

Public Document Pack

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Chief Executive

Date: 15 March 2019



**Hinckley & Bosworth
Borough Council**

To: Members of the Finance & Performance Scrutiny

Mr KWP Lynch (Chairman)
Mr HG Williams (Vice-Chairman)
Mr PS Bessant
Mrs R Camamile
Mr DS Cope

Mr DW MacDonald
Mrs H Smith
Miss DM Taylor
Mr R Ward

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, 25 MARCH 2019** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

Rebecca Owen
Democratic Services Manager

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. REVIEW OF KEY FRONTLINE SERVICES: HEALTH & SAFETY ENFORCEMENT
(Pages 3 - 10)

To report on the activities of the Environmental Health Service regarding the enforcement of health and safety.

7. PERFORMANCE AND RISK MANAGEMENT FRAMEWORK 3RD QTR SUMMARY FOR 2018/19 (Pages 11 - 26)

To provide the 3rd quarter 2018/19 outturn position for performance indicators, service improvement plans and corporate and service area risks.

8. FINANCIAL OUTTURN DECEMBER 2018 (Pages 27 - 52)

To present the financial outturn position as at December 2018.

9. TREASURY MANAGEMENT QUARTER 3 2018/19 (Pages 53 - 58)

To report on the Council's Treasury Management activity in the third quarter of 2018/19.

10. SUNDRY DEBTS - Q3 2018/2019 (Pages 59 - 62)

To report on the position on sundry debts as at 31 December 2018.

11. BUSINESS RATES AND POOLING UPDATE QUARTER 3 - 2018/19 (Pages 63 - 66)

To report on business rates performance from 1 April – 31 December 2018 and to provide an update on pooling arrangements for 2018/2019.

12. FINANCE & PERFORMANCE SCRUTINY WORK PROGRAMME (Pages 67 - 70)

13. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY

As raised under item 3.

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

FINANCE & PERFORMANCE SCRUTINY

17 DECEMBER 2018 AT 6.30 PM

PRESENT: Mr KWP Lynch - Chairman
Mr HG Williams – Vice-Chairman
Mr DS Cope, Mr DW MacDonald and Mr R Ward

Officers in attendance: Simon D Jones, Julie Kenny, Karen Mason, Rebecca Owen and Ashley Wilson

313 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillor Camamile.

314 MINUTES OF PREVIOUS MEETING

It was moved by Councillor Ward, seconded by Councillor Williams and

RESOLVED – the minutes of the meeting held on 5 November be confirmed and signed by the chairman.

315 DECLARATIONS OF INTEREST

No interests were declared at this stage.

316 HINCKLEY LEISURE CENTRE PERFORMANCE

Members received a report on performance of Hinckley Leisure Centre since the opening of the new building in May 2016. Simon Churchman, Contracts Manager from Places Leisure, provided a presentation for members and highlighted some of the work undertaken and planned for the leisure centre, along with achievements and challenges.

In response to questions from members, the following points were noted:

- The opening of the new gym (previously Simply Gym) was a key development for 2019 and would support the business further
- The potential for the leisure sector to be affected by a reduction in disposable income, which had been accounted for
- The opening of the leisure centre on time and within budget in May 2016.

317 PERFORMANCE AND RISK MANAGEMENT SECOND QUARTER SUMMARY 2018/19

Finance & Performance Scrutiny received the outturn report in relation to performance indicators, service improvement plans, corporate risks and service area risks for the second quarter of 2018/19.

Members expressed concern in relation to voids and the time taken to bring back into use, and the effect this had on the rental income. In response it was noted that this was partly due to having only one contractor at present, and members were assured that the second contractor was being appointed to start in January which would improve the situation. It was also noted that changes in requirements, for example asbestos checks, was causing further delays on some properties. Notwithstanding this, it was reported that a review of the voids process was being undertaken. Members requested a report on this matter following the conclusion of the review, including the cost in terms of lost rent.

Concern was expressed about the planning enforcement service and difficulty in recruiting experienced staff. It was agreed that this concern would be fed back to the relevant manager.

In relation to the increase in missed bins, members were informed that this was due to the change in waste rounds and that issues were addressed with specific crews when this happened.

The high performance of customer services was noted and members wished to congratulate officers on this. A member said he had had cause to contact customer services both in person and on the telephone recently, and had been very impressed with the service received.

RESOLVED – the report be noted.

318 BUSINESS RATES AND POOLING UPDATE QUARTER 2 2018/19

Members received the quarterly update on business rates and pooling. During discussion, the likely support from the government to unitary authorities to assist in funding social care was raised and it was noted that the district's share of the rates was unlikely to be above 40% for that reason and that this had been taken into account when forecasting.

Members discussed the importance of bringing more businesses to the area and it was acknowledged that the discretionary rate relief for new businesses may assist in that, but that the area needed to be actively marketed as a location for new business.

RESOLVED – the report be noted.

319 FINANCE & PERFORMANCE SCRUTINY WORK PROGRAMME

In considering the work programme, the chairman stated that Scrutiny Commission had discussed the impact of universal credit on rental income and he had asked for a report on rents to come to Finance & Performance Scrutiny. A report on turnaround time for voids was also added to the work programme.

320 ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY

Whilst not urgent business, it was agreed that the answers from two queries raised at the previous meeting could be recorded.

Members had asked for clarification of which housing repairs contracts were still to be tendered. In response it was noted that there were two – the voids contract and the contract for adaptations of HRA dwellings.

Members had queried green space improvement projects that had not commenced and were due to be rephrased. It was reported that these related to the awaited adoption of open space at Waterside Park and noted that once adopted, the schemes could commence.

(The Meeting closed at 7.30 pm)

CHAIRMAN



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY 25 MARCH 2019

WARDS AFFECTED: ALL WARDS

REVIEW OF KEY FRONTLINE SERVICES: HEALTH & SAFETY ENFORCEMENT

Report of Director (Environment & Planning)

1. PURPOSE OF REPORT

- 1.1 To report on the activities of the Environmental Health Service regarding the enforcement of health and safety.

2. RECOMMENDATION

- 2.1 Note the report.

3. BACKGROUND TO THE REPORT

- 3.1 In 1972 The Robens Report was published following a review of health and safety arrangements in the United Kingdom. A new enforcement body known as the Health and Safety Executive (HSE) was recommended along with new legislation to act as an “umbrella” for all the then existing legislation and new regulations pertinent to the health and safety of employees, this was the Health and Safety at Work etc. Act 1974 (HASWA).
- 3.2 The Robens report also recommended to Government that local authorities continued to be involved in enforcement of health and safety legislation. The split in the responsibilities for enforcement between the HSE and local authorities remains, with regulations based on the “main activity” of a business determining the enforcement agency. District and Borough Councils, through Environmental Health professionals have responsibilities and powers to enforce in offices, shops (retail and wholesale), distribution, hotel and catering establishments, residential care homes, leisure and consumer services premises.
- 3.3 Section 18 of the HASWA places a requirement on local authorities to make adequate arrangements to enforce health and safety law. The HSE issue guidance to local authorities outlining what these adequate arrangements should include.

HASWA also gives authorised officers extensive powers including powers of entry; search; seizure and detention of documents, articles and equipment; and enables the service of Improvement and Prohibition notices as well allowing for the prosecution for offences.

- 3.4 In recent years protecting people in the workplace and in society as a whole remained a key health and safety priority for central government; however the focus of the health and safety regime has moved to a lighter touch approach concentrating on higher risk industries and on tackling serious breaches of the rules. Consequently the HSE and local authorities have reduced the number of inspections carried out, using intelligence to target inspections to those higher risk sectors and problem businesses that are likely to have serious health and safety breaches.
- 3.5 The guidance produced by the HSE on enforcement is given through their National Local Authority Enforcement Code launched in May 2013 and through the Health and Safety Executive/local authorities' enforcement liaison committee Local Authority Circular 67/2, which is reviewed annually. In determining this council's key priorities for 2018/19, 'Advice/guidance to local authorities on targeting interventions' 67/2 (Rev 7) 2018 was used. In determining our priorities for the coming year 2019/ 20 67/2 (Rev 8) will be used.
- 3.6 The HSE code indicates that local authorities are expected to target proactive inspections on high risk activities in specified sectors or on workplaces where intelligence suggests that risks are not being effectively managed. A listing of the activities and sectors suitable for inspection is published along with the code. Based on the code the key delivery priorities of the health and safety service of Hinckley & Bosworth Borough Council are:
- To target health and safety interventions on higher risk areas and dealing with serious breaches of health and safety legislation
 - Investigating major injury incidents and fatalities. This approach is used to assess and target poor management as part of the better regulation agenda
- 3.7 The service continues to keep a watching brief on national developments in health and safety policy. In particular, to the Health and Safety Executive 2016 new strategy document for improving health and safety, 'Helping Great Britain Work Well'. This document has six themes; Acting Together; Tackling Ill Health; Managing Risk Well; Supporting Small Employers; Keeping Pace with Change and Sharing our Success. The emphasis of the document is on the strategy not just being for regulators but for further improvements in health and safety at work to occur all sectors need to work together including employers, employees, unions, insurers and government. The document is available to view at:

