of recycling material collected.	March 2018
Street-scene	Write a new green space delivery plan for period 2019 - 2024	Q4 - Works not commenced due to other work commitment and projects. Will be added to next year SIP	December 2017
Street-scene	Renew farm composting contract (for disposal of garden waste)	Q1 - extension to 31/3/18 to be reported to exec for agreement as interim arrangement. New contract to be tendered ready for introduction from 1/4/18. Exploring options to combine with LCC. Q2 - no progress with extension BUT new contract will be tendered and ready for 1/4/18. Q3 - no progress. Documentation to be sent out January. q4 - no progress. added to next year's SIP	March 2018

3.8 Corporate/Strategic risks - There are a total of twenty five risks (as at 13 April 2018) on the 'Corporate Risk Register'.

3.8.1 Three corporate risks have been highlighted as red (pose the most significant threat):

Risk	Review commentary
S.15 - Failure to successfully adopt and deliver the LDF	The LDS was reported to and agreed by Council in January 2017. Issues and Options document has been out for public consultation early 2018 (including Statement of Community Involvement) Strategic Growth Plan under consultation until May 2018. Issue and Options to be reported to Council June 2018. New NPPF guidelines issued relating to Local Plans - On time table
Risk	Review commentary
S.37 - Non delivery of capital projects which are	Restrictions in funding new capital projects remains. For the HRA the position is that the council continue with current schemes only. Due to the

interdependent	governments rent reductions policy no additional affordable housing works will be committed at this stage.
S.34 - Failure to safeguard vulnerable adults, children & young people	Risk remains high due to the volume of cases being referred. Procedures and processes are regularly updated in accordance with LSCB policy requirements.

3.8.2 As part of the quarterly review of the 'Corporate Risk Register':

- No new risks have been added
- No risks have increased (worsened) in rating
- No risks have decreased (improved) in rating
- One risk has been closed
  - S.47 Loss of key contractor (street-scene)

3.9 Service area risks - There are a total of eighty risks across all service areas which are kept on individual service area risk registers.

3.9.1 Eight service risks have been highlighted as red (pose the most significant threat):

<b>Risk</b>	<b>Review commentary</b>
DLS.19 - Recruitment & retention of staff (Planning)	Q4 The majority of posts are filled. A further recruitment process for the replacement of the Head of Planning was unsuccessful and whilst options are considered the interim measures with the Director and Team Leaders acting up are continuing. The Building Control Manager post is currently vacant and support to that team is being given through a shared service from a neighbouring authority and an existing manager within the planning service. A review of Building Control provision has started and is being carried out in conjunction with NWLDC and CBC
DLS.42 - Meet the need of Gypsy and Travellers (Planning)	Q4. Gypsy and Traveller Needs Assessment adopted, demonstrating that the Council has provided sufficient land to meet the needs of the gypsy and traveller community for the remainder of the plan period. Needs assessment for whole of Leicestershire now agreed. Aligns with the methodology used in the Hinckley and Bosworth BC Needs Assessment that was completed in 2016.
DLS.44 - Five year housing land supply (Planning)	Q4. The council continues to demonstrate a healthy 5 year housing land supply (reinforced through recent planning appeals) which currently stands at 5.63 years as of 1 April 2017. This helps that ensure new residential development decisions are made in accordance with the Local Plan.
DLS.47 - Reputation of Building Control Service (Planning)	Q4 - The volume of work retained by HBBC shows signs of falling year on year. There are many reasons why this may happen, including potentially the reputation of the service amongst agents and builders. Some of it will be out of the team's control, e.g. national policy. The team has continued to work hard to market the service to customers with the Technician playing a key role in marketing and allowing the Building Control Officers to make best use of skills and resources
DLS.48 - Loss of work to Approved Inspectors (Planning)	Q4. At the end of period 12 fee income is ahead of the budget position.
DLS.49 Recruitment and retention of Building Control Staff (Planning)	Q4. Following the departure of the BC Manager the team is being supported on a temporary part time basis by the Building Control manager from NWLDC. This is allowing time to investigate a wider shared service for Building Control with NWLDC and others.
<b>Risk</b>	<b>Review commentary</b>
HCS.80 - Welfare reform (Housing)	Q4 Improved referrals to CA for debt management Reduced thresholds within debt recovery process
HCS.91 - Central government housing proposals (Housing)	Q4. Waiting for govt regulations to be published into the various parts of the Housing and Planning Act in order that impacts can be reported and managed

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

- No new risks have been added
- No risks has increased (worsened) in rating
- No risks have decreased (improved) in rating
- Three risks have been closed:
  - *DLS.25 Design out crime (Planning)*
  - *DLS.38 Enforcement and performance successes (Planning)*
  - *DLS.43 Introduction of new permitted development rights (Planning)*

#### 4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 This report is to be heard in open session.

#### 5. FINANCIAL IMPLICATIONS (IB)

5.1 There are no financial implications arising directly from this report.

#### 6. LEGAL IMPLICATIONS (AR)

6.1 There are no legal implications arising directly from this report.

#### 7. CORPORATE PLAN IMPLICATIONS

7.1 The report provides an update on the achievement of the Council's vision and revised Corporate Plan 2017 - 2021. The issues covered in this report relate to, and support the achievement of all the Council's priority ambitions:

- Helping people to stay healthy, active and protected from harm
- Creating clean and attractive places to live and work
- Encouraging growth, attracting businesses, improving skills and supporting regeneration
- Provide quality services, good value for money and make the best use of our assets

#### 8. CONSULTATION

8.1 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.

#### 9. RISK IMPLICATIONS

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

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

#### 10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 Equality and Rural implications are considered as part of the implementation of the Corporate Plan 2017 - 21.

#### 11. CORPORATE IMPLICATIONS



11.1 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: Ten reports  
Contact Officer: Cal Bellavia, ext. 5795  
Executive Member: Councillor M Hall

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Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

## FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Finance & Performance Scrutiny

21 May 2018

WARDS AFFECTED: ALL WARDS

## FINANCIAL OUTTURN 2017/18

### Report of Head of Finance (Section 151 Officer)

1. PURPOSE OF REPORT

To inform members of the draft final financial outturn for 2017/18.

2. RECOMMENDATION

2.1 The report is noted

3. BACKGROUND TO THE REPORT

3.1 The draft out presented below is before the audit of the financial statements. Any material changes to balances and reserves will be reported to this committee once the audit has been completed. The draft outturn will be presented to Council in June.

#### General Fund

3.2 The original budget for 2017/18, revised budget for 2017/18 (based on November 2017 outturn) together with the draft outturn are summarised below. (Before any regulatory accounting adjustments which do not impact on balances).

	<b>Original Estimate 2017/18</b>	<b>Revised Estimate 2017/18</b>	<b>Draft Outturn 2017/18</b>
	£	£	£
<b>Support Services</b>	173,220	333,160	403,856
<b>Corporate Services</b>	2,742,559	2,619,314	2,267,813
<b>Community Services</b>	2,258,384	2,473,186	2,115,766
<b>Environment and Planning</b>	6,446,846	6,510,910	6,715,840
<b>Further Savings in Year</b>	0	-20,000	

<b>Total service expenditure</b>	<b>11,621,009</b>	<b>11,916,570</b>	<b>11,503,275</b>
<b>Special Expenses</b>	-588,870	-591,870	-586,745
<b>Capital Accounting Adjustment</b>	-1,751,250	-1,751,250	-1,193,337
<b>Net external interest (received)/paid</b>	315,320	315,320	216,242
<b>IAS19 Adjustment</b>	-473,330	-473,330	-1,071,091
<b>Carry forwards from prior year</b>	0	-223012	-228,012
<b>Carry forwards to 2018/19</b>			187,558
<b>Transfer to reserves</b>	1,479,120	1,639,120	1,975,334
<b>Transfer from reserves</b>	-462,246	-443,666	-342,666
<b>Transfer (from) unapplied grants</b>		-391,993	-244,335
<b>Transfer to unapplied grant</b>			275,272
<b>Transfer to pensions reserves</b>	3,880	3,880	3,880
<b>Transfer to/(from) balances</b>	103,715	649,579	651,817
<b>Business Rates Growth*</b>		-402,000	
<b>HBBC Budget Requirement</b>	<b>10,247,348</b>	<b>10,247,348</b>	<b>11,147,192</b>