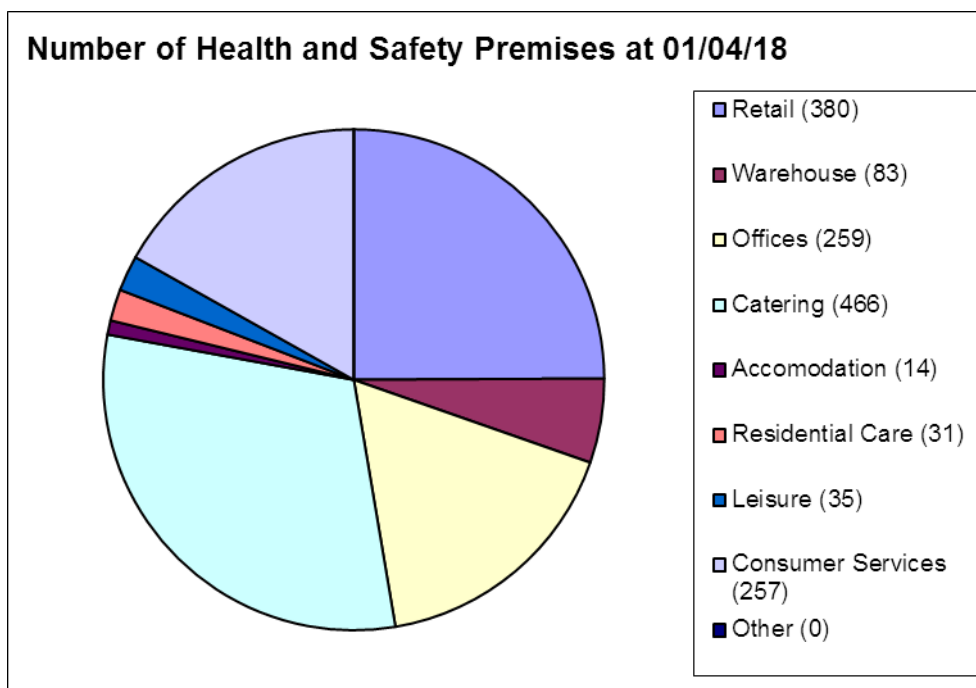
<http://www.hse.gov.uk/strategy/index.htm>

3.8 Delivery of the health and safety service priorities 2018/19

- 3.8.1 Each and every year the work of the health and safety enforcement service is set in the Environmental Health Commercial Services Enforcement Service Delivery Plan which is put before the Executive for approval. The plan details the work performed during the previous year, reviews the performance against targets set in last year's plan and details the work proposed for the current year. During 2017/18, the service inspected two Category A rated premises for occupational health and safety, carried out 114 advisory visits and assessed two self-assessment questionnaires, totaling 118 interventions. The Health and Safety Enforcement Service Delivery Plan of

2017/18 required 123 interventions for the year; hence 95.9% of the health and safety intervention programme was achieved.

- 3.8.2 The 2017/18 intervention programme led to three premises being served with Improvement Notices for unsafe fencing, absence of guarding on a meat slicer and gas maintenance and ventilation issues.
- 3.8.3 The following chart illustrates the category profile of the 1525 Health and Safety premises within the borough for which the council has enforcement responsibilities at the 1 April 2018:



- 3.8.4 All premises receiving a health and safety intervention will be risk rated following the intervention. Based on the risk rating scheme the risk profile of premises whose health and safety enforcement responsibility falls to this council is shown below:

Risk profile of health and safety premises at 1 April 2018

| Category | A Highest risk | B1 Medium risk -1 | B2 Medium risk - 2 | (C) Lowest risk | Unrated |
|--|----------------------|----------------------------|--------------------------|-----------------------|--|
| Summary of appropriate intervention (LAC 67/2 (Rev 7)) | Proactive inspection | Reactive intervention only | | | Alternative intervention other than proactive inspection |
| Total number of premises | 0 | 75 | 383 | 936 | 131 |
| Total number of interventions due 2018/19 | 0 | 0 | 0 | 0 | 131 |

3.8.5 In accordance with LAC 67/2 (Rev 7) Category A businesses only are targeted for proactive inspections. With no Category A businesses this year, no proactive inspections were planned for 2018/19. Inspections of medium risk businesses (categories B1 and B2 premises) only occur if during a food hygiene inspection a matter of evident concern is seen or reports of accidents, complaints or other intelligence suggests the premises requires an intervention. All unrated and new premises receive either an advisory visit or questionnaire and are risk rated following the visit or return of the questionnaire. This is expected to result in a further 131 interventions. There are no proactive interventions to low risk businesses (C rated premises) in 2018/19, however these premises will receive a visit should a reactive visit be required for instance should a service request be made or a serious accident arise.

3.8.6 In summary therefore it is anticipated that the service will in 2018/19 conduct 131 interventions by questionnaires or advisory visits. So far during 2018/19 the service has achieved the following interventions:

| | Apr - June 2018 | July – Sept 2018 | Oct – Dec 2018* | Totals |
|--------------------------|--------------------|---------------------|--------------------|------------|
| Inspections | 0 | 0 | | 0 |
| Alternative Intervention | 0 | 20 | 4 | 24 |
| Advisory Visits | 29 | 23 | 25 | 77 |
| Total | 29 | 43 | 29 | 101 |

(* preliminary figure, requires verification)

3.8.7 The figures reveal that at three quarters through the year we are on target for our health and safety interventions having achieved 77% of our target. It is therefore likely that the services intervention target for 2018/ 19 will be achieved.

- 3.8.8 Besides inspecting premises, the health and safety service supplement their intelligence and targeting from accident data and service requests received. In 2017/18 the council received 59 accidents/dangerous occurrences reported to it under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). The service does not investigate all notifications received but will investigate all accidents, cases of disease and dangerous occurrences that meet the criteria set out in our policy document 'Procedures for the selection and investigation of accidents, diseases, dangerous occurrences and other statutory notifications'. This policy is based upon Health and Safety Executive/Local Authority Enforcement Liaison Committee (HELA) circular 22/13 'Incident selection criteria', which was reviewed and implemented in 2010. A high priority is given to selecting for investigation slip, trips and fall accidents, incidents involving workplace transport and to members of the public. In 2017/18 we investigated 16 (27%) of accident notifications received. In 2018/19 it is anticipated that we will investigate approximately 33% of all the accidents reported to us.
- 3.8.9 Whilst the majority of accidents and dangerous occurrences notified to us are not serious incidents, occasionally officers have to investigate fatalities. Recent occurrences of fatalities were the tragic death of a five year old boy at a water park in the borough on the 23 July 2016 and in December 2013 the death of the Course Manager at a golf club in the borough.
- 3.8.9 The water park incident required a joint investigation with Leicestershire Police with environmental health focussing on the aspect of the water park management and compliance with health and safety legislation and the police focussing on whether there was culpability of the parents in the child's death. On conclusion of the council's investigation, the water park was found to have taken all reasonably practicable health and safety measures however the police evidence suggested the child had been left unsupervised for long periods and resulted in the parents being prosecuted.
- 3.8.10 The case where the golf course manager was fatally injured by a falling branch led to a prosecution by the Council. The golf club pleaded not guilty to three health and safety breaches resulting in a Crown Court trial which finished in July 2018. At the end of the two week trial the jury delivered unanimous guilty verdicts on all three counts. Following financial and mitigation submissions the judge sentenced the club to a fine of £75,000 with an additional £75,000 costs.
- 3.8.11 All service requests relating to standards of health and safety are investigated and appropriate enforcement action taken. In 2017/18 44 requests for service were received. Additionally where we are notified of asbestos removal activities, all are investigated to ensure removal of asbestos material is being carried out in accordance with the legislation and codes of practise. In 2017/18 no asbestos removal activities were notified to us.
- 3.8.12 In addition to the reactive work the health and safety enforcement service also undertakes topic based proactive work each year. This work is usually evidenced based from national or local statistics, primarily from accident rates. National priorities outlined in LAC67/ 2 (Revision 7) January 2017 and which we have progressed initiatives on this past year include safe systems of work and emergency procedures for cellar work; secure loading of goods in the warehousing/ distribution sector; closer partnership working with emergency services and operators of events ; manual handling risks to employees in the care sector.

3.9 **Future Challenges**

Nationally there has been huge reductions in the incidence of work related ill health, accidents and fatalities at work since the Robens report although recent statistics indicate a plateau has been reached, with :

- 1.4 million work related ill health cases (new and long standing) nationally in 2017/18*
- £9.7 billion estimated annual cost of new cases of work related ill health in 2016/17**
- 600,000 non-fatal injuries to workers in 2017/18***
- 144 fatal injuries to workers in 2017/18***

So whilst a lighter touch enforcement approach that concentrates on higher risk industries and tackling serious breaches of the rules has been the focus of the national health and safety regime in recent years, the relevance of enforcement remains, with local authorities a key part in the system. The challenges facing local authority health and safety enforcement services nationally, to remain a key part of the system, may though come from:

- maintaining sufficient resources to take enforcement interventions in light of austerity and impacts on council services
- maintaining officer`s competency at a time when the frequency of use of their skills is being reduced
- maintaining a database of premises and knowing the main activity carried out in them in order to determine the relevant enforcement agency when there is no requirements for registration and infrequent visits being carried out.
- possible implementation of funding models for all regulatory services whilst trying to project an image of helping business succeed and comply with legislation.

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

4.1 This report is to be taken in open session

5. **FINANCIAL IMPLICATIONS [IB]**

5.1 None arising directly from the report.

6. **LEGAL IMPLICATIONS [FA]**

6.1 The Council has a statutory duty under Section 18 of the Health and Safety at Work etc Act 1974 to ensure it makes adequate provision for Health and Safety regulation in its area.

7. **CORPORATE PLAN IMPLICATIONS**

7.1 The Health and Safety Enforcement Service will help contribute towards the Councils priority ambitions of helping people to stay healthy, active and protected from harm along with encouraging growth, attracting business, improving skills and supporting regeneration.

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 |
| Reputation from negative press coverage from enforcement | Ensure enforcement carried out competently and proportionately and in accordance with Enforcement Policies | Steven Merry |
| Knowledge and skills of staff | Ensure adequate training given to enforcement staff | Steven Merry |
| Adequate staff to deal with enquiries/enforcement activities | Ensure appropriate staff resources available to deal with demands of service | Steven Merry |
| Legal compliance | Ensure actions in compliance with HSE/ Central Government Policy | Steven Merry |

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 No implications as health and safety enforcement and activity is carried out consistently for all premises across the whole Borough.

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: None
Contact Officer: Steven Merry Ext 5735
Executive Member: Cllr Kevin Morrell

*Labour Force Survey

** HSE estimates from Costs to Britain model

*** RIDDOR reports.



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE AND PERFORMANCE SCRUTINY: 25 March 2019

WARDS AFFECTED: ALL WARDS

Performance and Risk Management Framework 3rd qtr summary for 2018/19

Report of Director (Corporate Services)

1. PURPOSE OF REPORT

- 1.1 To provide Finance and Performance Scrutiny with the 3rd qtr 2018/19 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 2018/19 3rd qtr position for items listed at 1.1 above
 - Recommend any actions that should be taken to improve performance on Indicators that are not on target
 - Recommend any actions that should be taken to address Service Improvement Plans showing signs of slippage against 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

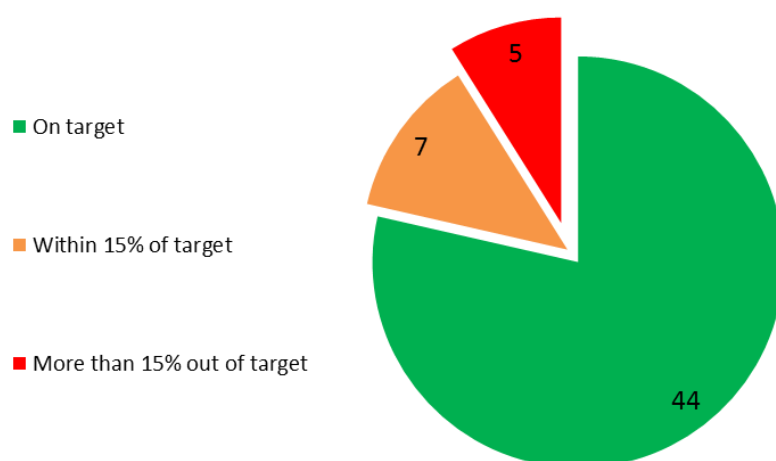
- 3.1 Hinckley and Bosworth Borough Council provide a wide range of services that are delivered to the community and set strategic aims that help focus on priorities in order to deliver the council's vision for Hinckley & Bosworth to be: "A Place of Opportunity"
- This is achieved by managing performance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

Overall summary for the period April to December 2018/19

- 3.5 Performance Indicators: A total of 56 indicators covering all service areas have been monitored for performance

3.5.1 Overall status of performance indicators



3.5.2 Indicators not on target (12)

| Indicator | Target | Actual | | Comments |
|-------------------------------|--------|--------|--|--|
| Working days lost to sickness | 8 | 6.82 | | We have improved performance in regard to short term absence as all managers are setting targets on a consistent basis where employees have hit trigger points. This has had a positive impact as we are reporting lower levels of short term absence compared to this time last year. However long term absence remains a challenge given that we are currently managing 8 long term absence cases (4 which are likely to lead to capability dismissal). These are being closely managed with SLT |

| Indicator | Target | Actual | | Comments |
|--|--------|--------|--|--|
| Close Enforcement file within 14 days where there is no breach of Planning Control | 90% | 82.22% | | April - December: 74/90 There has been some disruption within the team due to the departure of the Senior Enforcement Officer. A consultant was brought in to fill this role but had to leave abruptly due to a family emergency, another consultant was then employed for a temporary period before we secured a Senior Enforcement consultant on a long term fixed one year contract. The impact of this has been increased case-loads for the more junior members of the team and the need to repeat work already carried out e.g. further site visits and research where cases were passed from one member of staff/consultant to another, as a result the time taken to close some cases has exceeded the target. I am confident that performance will improve going forward |
| Full Building Control plans determined & returned within 5 weeks or 2 months (extension of time) | 99% | 95.15% | | April - December: 98/103 In the absence of a full time Building Control Manager we have been working with NWLDC on a shared service basis. We became aware of 5 historic cases that were not determined and have now dealt with those |
| Missed bins (justified) | 1,500 | 2,683 | | Performance is currently over target due to service changes implemented in June following implementation of new routes and some staffing/consistency on crew issues. The target set was a stretch target equating to just 0.06% of all collections. Current performance equates to 0.1% of all collections (or 2683 misses out of 2.5M collections between April and December) |
| Household waste sent for re-use | 49% | 44% | | Q3 End of year performance for 2017/18 indicates a reduction in the amount of waste recycled. This is due to a lower compostable waste yield, the closure of the Mechanical and Biological Treatment plant and a reduction in kerbside recycling presented for collection. This position is reflected for other Leicestershire districts with an average reduction of 5%. Audited data for 2017/18 shows performance to be 43.9%. The new comingled service has shown an increase in the amount of recycling collected of circa 400T's for the first 6 months. Compostable waste performance however has declined (as for all Leicestershire districts) due to the dry weather by 3%.End of year estimate for 2018/19 at the 9 month position remains comparable to the indicative 2017/18 position of circa 44%. |
| Housing re-let times (days) (minor voids) | 54 | 75.9 | | Times have improved on last month's figures but year to date figure is behind target due to performance being affected by longer than normal repair turnaround times as we are awaiting a start date for a new contractor. |
| Housing re-let times (days) (major voids) | 75.5 | 103 | | |
| Housing re-let times (days) (all voids) | 62.9 | 81.6 | | |

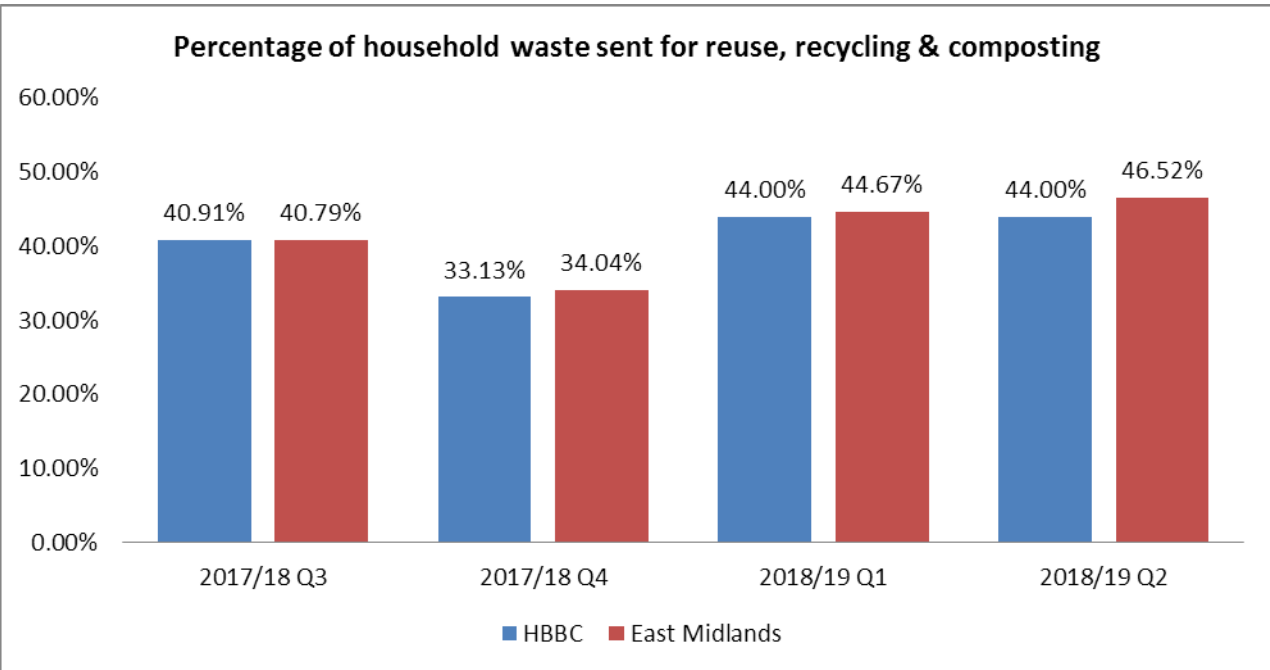
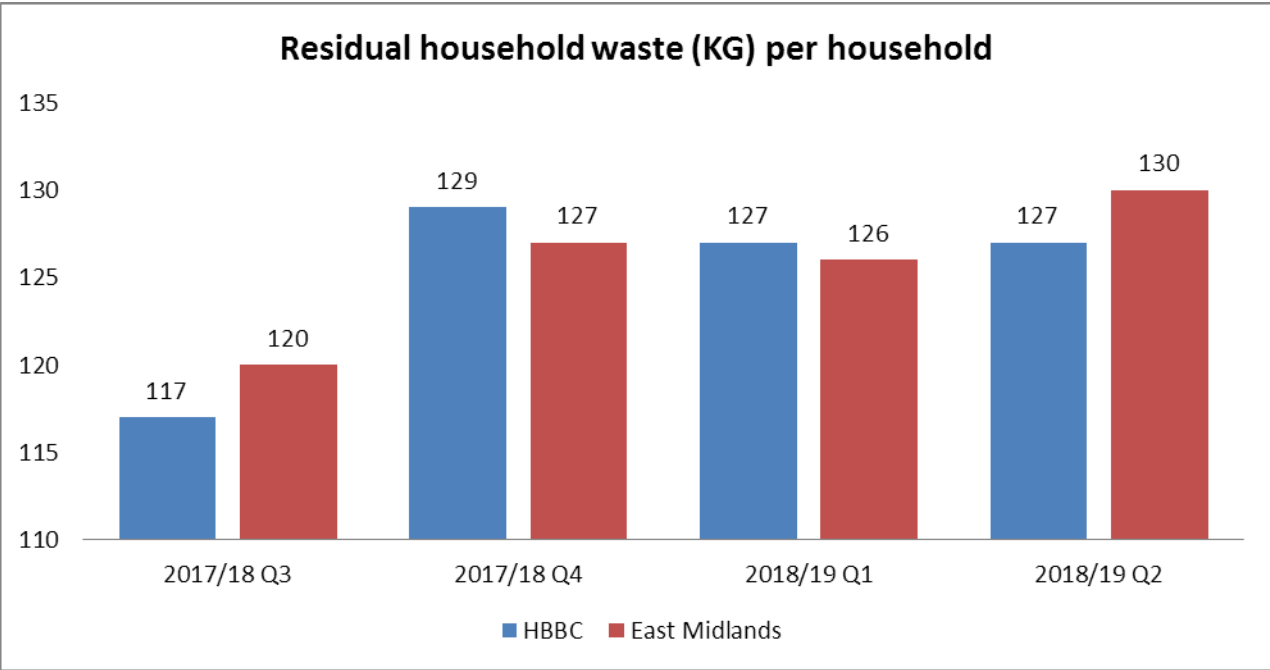
| Indicator | Target | Actual | | Comments |
|---|--------|--------|--|--|
| Housing advice: preventing homelessness | 80% | 72% | | Target was kept in line with previous year to act as a benchmark. We do have a number of customers who disengage and cut contact with their officer so it is not possible to resolve their issues. We can also take DHPs (discretionary housing payments) into account and get this information through at the end of the year so we anticipate that this will allow us to meet target at year end |
| Housing repairs completed at first visit | 92% | 87.92% | | Figures incorporate all responsive repairs, priorities 1, 2 and 3. This year, one contractor has been lost due to capacity. In carrying out their final jobs we noticed a decline in performance which severely impacted our figures. |
| Empty business units | 6% | 6.8% | | National retailers have faced severe difficulties recently and there have been several store closures due to companies going into administration. While our current performance is behind target, it compares favourably with the national average which of around 10% |
| No of participants in the GP referral scheme for exercise | 750 | 549 | | Figures are below the expected number as HBBC are piloting, with Harborough, a new online referral system which has highlighted many issues which need resolving which has led to the drop in referrals. This is as expected and Public Health are aware |