#### Financing

	<b>Original Estimate 2017/18</b>	<b>Revised Estimate 2017/18</b>	<b>Draft Outturn 2017/18</b>
<b>Council tax</b>	<b>3,905,823</b>	<b>3,905,823</b>	<b>3,905,823</b>
<b>RSG</b>	<b>753,927</b>	<b>753,927</b>	<b>753,927</b>
<b>NNDR*</b>	<b>2,941,699</b>	<b>2,941,699</b>	<b>3,802,138</b>
<b>NHB</b>	<b>2,793,740</b>	<b>2,793,740</b>	<b>2,799,519</b>
<b>Collection Fund Surplus (Deficit)</b>	<b>-147,841</b>	<b>-147,841</b>	<b>-114,215</b>
	<b>10,247,348</b>	<b>10,247,348</b>	<b>11,147,192</b>

*\*in the Outturn the growth has been shown against NNDR (Business Rates)*

*An overall reconciliation for NNDR is given below*

<b>NNDR</b>	<b>Budget</b>	<b>Actual</b>
Growth Not Including S31	514,784	1,131,962
Baseline Funding	2,426,915	2,426,915
Levy Payment		-1,105,242
Additional Income Renewable Grant		156,278
Additional Grant for SBRR		300,044
Other additional Reliefs		199,581
<b>Growth</b>		<b>402,000</b>
<b>S 31 grant</b>		<b>290,600</b>

<b>Sub Total</b>	<b>2,941,699</b>	
Items allowed for in Budget		
<b>Growth</b>	<b>402,000</b>	
<b>S 31 grant</b>	<b>290,600</b>	
<b>Total NNDR Breakdown</b>	<b>3,634,299</b>	<b>3,802,138</b>
<b>Difference</b>	<b>167,839</b>	

3.3 After taking account of adjustments to the budget, (e.g. virements and supplementary budgets and savings identified in year, the provisional outturn shows **£11,503,275** being spent on services with **£1,975,334** being transferred to earmarked reserves and **£651,817** being transferred to General Fund balances. Overall this means an additional £2,238 will be put into General Fund balances compared against the position of £649,579 reported to Council in February 2018.

- Total service expenditure on the face of the summary shows an underspend £413k compared against the revised budget. This however includes budgeted items which are reversed out in accordance with statutory accounting practise in the capital accounting adjustments and IAS 19. These total £149,648. These transactions are summarised below:-

	<b>(£000)</b>
IAS 19 Pension adjustments	687
Capital items where no asset is created for the Council (REFCUS)	(537)
<b>Total</b>	<b>150</b>

After allowing for these variations the total variation is £563k. Major variances between the budget reported to Council and the draft outturn are summarised below:-

	under (over) spends
	£000's
Development Control Additional Planning Fees	161
Planning Policy Savings (local plan & Strategic growth)	99
Former added yr costs (these are allowed for within IAS19 adjustments	84
Additional income service charge and rental income for commercial estates	40
Additional new Burdens and Council tax support income	121
planning policy , strategic growth and local planning	118

### **Carry Forward Budgets**

3.4 In a number of cases budget managers have requested that the under spend in their budget(s) be carried forward to 2018/19 because of delays in committing expenditure. Requests totalling a net £584,070 have been received (to be funded as detailed below).

Source of Funding	<b>Amount (£)</b>
General Fund carry forwards	187,558
General Fund carry forwards - Reserves	101,000
Unapplied Grant Carry fwds	122,867
Unapplied Grants fwd. 17 18 grants	172,645
<b>Total</b>	<b>584,070</b>

Unapplied Grants are specific grants and contributions which have not been spent and are transferred to “unapplied grants and contributions” in accordance with accounting standards. Pending approval, budgets will be set up for these amounts in 2018/2019 and funding released accordingly from the Balance Sheet.