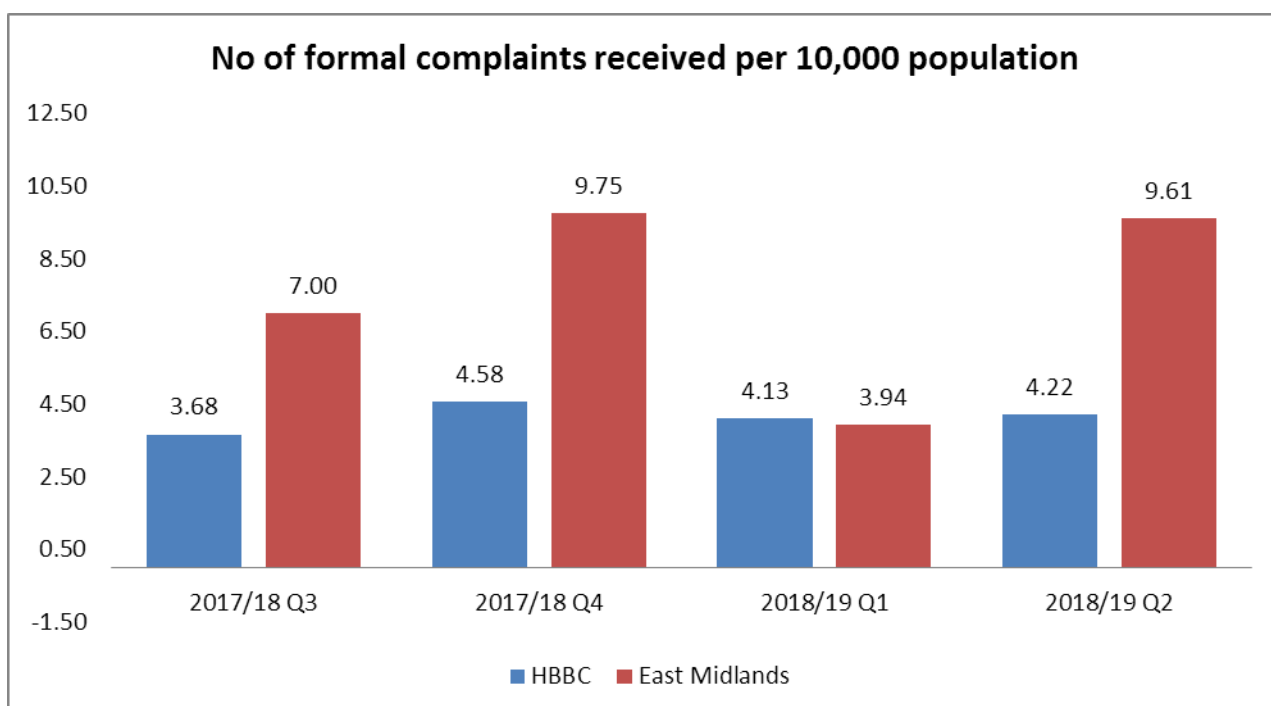
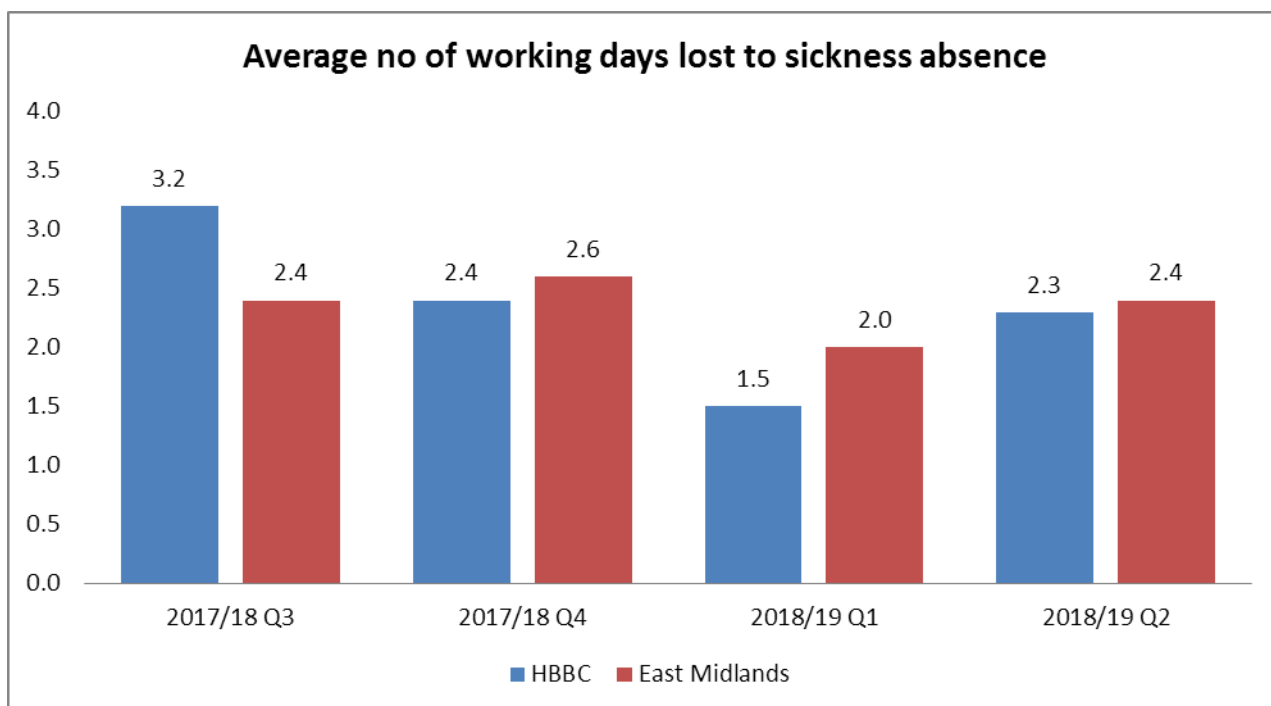
5.3 High performing indicators (3)

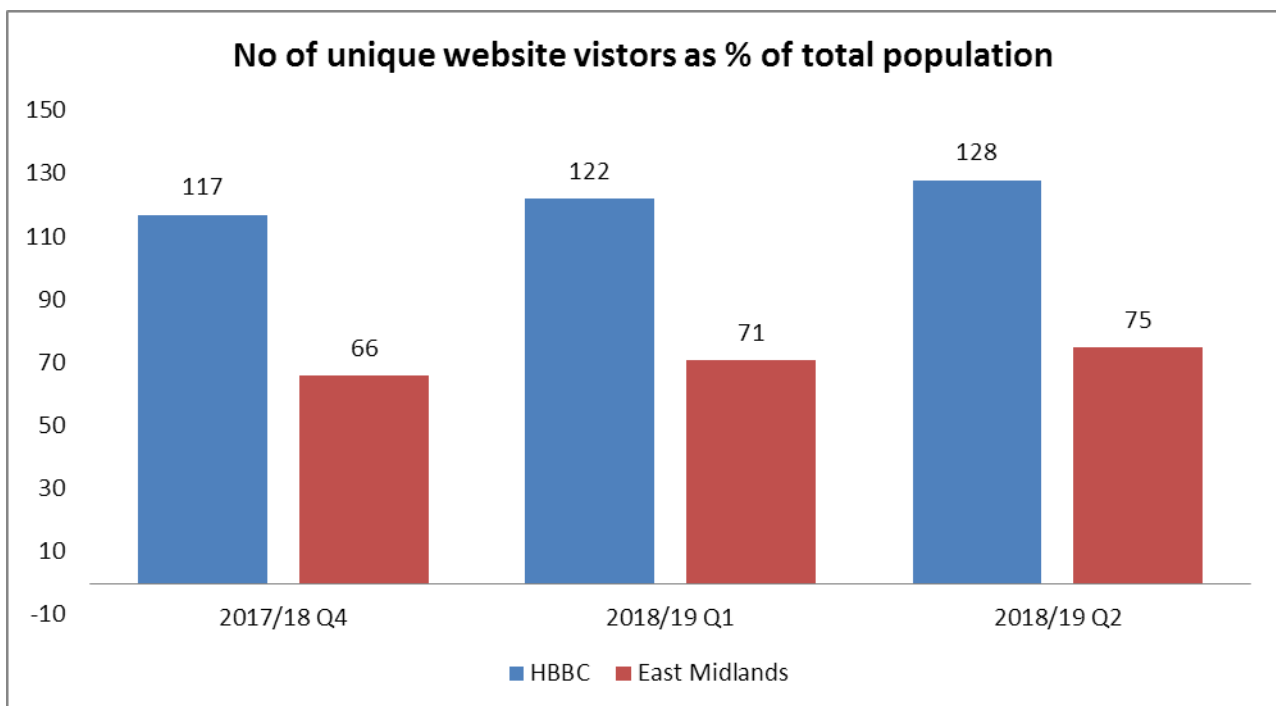
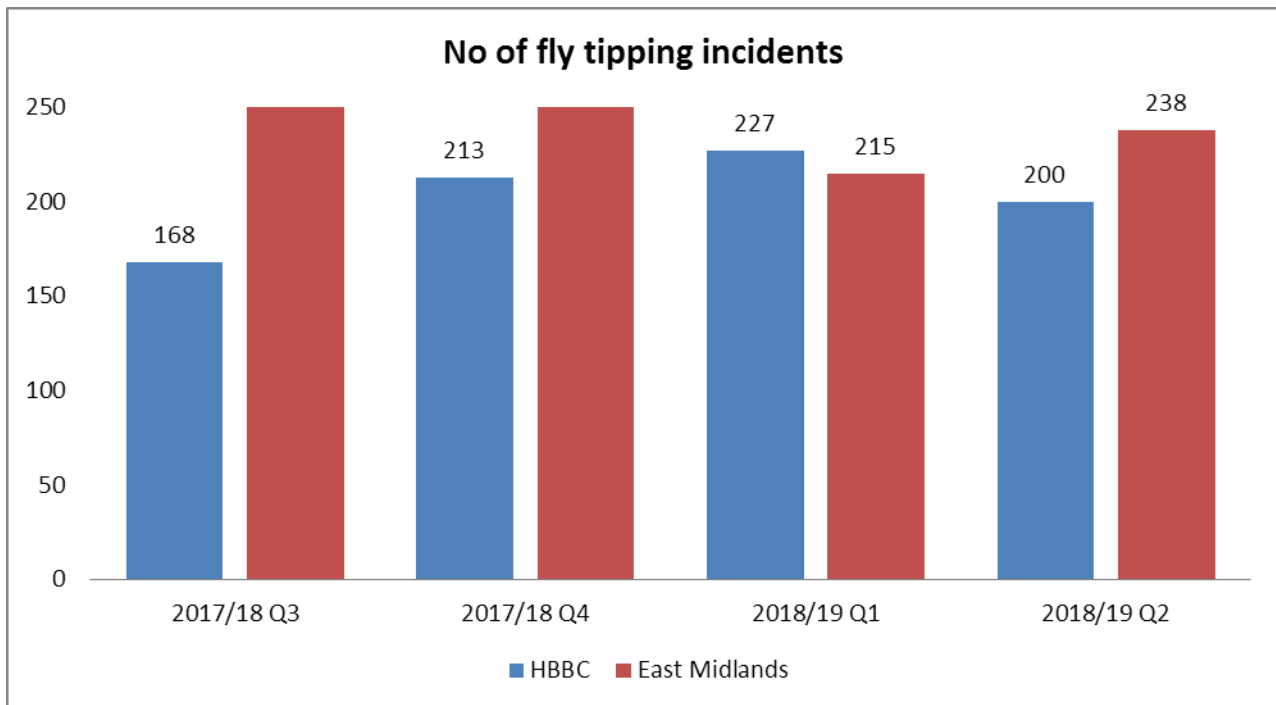
| Indicator | Target | Actual | | Comments |
|---|---------|---------|--|---|
| People visiting town (% difference due to events run by HBBC) | 21% | 31.37% | | Already exceeded annual target of 28% |
| Footfall at Hinckley Leisure centre | 532,000 | 593,781 | | Up by almost 30% on same period last year |
| Rent collection and arrears recovery | 98% | 100.98% | | Already exceeded target |

3.5.4 Indicators not updated (0)

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.







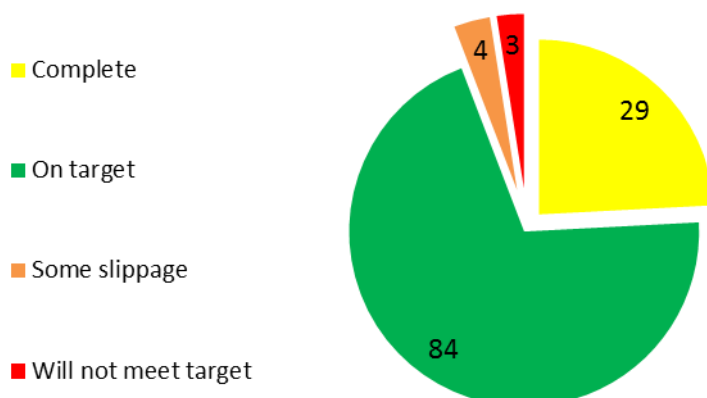
3.7 Service Improvements Plans - for 2018/19:

- 267 Service Improvement Plans (across all council services) have been set

As agreed with the Strategic Leadership Team (SLT), only those Service Improvement Plans with a “Corporate Impact” (i.e. not business as usual) will be monitored by SLT.

- 120 have been flagged as having a “Corporate impact”.

3.7.1 Service Improvement Plans (Corporate Impact) status:



3.7.2 Corporate Service Improvement Plans (7) showing some slippage or will not meet their target date/s (as highlighted by service managers/lead officers)

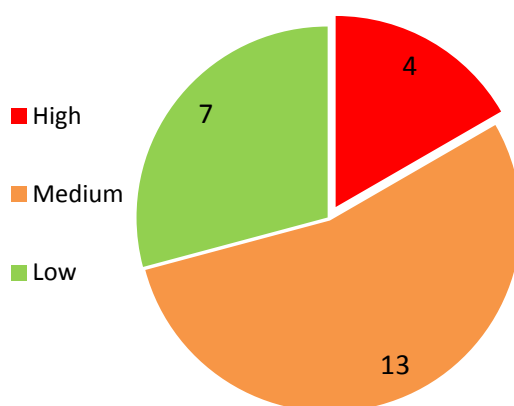
| Service area | Description | Progress | Target date/s | Last reviewed |
|----------------------|--|---|---------------|---------------|
| Corporate Governance | Develop a dignity at Work Policy | Research commenced - not in draft stage as yet due to other priorities | March 2019 | January 2019 |
| Housing | Review and implement call handling procedures for Control Centre staff | Review taken place and options being discussed. Work has started on the development of call handling procedures. This will continue over the next QTR and will consider any new functionality available via the upgraded call handling system. Whilst some changes have been instigated further review of processes required and new procedures developed and introduced. This will be included in the wider work to being carried out to look at resilience at the Control Centre. | October 2018 | January 2019 |

| Service area | Description | Progress | Target date/s | Last reviewed |
|----------------|---|--|---------------|---------------|
| Street-Scene | Maintain High Levels of Recycling Performance and encourage participation in the new commingled recycling service and continue to promote the diversion of waste from the residual waste stream. Target 48% | Q3 End of year performance for 2017/18 indicates a reduction in the amount of waste recycled. This is due to a lower compostable waste yield, the closure of the Mechanical and Biological Treatment plant and a reduction in kerbside recycling presented for collection. This position is reflected for other Leicestershire districts with an average reduction of 5%. Audited data for 2017/18 shows performance to be 43.9%. The new comingled service has shown an increase in the amount of recycling collected of circa 400T's for the first 6 months. Compostable waste performance however has declined (as for all Leicestershire districts) due to the dry weather by 3%. The end of year estimate for 2018/19 at the 9 month position remains comparable to the indicative 2017/18 position of circa 44%. | March 2019 | January 2019 |
| Street - Scene | Green Space Delivery Plan 2014-2018 - Delivery of projects at Clarendon Park, and Argents Mead | Q3 - Quotes received for Moat works, further discussions required before project can progress. Works completed at Langdale Park, works planned for Clarendon park and Hollycroft Park for Q4. Clarendon park project will need to be carried forward into 19/20 due to complexities of the project and need for external funding. | March 2019 | January 2019 |
| Street - Scene | Write a new green space delivery plan for period 2019 - 2024 | Q1 - Limited progress to date. Q2 - Limited staff resources within the team to progress this plan, at this current time. Q3 - No staff resources to progress plan at this stage. | March 2019 | January 2019 |
| Planning | Work with other parts of the planning team to adopt a Design Guide SPD. Procure consultants to provide training to Officers in Urban Design and also provide ad hoc urban design advice on major and sensitive schemes. | Q3 Significant changes needed to be made to document prior to consultation with Members and wider stakeholders. Additional training delayed until work on SPD is complete. | December 2018 | January 2019 |

| Service area | Description | Progress | Target date/s | Last reviewed |
|--------------|---|---|---------------|---------------|
| Planning | Prepare a 'Directions for Growth' draft of the Local Plan and undertake public consultation in late 2018 to early 2019. | Q3. Consultation on New Directions for Growth document commenced 7 January 2019 and will be conclude on 3 March 2019. | November 2018 | January 2019 |

3.7.3 Service Improvement Plans (Corporate Impact) not reviewed: (0)

3.8. Corporate/Strategic risks (24) status:



3.8.1 Corporate/Strategic risks that pose the most significant (high) threat (4)

| Risk | Review commentary | Last reviewed |
|---|--|---------------|
| S.11 - Failure to successfully deliver the Medium Term Financial Strategy | The position for 2018/19 is now secure, and balance position budgeted for in 2019/20. There is some significant uncertainty in later years particularly 2020/21 - 2023/24 due to the impact of central government proposed changes to business rates and the fair funding review. The results of which will not be known until Dec 2019. However, the overall MTFS is budgeted to stay within reasonable tolerances, but the 15% minimum balances average of the life of the MTFS update maybe at risk if the review is harsher than expected. Earmarked reserves are in place to cover key risks and priorities, but may be used at a faster rate than forecast if the fair funding review does not go in our favour. | January 2019 |

| Risk | Review commentary | Last reviewed |
|--|--|---------------|
| S.16 - Failure to adhere to Health and Safety Legislation/ Regulations | Inspection of Jubilee premises by HSE Inspector identified possible contraventions of H&S resulting in action plan to address non compliances. SLT to monitor progress of action plan at each meeting and review Corporate H&S system to improve monitoring, engagement and reassurance. Develop KPIs relating to H&S. | January 2019 |
| S.37 - Non delivery of capital projects which are interdependent | The restrictions in funding new capital projects remains. For the HRA the position is that the council continue with current schemes only. Due to the governments rent reductions policy no additional affordable housing works will be committed at this stage. | January 2019 |
| S.50 GDPR compliance | Information asset capture commenced 211 HBBC staff have completed the online training course on GDPR essentials Online training course for managers completed | January 2019 |