### **Earmarked Reserves**

The table below shows the expected transfers to and from reserves for the general fund revenue compared against the budgeted position. A detailed analysis of the draft reserves position is attached in appendix 1

	<b>Closing Balance 31st March 2017</b>	<b>To reserves</b>	<b>From reserves</b>	<b>Capital spend</b>	<b>Estimated Outturn current position 31/3/18</b>
Benefits Reserve	(58,549)	0	0		(58,549)
Hub Future Rental Management Reserve	(100,000)	(250,000)	0		(350,000)
Special Expenses Reserve	(141,804)	(20,000)	0	13,215	(148,589)
Local Plan Procedure	(668,952)	0	62,420		(606,532)
Business Rates Equalisation Reserve	(1,718,345)	(745,679)	69,754		(2,394,270)
Relocation Reserve	(101,132)	0	51,132		(50,000)
Year End Carry Forwards 2016/17	(266,012)	0	228,012		(38,000)
Year End Carry Forwards 2017/18	0	(187,558)	0		(187,558)
Maint Fund - Green Towers	(20,000)	(5,000)	0		(25,000)
Pensions Contribution	(161,411)	0	53,800		(107,611)
ICT Reserve	(206,411)	(59,000)	0	14,896	(250,515)
Waste Management Reserve	(73,725)	(226,535)	0		(300,260)
Asset Management Reserve	(1,111,592)	0	0	314,192	(797,400)
Planning Delivery Grant Reserve	(28,723)	0	10,940		(17,783)
Grounds Maintenance	(133,295)	0	0	5,900	(127,395)
Transformation	(147,120)	0	94,620		(52,500)
Enforcement & Planning Appeals Reserve	(270,000)	0	0		(270,000)
Earl Shilton Toilets	(100,000)	0	0		(100,000)
Building Maintenance costs	0	(388,120)	0		(388,120)
Developing Communities Fund	(950,000)	(301,000)	0	192,108	(1,058,893)
<b>Total</b>	<b>(6,257,072)</b>	<b>(2,182,892)</b>	<b>570,678</b>	<b>540,311</b>	<b>(7,328,975)</b>

### **General Fund Balances**

The table below summaries the net position

	<b>Transfer to/(from) Balances Original Budget</b>	<b>Transfer to/(from) Balances Latest Budget</b>	<b>Transfer to/(from) Balances Outturn</b>
	£	£	£
Transfer to Balances	103,715	649,579	651,817

### **Housing Revenue Account**

- 3.5 As 31st March 2017 it is anticipated that the HRA outturn deficit will be £175,693 against the latest budget of £111,416. This is a variation of £64,277. The main reasons for the variances are summarised below:-

	under (over) spends
	£000's
Increase in the Bad Debt Provision set aside based on current arrears.	(54)
Rental Income reduction due to additional dwelling sales	(33)
Additional Service Charge income	27

### **Housing Repairs Account**

- 3.6 The Housing Repairs Account outturn is £119,506 which compares to the latest budget for 2017/18 which forecasted £293,128. The main reasons for the variances are summarised below:-

	under (over) spends
	£000's
Committed central heating and electrical and painting work that were completed in April	26*
Salary savings due to vacant posts	18*
Rental Income reduction due to additional dwelling sales	(33)
Additional Service Charge income	27
Responsive Repairs savings (demand led budget)	17
Asbestos Surveys awaiting completion (Arising from backlog from prior years)	118*

\*A total of £138k has been requested to be carried forward to allow for committed which were budgeted for in the prior year.

### **Capital Programme**

- 3.7 For the General Fund £2,027,500 has been spent on capital schemes to the end of March 2018 against a budget of £ 3,673,051. This represents an under-spend of £1,645,551. In the majority of cases, under spends at the year end are due to slippage and therefore will be spent in forthcoming years. If approved, the relevant financing for these schemes will be transferred to the 2018/19 Capital Programme. Council will be requested to approve carry forwards totalling £1,467,761. The major variations in excess of £50,000 have been summarised as follows:

<b>Scheme</b>	<b>£000's Under spend/ (Overspend)</b>	<b>Explanation</b>
Microsoft hardware	107	Change in procurement method to cloud

		based 5 years contract
Crematorium	54	Scheme budget crosses financial years
Crescent Block C	182	Set aside for future incentive costs.
Developing Communities Fund	96	Set aside for payments for approved applications
Green Deal Fuel Poverty	473	Set aside for Boiler upgrades and on going to work to flat at New Street
Leisure Centre	53	Set aside for building improvements
Major Works Grants	192	Works committed to be completed in 2018/19
Disabled Facilities Grant	129	Works committed to be completed in 2018/19
Housing Enforcement Works	58	Set aside for future Enforcement works.