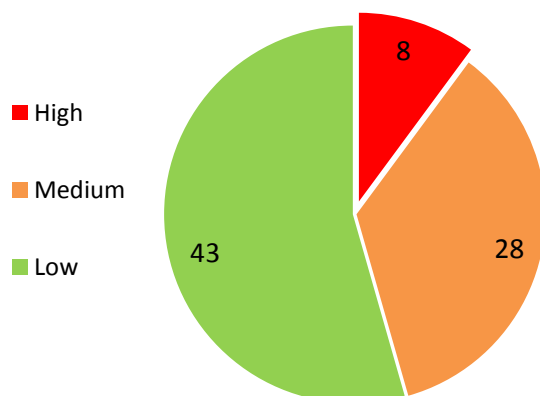
3.8.2 Corporate/Strategic risks that have changed net risk levels (1)

| Risk | From | To | Reason for change |
|--|------|----|--|
| S.16 - Failure to adhere to Health and Safety Legislation/ Regulations | 6 | 8 | Risk level increased following inspection of Jubilee premises by HSE inspector |

3.8.3 Corporate risks not updated: (2)

- S37 Non delivery of capital projects which are interdependent
- S.50 GDPR compliance

3.9 Service area risks (79)



3.9.1 Service risks that pose the most significant (high) threat (8)

| Risk | Review commentary | Last reviewed |
|--|---|---------------|
| RIT.21 – GIS layers incorrect (Planning) | <p>Q4 - This problem has been on-going for a year. Numerous tests and re-installations of various elements of the software have been undertaken by ESRY and HBBC ICT none of which have identified or resolved the issue.</p> <p>ESRY have now suggested that if HBBC pays for a further update that this may resolve the issue however they have not responded to requests as to whether they are confident that this further update would resolve the issue.</p> <p>ICT have been requested to provide timelines as to when it will be deemed no longer possible to continue with ESRY as the problem remains unresolved and a new GIS program installed and operational.</p> | January 2019 |
| DLS.19 - Recruitment & retention of staff (Planning) | The job market remains highly competitive with a distinct lack of skilled and available planners which makes recruitment extremely difficult. Measures have been put in place to try to retain staff through the career grade and training opportunities. A review of current recruitment issues to include benchmarking is currently underway | January 2019 |
| DLS.42 - Meet the need of Gypsy and Travellers (Planning) | Q3 G&T Needs Assessment forms part of the new Local Development Scheme published in December 2018. Assessment prioritised as part of LDS for delivery 2019/20. | January 2019 |
| DLS.47 - Reputation of Building Control Service | Q3 The volume of work retained by HBBC shows signs of falling year on year. Being competitive on price and service can mitigate this though usage/income is affected by many reasons with some out of the team's control, e.g. national policy. The team continues 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. | January 2019 |
| DLS.48 - Loss of work to Approved Inspectors | Q3 At the end of period 9 income was marginally below the targeted position. Officers continue to provide a prompt reactive value for money service and promote the service. | January 2019 |
| DLS.49 Recruitment and retention of Building Control Staff | Q3: Following the departure of the BC Manager interim arrangements continue with the team being supported on a temporary part time basis by the Building Control manager from NWLDC. The Planning Manager (Major projects) is dealing with day to day management and staffing issues and also supporting the team. A project to investigate a wider shared service for Building Control with NWLDC and Charnwood DC is continuing with options being considered. Regular team and Board meetings are held | January 2019 |
| DLS.51 Housing Delivery test | Q3 MHCLG were due to publish the HDT results for each LPA November 2018, however this has been delayed and the results will be published 'in due course'. HBBC to continue work on delivering new homes to ensure it does not fail the HDT when published. | January 2019 |
| PHR05 (Housing Repairs) Staffing levels | November 2018 surveyor left the team. Vacant position advertised | December 2018 |

3.9.2 Service area risks that have changed net risk levels (11)

| Risk | From | To | Reason for change |
|---|----------|----|--|
| HCS.80 – Welfare reform (Housing) | 8 | 6 | Improved referrals to CA for debt management Reduced thresholds within debt recovery process Additional post approved to support tenants and minimise rent loss |
| PHR.05 – Staffing levels (Housing Repairs) | 3 | 9 | Vacant position advertised Nov 2018 |
| PHR.13 – Funding (Housing Repairs) | 5 | 3 | 30 year Business Plan updated and approved Nov 2018 |
| PHR.16 Legionella contamination | | 6 | New risk added in December 2018 to monitor compliance with regulatory legislation |
| RIT.18 | 6 | 3 | [OCT 18-MD] PSN compliance certified, DWP MoU submitted Oct 18, ICT HC to be commissioned Nov 2018 |
| RIT.20 Assets (ICT) | 3 | 5 | [OCT 18- MD] Veronis trial completed - BC to be submitted to Governance Group for consideration |
| RIT.21 GIS layers incorrect (ICT) | New risk | 8 | Numerous tests and re-installations of various elements of the software have been undertaken by ESRY and HBBC ICT none of which have identified or resolved the issue. ESRY have now suggested that if HBBC pays for a further update that this may resolve the issue however they have not responded to requests as to whether they are confident that this further update would resolve the issue. ICT have been requested to provide timelines as to when it will be deemed no longer possible to continue with ESRY as the problem remains unresolved and a new GIS program installed and operational. |
| DLS.37 - Consult with customers & stakeholders (Planning) | 5 | 3 | Q3. A revised SCI has been prepared but not published as yet to allow for its updating to take account of the new Neighbourhood Planning Service Level Agreement the Policy team are in the process of rolling out. SCI will be published by end of January 2019. |
| DLS.44 - five year housing land supply (Planning) | 8 | 3 | Q3. Using MHCLG's standard method for calculating Local Housing Need, the Council is able to demonstrate five years of deliverable housing using this method. |
| DLS.50 Compliance & regulation (Planning) | 5 | 3 | Q3. The Policy team keep up to date with current government policy and guidance and ensure colleagues, Members, Parish Councils and other stakeholders are advised and kept informed as necessary. |
| EVS.61 – travel plan (Environmental Health) | 1 | | Officer now retired – SLT agreement to support. No further actions within Environmental Health |

3.9.3 Service area risks not updated: (0)

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

Background papers: Ten reports

Contact Officer: Cal Bellavia, ext. 5795

Executive Member: Councillor M Hall

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Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE AND PERFORMANCE SCRUTINY 25 March 2019

WARDS AFFECTED: ALL WARDS

FINANCIAL OUTTURN DECEMBER 2018

Report of Head of Finance

1. PURPOSE OF REPORT

1.1 Present the financial outturn position as at December 2018.

2. RECOMMENDATION

2.1 The report is noted.

3. BACKGROUND TO THE REPORT

3.1 The financial reports attached to this report are based on the Original budget taken to Council in February 2018 and take into account budget movements for the first nine months of the financial year and carry forward of budgets from the prior year that were approved by Council in June 2018.


3.2 Attached to this report are the monthly outturn reports including the following information for the period ending December 2018:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- Capital Programme outturn by scheme

General Fund

3.3 When the budget was approved by Council in February 2018 it was anticipated that £688,276 would be taken from General Fund balances and a net £1,713,189 transferred to earmarked reserves. Since that date, the budget has been increased by £166,165 representing supplementary budgets that have been approved in line

with financial procedures rules. As at the end of December 2018, the forecast is for the General Fund to decrease by an additional £197,865. This means an estimated £197,865 will be transferred from balances compared against the budgeted position of £688,276. The position as at December 2018 compared to the original budget is summarised below:

| | Budgeted | Actual | Movement | Direction |
|--|------------|-----------|------------|---|
| Contribution from General Fund Balances | (£688,276) | (886,141) | (£197,865) |  |

Compared against the position reported to Council on the 21st February 2019 this is a net difference of £59,575.

- 3.4 The table below shows summarise the movements between Original Budget and the estimated outturn position as at the end of December 2018.

| | Outturn variances £000 | Explanation |
|---|------------------------------|---|
| Additional budgets | (166) | To take into account latest contractual commitments |
| Forecast Outturn Movement | (450) | Estimated forecast variance from services (see general fund attachments) |
| External Interest | 90 | Reduction in borrowing costs and additional investment income |
| Use of Unapplied grants and contributions | (199) | flexible homelessness grant to be used in 2019/20 for fixed term support workers |
| Estimated additional Contribution from reserves | 116 | Primarily to fund Business Rates pressures |
| NNDR (Business rates income) | 411 | Mainly caused by changes in the level of business rates growth, section 31 grant funding and reduced income forecast. |
| Change in Outturn | (198) | Additional amount to be taken from General Fund balances |

- 3.5 Explanations for variances against both profiled budget and estimated outturn have been detailed in the monthly outturn reports appended. The major service variations in excess of £50,000 have be summarised as follows:

| | Outturn variances £000 | Explanation |
|----------------|------------------------------|---|
| General Grants | (650) | Business rates relief provided, which is covered by section 31 grant contribution, has been moved to sources of finance. Previously the £650k had been shown within income for the corporate services, while all other business rates income was classified as core funding below the line as part of the net budget requirement. This has been amended and all business rates income will now be included in sources of finance. This also matches the basis used for the preparation of the financial statements. |

| | | |
|---------------------|-------|--|
| Homelessness | 214 | Underspend on expenditure related to use of flexible homelessness grant which will require carry forward at year end (£173) plus carry forward of new burdens grant to fund new IT System (£41k) |
| Legal | (89) | Additional cost of legal fees (£49k) plus additional agency support (£40k) |
| Refuse | 61 | Additional trade waste income |
| Car Parks | (60) | Reduced level of pay and display income |
| Development Control | (170) | Reduction in planning income due to fewer number of large applications |
| Planning Policy | 104 | Underspend on cost of Local Plan in year and new burdens income (to be carried forward) |

- 3.6 Additionally, It is estimated that there will be a reduction in Business Rate growth of £185,000 in Business Rates. This shortfall will be covered by drawing on the Business rates Equalisation Reserve. This reserves was higher than forecast at the end of 2017/18 due to higher than estimated growth in 2017/18 that had been created by late central government changes to relief for small businesses. Therefore, the shortfall is covered by reserves for 2018/19. Future years following 2018/19 will have to be reviewed in light of this, which may indicate a growth in pressure on Business rate funding in the medium term.

Capital

- 3.7 £ 4,707,881 has been spent on capital schemes to the end of December 2018 against a budget for that period of £9,624,951. This represents an under-spend of £4,917,070. The major service variations in excess of £50,000 have been summarised as follows:

| Scheme | £000's Under spend/ (Overspend) | Explanation |
|------------------------------------|--|---|
| Crescent Development | 328 | Budget earmarked for incentive payments. The budget has been removed as part of the capital programme approved at Council in February 2019. |
| Community Development Fund | 196 | Budget to be reprofiled based on scheme cash flows |
| Car Park Improvements | 53 | £25k committed to Church Walk subject to heritage lottery fund being successful with balance of budget committed for new car park machines |
| Minor works | 56 | Demand lower than anticipated. Budget reduced as part of capital programme review |
| Major Works Grant | 298 | Demand lower than anticipated. Budget reduced as part of capital programme review |
| Disabled Facilities Grant | 359 | Budget being committed |
| Green Deal Schemes | 304 | Promotion of scheme taking place to utilize Government grant funding. |
| Private Sector Housing Enforcement | 50 | Expenditure occurs as and when enforcement action takes place. |

Housing Revenue Account

- 3.8 As at December 2018 it is anticipated that the HRA outturn will be (£88,150) against a latest budget of (£51,150). Major variances are explained below:-

| | Outturn variances £000 | Explanation |
|------------------------------|------------------------------|---|
| Rents | (20) | Reduction in rents due to vacant properties to be refurbished partially offset by fewer dwelling sales than budgeted. |
| Salary savings | 60 | Severance Budget not required offset by salary overspends. |
| Premises related expenditure | 29 | Insurance and discretionary housing payments savings offset by overspend on Council Tax cost |
| Salary costs | (63) | Salary overspend due fully staffed service (5% vacancy budgeted for) and (£21k) additional overtime |

- 3.9 The Housing Repairs Account is currently forecasted to spend £103,939 which is an underspend of £40,000. This is due to delays in resulting from the contractors capacity in the completion of asbestos survey. Therefore this budget will need to be carried forward into the next financial year.

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

- 4.1 Report taken in open session.

5. FINANCIAL IMPLICATIONS [IB]

- 5.1 Contained in the body of the report

6. LEGAL IMPLICATIONS [FA]

- 6.1 None

7. CORPORATE PLAN IMPLICATIONS

- 7.1 The Budget and outturn contributes to the achievement of all Corporate Plan Priorities.

8. CONSULTATION

- 8.1 No direct consultation

9. RISK IMPLICATIONS

| 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

Background papers: Civica reports

Contact Officer: Ilyas Bham Accountancy Manager.

Executive Member: Cllr C Ladkin

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Hinckley & Bosworth Borough Council

Monthly Outturn Reports

For the period April 2018 to December 2018

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| 12-16 | HRA |

| December 2018 Budget Monitoring Summary 2018/19 | | | | | | | | | | | |
|---|----------------------------------|--|--|-------------|------------------------------|------------------------------|-------------------|-------------------------|----------------|------------------|-------------------|
| Service | Budget as per Feb 18 budget Book | Supplementary Budgets/virements approved to date | Latest Budget used for Monitoring ledger | recharges | Budget per Monitoring Report | Estimated Outturn Variations | Estimated Outturn | Estimated Outturn (Nov) | Variance | Change in Budget | Change in Outturn |
| Community Services | 2,168,588 | 417,835 | 2,586,423 | (837,110) | 1,749,313 | (179,000) | 2,407,423 | 2,393,423 | 14,000 | 13,527 | 473 |
| Corporate Services | 2,694,291 | 69,287 | 2,763,578 | (826,350) | 1,937,228 | 554,000 | 3,317,578 | 3,323,578 | (6,000) | (5,690) | (310) |
| Support Services | 189,460 | 127,286 | 316,746 | 3,699,840 | 4,016,586 | 77,000 | 393,746 | 394,746 | (1,000) | 32,194 | (33,194) |
| Environment and Planning | 7,276,979 | 289,204 | 7,566,183 | (2,036,380) | 5,529,803 | 32,000 | 7,598,183 | 7,609,183 | (11,000) | 22,745 | (33,745) |
| Salary& Insurance (Savings)/Overspend | | | | | | (40,000) | (40,000) | (50,000) | 10,000 | | 10,000 |
| TOTAL SERVICE EXPENDITURE | 12,329,318 | 903,612 | 13,232,930 | 0 | 13,232,930 | 444,000 | 13,676,930 | 13,670,930 | 6,000 | 62,776 | (56,776) |
| Special Expenses | (599,040) | | (599,040) | 0 | (599,040) | 6,000 | (593,040) | (593,040) | 0 | 0 | 0 |
| Capital Accounting | (1,940,970) | | (1,940,970) | 0 | (1,940,970) | | (1,940,970) | (1,940,970) | 0 | 0 | 0 |
| External Interest - Net | 340,553 | | 340,553 | 0 | 340,553 | (90,000) | 250,553 | 250,553 | 0 | 0 | 0 |
| IAS 19 Adjustment | (538,140) | | (538,140) | 0 | (538,140) | | (538,140) | (538,140) | 0 | 0 | 0 |
| Unfunded benefits and curtailments | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| Transfer to Pension Reserve | 3,880 | | 3,880 | 0 | 3,880 | | 3,880 | 3,880 | 0 | 0 | 0 |
| Use of UG&C Reserves | 0 | (397,139) | (397,139) | 0 | (397,139) | 199,000 | (198,139) | (198,139) | 0 | 0 | 0 |
| Carry fwd 31/3/18 | | (187,558) | (187,558) | 0 | (187,558) | | (187,558) | (187,558) | 0 | 0 | 0 |
| Transfer to Reserves | 2,781,000 | | 2,781,000 | 0 | 2,781,000 | | 2,781,000 | 2,781,000 | 0 | 0 | 0 |
| Use of Reserves | (1,067,811) | (152,750) | (1,220,561) | 0 | (1,220,561) | (116,300) | (1,336,861) | (1,336,861) | 0 | 0 | 0 |
| BUDGET REQUIREMENT | 11,308,790 | 166,165 | | 0 | 11,474,955 | 442,700 | 11,917,655 | 11,911,655 | 6,000 | 62,776 | (56,776) |
| | | | | | 1,441,023 | | | | | | |
| Financing | | | | | | | | | | | |
| Council Tax | 4,148,382 | | 4,148,382 | 0 | 4,148,382 | | 4,148,382 | 4,148,382 | 0 | 0 | 0 |
| Council Tax Freeze Grant | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| Revenue Support Grant | 437,461 | | 437,461 | 0 | 437,461 | | 437,461 | 437,461 | 0 | 0 | 0 |
| Council Tax Support Grant | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| National Non-Domestic Rate | 3,692,824 | | 3,692,824 | 0 | 3,692,824 | 411,000 | 4,103,824 | 4,103,824 | 0 | 0 | 0 |
| New Homes Bonus | 2,570,833 | | 2,570,833 | 0 | 2,570,833 | | 2,570,833 | 2,570,833 | 0 | 0 | 0 |
| Collection Fund Surplus | (228,986) | | (228,986) | 0 | (228,986) | | (228,986) | (228,986) | 0 | 0 | 0 |
| TOTAL RESOURCES (HBBC BUDGET) | 10,620,514 | 0 | 10,620,514 | 0 | 10,620,514 | 411,000 | 11,031,514 | 11,031,514 | 0 | 0 | 0 |
| Movement in General Fund Balances | (688,276) | (166,165) | (854,441) | 0 | (854,441) | (31,700) | (886,141) | (880,141) | (6,000) | (62,776) | 56,776 |
| Under/overspend | £ | £ | | | | | | | | | |
| Mvt to/(from) Balances Orig Budget | | | (688,276) | | | | | | | | |
| Mvt to/(from) Balances Outturn | | | (886,141) | | | | | | | | |
| Outturn change | | | 197,865 | | | | | | | | |