- 3.8 For the HRA £6,616,589 has been spent against a revised budget of £7,094,077. The major variations in excess of £50,000 are as summarised as follows:

<b>Scheme</b>	<b>£000's Under spend/ (Overspend)</b>	<b>Explanation</b>
Social Service Adaptation to Council Dwellings	115	Works issued but not yet completed by Contractor.
Ambion Court	75	Scheme budget crosses financial years. Tender still to be issued.
Martinshaw Lane	198	Scheme budget crosses financial years. Committed for contractual works.

- 3.9 For the majority of schemes, under spends at the year end are due to slippage and therefore will be spent in forthcoming years. For the HRA the element a total of £488,800 will be required to be carried forward.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 Report taken in open session.

5. FINANCIAL IMPLICATIONS IB

- 5.1 Contained within the body of the report.

6. LEGAL IMPLICATIONS AR

- 6.1 None.

7. CORPORATE PLAN IMPLICATIONS

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

8. CONSULTATION

- 8.1 None.



## 9. RISK IMPLICATIONS

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

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

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

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation. The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance. Sufficient levels of reserves and balances are maintained to ensure financial resilience	Julie Kenny

## 10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 There are no direct implications arising from this report

## 11. CORPORATE IMPLICATIONS

11.1 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

Contact Officer: Ilyas Bham, Accountancy Manager  
Executive Member: Cllr M Hall

## Appendix 1 - General Fund Earmarked Reserves

	<b>Closing Balance 31st March 2017</b>	<b>To reserves</b>	<b>From reserves</b>	<b>capital spend</b>	<b>Estimated Outturn current position 31/3/18</b>
Benefits Reserve	(58,549)	0	0		(58,549)
Hub Future Rental Management	(100,000)	(250,000)	0		(350,000)
Special Expenses Reserve	(141,804)	(20,000)	0	13,215	(148,589)
Local Plan Procedure	(668,952)	0	62,420		(606,532)
Business Rates Equalisation Reserve	(1,718,345)	(745,679)	69,754		(2,394,270)
Relocation Reserve	(101,132)	0	51,132		(50,000)
Year End Carry Forwards 2016/17	(266,012)	0	228,012		(38,000)
Year End Carry Forwards 2017/18	0	(187,558)	0		(187,558)
Maint Fund - Green Towers	(20,000)	(5,000)	0		(25,000)
Pensions Contribution	(161,411)	0	53,800		(107,611)
ICT Reserve	(206,411)	(59,000)	0	14,896	(250,515)
Waste Management Reserve	(73,725)	(226,535)	0		(300,260)
Asset Management Reserve	(1,111,592)	0	0	314,192	(797,400)
Planning Delivery Grant Reserve	(28,723)	0	10,940		(17,783)
Election Reserve	(122,005)	0	0		(122,005)
Grounds Maintenance	(133,295)	0	0	5,900	(127,395)
Transformation	(147,120)	0	94,620		(52,500)
Enforcement & Planning Appeals	(270,000)	0	0		(270,000)
Earl Shilton Toilets	(100,000)	0	0		(100,000)
Building Maintenance costs	0	(388,120)	0		(388,120)
Developing Communities Fund	(950,000)	(301,000)	0	192,108	(1,058,893)
<b>Total</b>	<b>(6,379,076)</b>	<b>(2,182,892)</b>	<b>570,678</b>	<b>540,311</b>	<b>(7,450,980)</b>



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FINANCE & PERFORMANCE SCRUTINY      21 May 2018

WARDS AFFECTED: All Wards

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## TREASURY MANAGEMENT QUARTER 4 2017/18

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### Report of Head of Finance

1.     PURPOSE OF REPORT

1.1    To inform the Committee of the Council's Treasury Management activity in the fourth quarter of 2017/18.

2.     RECOMMENDATION

2.1    That the Committee note the report.

3.     BACKGROUND TO THE REPORT

3.1    At its meeting in 23 February 2017 Council approved the Council's Treasury Management Policy for the year 2017/18 and delegated the oversight of the execution of the Policy to this Committee.

This report sets out the Treasury Management activities in 2017/18 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 latest forecasts are detailed in the table below:

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Bank Rate	0.75%	0.75%	1.00%	1.00%	1.00%
5yr PWLB rate	2.00%	2.10%	2.10%	2.20%	2.30%
10yr PWLB rate	2.50%	2.60%	2.70%	2.70%	2.80%
25yr PWLB rate	2.90%	3.00%	3.10%	3.20%	3.20%
50yr PWLB rate	2.70%	2.80%	2.90%	3.00%	3.00%

### 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. If required, officers implement an operational strategy which tightens the controls already in place in the approved investment strategy. The Council's investment criterion was approved by Council in February 2017.

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 invested.

Depending on the flow of cash (difference between income receipts and payments) the bank balance will vary. Where there is a surplus balance monies are invested. When there is a need for cash, investments are called in to ensure funds are not overdrawn. As at 31<sup>st</sup> March 2018 the Council held the following investments totalling £15,382,175 Investments as at 31st March are summarised below:-

Counterparty	Investment Date	Maturity Date	Amount	Interest Rate
Hinckley & Rugby BS	25/01/2018	25/04/2018	£3,000,000	0.5000
Hsbc Bank	29/03/2018	01/04/2018	£2,582,172	0.3300
Nottingham City Council	02/10/2017	03/04/2018	£2,000,000	0.4000
Cumberland BS	02/01/2018	03/04/2018	£1,400,000	0.5500
Cumberland BS	15/01/2018	16/04/2018	£1,400,000	0.5500
Furness BS	06/10/2017	05/10/2018	£1,000,000	0.8500
Furness BS	06/10/2017	05/10/2018	£1,000,000	0.8500
Furness BS	16/10/2017	15/10/2018	£1,000,000	0.8500
Mid & East Antrim Borough Council	01/12/2017	01/06/2018	£1,000,000	0.5500
National Counties BS	29/03/2018	28/09/2018	£1,000,000	0.7300
<b>Total</b>			<b>£15,382,175</b>	

Details of investments held from April 2017 to March 2018 are available on request.

Details of the weighted average investment to March 2018 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. The Council received a rate of return that is comparable with the returns available in the market. Additionally, the weighted average period is within the maximum set of 0.5 years. Average investments returns are higher than the comparable inter bank rate (a return of 0.42% compared against 0.23%).

Period	Weighted Average invested	Average period (days)	HBBC Average Return	Overnight LIBID	7 Days LIBID	1 Month LIBID
Apr to Mar 18	£22,870,028	16	<b>0.4241</b>	0.2011	0.2151	0.2334

### 3.4 Borrowing Activities

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

Excluding the HRA self financing element the Council has a Capital Financing Requirement of £37.08m for the current year 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" by £28.78m with only £8.3m of long term loans on its books.

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 March 2020. The loan will be repaid in equal instalments of £2.9414m over 23 yrs.

### 3.5 Short Term Borrowing

Short term borrowing took place to cover temporary cash flow shortfall. The movements are as follows:-

Amount outstanding at 1April 2017	Nil
Plus Amount borrowed to Mar 2018	£2,000,000
Less Total Amount repaid to Mar 2018	£2,000,000
Amount outstanding at 31 Mar 2018	Nil

The average amount borrowed was	£35,616
Average period of loan	7 Days
Number of occasions	2
<b>Average rate of interest paid</b>	<b>0.4077</b>

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 Report to be taken in open session.

5. FINANCIAL IMPLICATIONS [IB]

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

6. LEGAL IMPLICATIONS [MR]

6.1 There are no legal implications arising directly from this report.

7. CORPORATE PLAN IMPLICATIONS

7.1 This report supports the following Corporate Aims

- Thriving Economy

8. CONSULTATION

8.1 None

9. RISK IMPLICATIONS

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

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

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

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	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	A.Wilson

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 None

## 11. CORPORATE IMPLICATIONS

11.1 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 Hall

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FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Finance & Performance Scrutiny

21 May 2018

WARDS AFFECTED: ALL WARDS

**SUNDRY DEBTS – Q4 2017/2018**

**Report of Head of Finance (Section 151 Officer)**

1. PURPOSE OF REPORT

1.1 To inform members of the position on sundry debts as at 31<sup>st</sup> March 2018.

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 31/03/2018 there were sundry debts with a value of £2,219,062. 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
£	£	£	£	£	£	£	£
-4169.53	326,129	501,795	385,087	33,039	4,936	1,065,124	2,219,062

3.2 The Council has a KPI for Debt over 90 days old as a % of aged debt, not exceeding 25%. The performance for the end of March 2018 was 24.45%, this is after amendment for items that are known to be covered by agreement, council policy or are to be written off. The total number of invoices over 90 days is 933, with an average value pf £617.88.

	£	Description
<b>Total debt</b>	2,219,062	
<b>Less</b>	-493,581	Tin Hat
	-142,806	Homelessness
	-61,814	Installment Plans
	<b>1,520,862</b>	(A)
<b>Over 90 days</b>	1,070,060	
<b>less</b>	-493,581	Tin Hat
	-142,806	Homelessness
	-61,814	Installment Plans
	<b>371,859</b>	(B)
<b>Performance</b>	24.45%	Over 90 days/Total debt (amended) B/A
<b>Target</b>	25.0%	

- 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 yearend balance. The value of this provision for 2017/18 is £59,009.
- 3.4 The split of the current debt position over 90 days by type of debt is detailed below. The largest element is for “Other LA” debts (39.09%, £225k). Action is being taken to recover the debts where possible. Homelessness Bonds have increased marginally by 0.32%. The provision of these bonds is funded by the Council’s Homelessness Prevention Grant which is provided by the MHCLG 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.

Sum of Total Outstanding over 90 days	2017/18			Q3 to Q4 Mvt £	Mvt %
	2017/18 Q2	2017/18 Q3	2017/18 Q4		
<b>Building Control</b>	£2,411.50	£1,159.06	£1,102.75	<b>-£56.31</b>	<b>-4.86%</b>
<b>Environmental Health</b>	£8,484.09	£6,917.77	£6,663.60	<b>-£254.17</b>	<b>-3.67%</b>
<b>Estates</b>	£95,969.02	£172,266.80	£109,793.11	<b>-£62,473.69</b>	<b>-36.27%</b>
<b>Green Spaces</b>	£573.50	£839.90	£679.90	<b>-£160.00</b>	<b>-19.05%</b>
<b>Grounds Maintenance</b>	£1,650.06	£2,236.06	£2,238.06	£2.00	0.09%
<b>Homeless</b>	£137,382.44	£141,901.31	£142,805.61	£904.30	0.64%
<b>Housing</b>	£39,286.85	£48,405.67	£56,935.30	£8,529.63	17.62%

Markets	£4,766.19	£5,560.29	£5,249.80	-£310.49	-5.58%
Other *1	£2,126.67	£88,298.29	£12,712.44	-£75,585.85	-85.60%
Refuse/ Recycling	£14,354.22	£13,629.67	£12,248.66	-£1,381.01	-10.13%
Planning	£2,549.80	£1,299.00	0	-£1,299.00	-100.00%
Pest Control	0	0	£411.14	£411.14	100.00%
Other LA *2	£2,414.01	£2,414.01	£225,318.28	£222,904.27	9234.00%
Cemeteries	0	0	0	£0.00	0.00%
Licensing	£147.01	£732.56	£320.00	-£412.56	-56.32%
<b>Grand Total</b>	<b>£312,115.36</b>	<b>£485,660.39</b>	<b>£576,578.65</b>	<b>£90,818.26</b>	<b>18.70%</b>

\*1 This variance is primary due to two invoices that were outstanding from another Council. The Accountancy Manager contacted the Council concerned and these sums were paid before the end of March.

\*2 This variance is primary due to three invoices outstanding from another Council. The Accountancy Manager contacted the Council concerned and all three invoices have been paid in May.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 Report is taken in an open session.

5. FINANCIAL IMPLICATIONS (IB)

5.1 Contained within the body of the report.

6. LEGAL IMPLICATIONS (MR)

6.1 The legal implications are contained within the report

7. CORPORATE PLAN IMPLICATIONS

7.1 Sundry Debts contributes to delivery of all Corporate Plan objectives.

8. CONSULTATION

8.1 None

9. RISK IMPLICATIONS

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

- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Failure to recover debt owed to the Council	Robust recovery methods and monitoring.	A Wilson

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

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

11. CORPORATE IMPLICATIONS

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

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: Civica Reports

Contact Officer: Ilyas Bham, Accountancy Manager, Ext 5694  
 Executive Member: Councillor M Hall



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# Overview and Scrutiny Work Programme 2018-2019

**MAY 2018**

## FINANCE & PERFORMANCE SCRUTINY

Date	Issue	Reason	Outcomes	Lead Officer	Supports corporate aims
21 May 2018	Aged debts quarter 4 2017/18	Monitor levels of debt	Ensure recovery processes are robust	Ashley Wilson	3
	Treasury management quarter 4 2017/18	Inform of treasury management activity	Ensure compliance with policy	Ashley Wilson	3
	Revenue & capital outturn quarter 4	Monitor budgets and capital programme	Ensure effective use of resources	Ashley Wilson	3
	Housing repairs – balance of services HBBC/contractors	Request of F&P scrutiny	Awareness of service provision	M Tuff	1
	Performance & risk year end 2017/18	To monitor performance in-year	Identify improvements	Cal Bellavia	All
16 July 2018	Business rates retention quarter 4 2017/18	Monitor levels of retention and pooling arrangements	Ensure appropriate arrangements and value for money	Ashley Wilson	3
	Aged debts quarter 1 2018/19	Monitor levels of debt	Ensure recovery processes are robust	Ashley Wilson	3
	Treasury management quarter 1 2018/19	Inform of treasury management activity	Ensure compliance with policy	Ashley Wilson	3
	Frontline service review: Environmental Health (noise & nuisance)	Request of previous meeting	Monitor performance	S Smith	1, 2
	Customer Services review	To inform members of the outcome of the review	Monitoring of performance	J Stay	All
10 September 2018	Revenue & capital outturn quarter 1 2018/19	Monitor budgets and capital programme	Ensure effective use of resources	Ashley Wilson	3
	Performance & risk quarter 1 2018/19	To monitor performance in-year	Identify improvements	Cal Bellavia	All
	Business rates retention quarter 1 2018/19	Monitor levels of retention and pooling arrangements	Ensure appropriate arrangements and value for money	Ashley Wilson	3
	Frontline service review –	Programme of frontline	Monitor performance	S Stacey	1

Date	Issue	Reason	Outcomes	Lead Officer	Supports corporate aims
	housing	service reviews			
5 November 2018	Revenue & capital outturn quarter 2 2018/19	Monitor budgets and capital programme	Ensure effective use of resources	Ashley Wilson	All
	Aged debts quarter 2 2018/19	Monitor levels of debt	Ensure recovery processes are robust	Ashley Wilson	3
	Business rates retention quarter 2 2018/19	Monitor levels of retention and pooling arrangements	Ensure appropriate arrangements and value for money	Ashley Wilson	3
	Frontline service review – Planning	Programme of frontline service reviews	Monitor performance	N Smith	2
	Budget strategy	Regular report	Inform members of process and timelines	A Wilson	3
January 2019	Leisure Centre performance	Annual review	Ensure performance and value for money	S Jones	All
March 2019					

To programme

Key to corporate aims

- 1 – People
- 2 – Places
- 3 – Prosperity

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