| | | Estimate to Date | Actual to Date | Variance to Date | Timing Differences | Variance excluding timing Differences | Est 2018/19 | Forecast Outturn | Forecast Variation to Year End | |
|---------------------------|---------------------------------------|------------------|----------------|------------------|--------------------|---------------------------------------|------------------|------------------|--------------------------------|------|
| Community Services | DSO Housing Repairs | 42,093 | 197,967 | (155,874) | (160,000) | 4,126 | 54,660 | 64,660 | (10,000) | 1.2 |
| | Contribution to Housing Rev Ac | 0 | 0 | 0 | | 0 | 22,230 | 22,230 | | |
| | Forest Road Garages | (3,900) | (3,964) | 64 | | 64 | (5,200) | (5,200) | | |
| | Homelessness | 215,661 | 49,924 | 165,737 | | 165,737 | 347,142 | 133,142 | 214,000 | 1.2 |
| | Housing Strategy | 38,730 | (335) | 39,065 | 41,000 | (1,935) | 54,441 | 54,441 | | |
| | Private Sector Housing | 207,357 | 193,647 | 13,710 | | 13,710 | 706,119 | 706,119 | | 1.3 |
| | Children and Young People | 67,726 | 67,628 | 98 | | 98 | 120,699 | 120,699 | | |
| | CCTV | 106,299 | 107,868 | (1,569) | | (1,569) | 143,550 | 143,550 | | |
| | Community Safety | 325,374 | 296,524 | 28,850 | 2,000 | 26,850 | 407,303 | 407,303 | | 1.4 |
| | Creative Communities | 57,002 | 61,165 | (4,163) | | (4,163) | 76,720 | 76,720 | | |
| | Leisure Centre | (343,162) | (348,882) | 5,720 | | 5,720 | (562,950) | (562,950) | | 1.5 |
| | Leisure Promotion | 46,100 | 43,595 | 2,505 | | 2,505 | 44,703 | 44,703 | | |
| | Sports Development | 162,452 | 143,285 | 19,167 | | 19,167 | 202,436 | 202,436 | | 1.6 |
| | Highways Miscellaneous | 83,316 | 77,319 | 5,997 | 3,000 | 2,997 | 117,770 | 117,770 | | |
| | Markets | 18,750 | 32,311 | (13,561) | | (13,561) | 19,690 | 44,690 | (25,000) | 1.7 |
| | Public Transport | 0 | 0 | 0 | | 0 | 0 | 0 | | |
| Community Services | | 1,023,798 | 918,050 | 105,748 | (114,000) | 219,748 | 1,749,313 | 1,570,313 | 179,000 | |
| Page 35 | Corporate Services | | | | | | | | | |
| | Corporate Management | 560,839 | 534,811 | 26,028 | 8,000 | 18,028 | 999,680 | 989,680 | 10,000 | 2.1 |
| | Corporate Management (Civic) | 21,401 | 13,918 | 7,483 | | 7,483 | 28,240 | 28,240 | | 2.2 |
| | Corporate Management - Director Costs | 415,205 | 420,634 | (5,429) | | (5,429) | 647,859 | 647,859 | | 2.3 |
| | Council Tax / NNDR | 217,256 | 214,248 | 3,008 | (2,000) | 5,008 | 355,490 | 347,490 | 8,000 | 2.4 |
| | Council Tax Support | 146,117 | 93,987 | 52,130 | 11,000 | 41,130 | 349,610 | 316,610 | 33,000 | 2.5 |
| | General Grants | 53,900 | 24,253 | 29,647 | 30,000 | (353) | 241,794 | 891,794 | (650,000) | 2.6 |
| | Register and Borough Elections | 167,807 | 159,110 | 8,697 | | 8,697 | 234,431 | 227,431 | 7,000 | 2.7 |
| | Benefits Fraud | (23,901) | (65,521) | 41,620 | | 41,620 | (170) | (33,170) | 33,000 | 2.8 |
| | Rent Allowances | (145,022) | (189,465) | 44,443 | 37,000 | 7,443 | (61,764) | (48,764) | (13,000) | 2.9 |
| | Public Conveniences | 18,344 | 17,730 | 614 | | 614 | 24,850 | 24,850 | | |
| | Industrial Estates | (415,781) | (429,836) | 14,055 | | 14,055 | (566,130) | (566,130) | | 2.10 |
| | Misc Property | (260,641) | (312,310) | 51,669 | 43,000 | 8,669 | (316,662) | (334,662) | 18,000 | 2.11 |
| Corporate Services | | 755,524 | 481,560 | 273,964 | 127,000 | 146,964 | 1,937,228 | 2,491,228 | (554,000) | |
| Support Services | Asset Management | 194,890 | 139,638 | 55,252 | 8,000 | 47,252 | 246,429 | 246,429 | | 3.1 |
| | Communications & Promotion | 222,087 | 229,537 | (7,450) | | (7,450) | 308,670 | 308,670 | | 3.2 |
| | Council Offices | 969,365 | 965,835 | 3,530 | | 3,530 | 1,289,190 | 1,289,190 | | |
| | Finance Support | 470,111 | 412,648 | 57,463 | 56,000 | 1,463 | 656,994 | 648,994 | 8,000 | 3.3 |
| | I.T. Support | 997,142 | 1,117,518 | (120,376) | (116,000) | (4,376) | 1,249,810 | 1,249,810 | | 3.3 |
| | Legal /Administration | 211,834 | 283,179 | (71,345) | | (71,345) | 284,690 | 373,690 | (89,000) | 3.4 |
| | Performance & Scrutiny | 41,958 | 35,743 | 6,215 | 6,500 | (285) | 55,784 | 55,784 | | |
| | Corporate Support Team | 130,374 | 117,398 | 12,976 | | 12,976 | 176,440 | 176,440 | | 3.5 |
| | Human Resources | 243,140 | 252,778 | (9,638) | | (9,638) | 358,450 | 358,450 | | 3.6 |
| | Committee Services | 51,552 | 51,588 | (36) | | (36) | 67,809 | 67,809 | | |

| | | Estimate to Date | Actual to Date | Variance to Date | Timing Differences | Variance excluding timing Differences | Est 2018/19 | Forecast Outturn | Forecast Variation to Year End | |
|--|---------------------------------|------------------|------------------|------------------|--------------------|---------------------------------------|-------------------|-------------------|--------------------------------|------|
| | Customer Contact Centre | 389,247 | 376,340 | 12,907 | | 12,907 | 544,730 | 544,730 | | 3.7 |
| | HRA element of Support Services | (917,059) | (948,864) | 31,805 | | 31,805 | (1,222,410) | (1,226,410) | 4,000 | 3.8 |
| Support Services | | 3,004,641 | 3,033,337 | (28,696) | (45,500) | 16,804 | 4,016,586 | 4,093,586 | (77,000) | |
| | | | | | | | | | | |
| Environment & Planning | Emergency Planning | 31,812 | 32,327 | (515) | | (515) | 33,788 | 33,788 | | |
| | Local Land Charges | 42,299 | (22,957) | 65,256 | 63,000 | 2,256 | 55,700 | 55,700 | | |
| | DSO Grounds Maintenance | (46,569) | (45,173) | (1,396) | | (1,396) | (109,950) | (104,950) | (5,000) | 4.1 |
| | Allotments | 2,935 | (142) | 3,077 | | 3,077 | 4,810 | 4,810 | | |
| | Cemeteries | 104,858 | 100,325 | 4,533 | 1,500 | 3,033 | 146,140 | 140,140 | 6,000 | 4.2 |
| | Countryside Management | 92,170 | 95,331 | (3,161) | | (3,161) | 121,040 | 121,040 | | |
| | Dog Warden Service | 25,298 | 19,281 | 6,017 | | 6,017 | 35,040 | 35,040 | | 4.3 |
| | Environmental Health | 370,073 | 371,965 | (1,892) | | (1,892) | 504,571 | 504,571 | | |
| | Land Drainage | 23,715 | 20,901 | 2,814 | | 2,814 | 32,320 | 32,320 | | |
| | Licences | 480 | 5,697 | (5,217) | | (5,217) | 17,072 | 17,072 | | 4.4 |
| | Parks | 517,830 | 465,668 | 52,162 | 19,000 | 33,162 | 718,420 | 708,420 | 10,000 | 4.5 |
| | Pest Control | 50,612 | 49,828 | 784 | | 784 | 66,405 | 66,405 | | |
| | Recycling | 801,141 | 957,617 | (156,476) | (157,000) | 524 | 1,209,287 | 1,205,287 | 4,000 | 4.6 |
| | Refuse Collection | 807,981 | 868,931 | (60,950) | (111,000) | 50,050 | 1,060,850 | 999,850 | 61,000 | 4.7 |
| | Health & Safety | 31,869 | 33,596 | (1,727) | | (1,727) | 45,168 | 45,168 | | |
| | Street Cleansing | 588,276 | 629,462 | (41,186) | (30,000) | (11,186) | 760,825 | 730,825 | 30,000 | 4.8 |
| | Waste Business Improvements | (20,181) | (25,839) | 5,658 | | 5,658 | (29,200) | (32,200) | 3,000 | 4.9 |
| | Building Inspection | 688 | (10,882) | 11,570 | 5,000 | 6,570 | 37,160 | 57,160 | (20,000) | 4.10 |
| | Car Parks | (184,417) | (155,673) | (28,744) | 10,000 | (38,744) | (298,220) | (238,220) | (60,000) | 4.11 |
| | Community Planning | 218,527 | 212,353 | 6,174 | | 6,174 | 251,789 | 251,789 | | 4.12 |
| | Development Control | (89,810) | 81,413 | (171,223) | 8,000 | (179,223) | (63,015) | 106,985 | (170,000) | 4.13 |
| | Economic Development | 261,154 | 255,768 | 5,386 | | 5,386 | 319,356 | 314,356 | 5,000 | 4.14 |
| | Environmental Initiatives | 1,481 | 1,455 | 26 | | 26 | 1,970 | 1,970 | | |
| | Planning Policy | 464,325 | 312,044 | 152,281 | | 152,281 | 627,397 | 523,397 | 104,000 | 4.15 |
| | Sustainable Development | 760 | 400 | 360 | | 360 | 1,080 | 1,080 | | |
| Environment & Planning | | 4,097,307 | 4,253,697 | (156,390) | (191,500) | 35,110 | 5,549,803 | 5,581,803 | (32,000) | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Position as at December 2018 | | 8,881,270 | 8,686,644 | 194,626 | (224,000) | 418,626 | 13,252,930 | 13,736,930 | (484,000) | |
| | | | | | | | | | | |
| Estimated year end salary overspend (-) | | | | | | | | (20,000) | 20,000 | |
| Estimated Insurance Saving | | | | | | | | (20,000) | 20,000 | |
| | | | | | | | | | | |
| | | | | | | | 13,252,930 | 13,696,930 | (444,000) | |

| | | | | | |
|------------|---|--|--------------------------|----------------------------|---|
| | | Outturn Explanations April 2018 to December 2018 Key : () = overspend | | | |
| | | Forecasted year end variations | Variation To Date | Forecasted Year End | Forecasted Year End Variance at November |
| | | | £ | £ | £ |
| 1 | | Community Services | 217,000 | 179,000 | 182,000 |
| 1.1 | ➤ | DSO Repairs - Additional material costs based on current level of demand and price inflation | | (10,000) | |
| 1.2 | ➤ | Homelessness - £36k salary saving due to vacant posts linked to flexible homelessness grant funding, (£10k) overspend on Bed and Breakfast linked to increased demand and complexity of cases (mental health issues etc), longer duration of support required and lack of availability of suitable private sector leased properties to meet demand, £24k underspend to date on prior year flexible homelessness grant, £86k underspend to date on prevention monies, £9k additional income to date from housing benefits, £26k new burdens grant underspend, (£5k) other variations. | 166,000 | | |
| | ➤ | Year end - £100k forecast underspend on homeless prevention grant (carry forward to 2019/20 to be requested), £73k forecast underspend on flexible homeless grant (carry forward to 2019/20 to be requested), £41k New Burdens grant underspend (carry forward to be requested - to fund new IT system) | | 214,000 | 199,000 |
| 1.3 | ➤ | Private Sector Housing - £2k salary saving due to vacant post, £6k agency staff saving, £4k additional income from fees and charges, £1k additional income from private sector scheme rents, £2k other income, (£1k) other variations | 14,000 | 0 | 0 |
| 1.4 | ➤ | Community Safety - £11k Wykin Community House minor project underspends to date, £18k other minor projects underspend to date, (£2k) other minor variations | 27,000 | 0 | 0 |
| 1.5 | ➤ | Leisure Centre - £5k Salary saving | 5,000 | | |
| 1.6 | ➤ | Sports Development - £17k income received for projects with associated expenditure (Steady Steps, Family Lifestyle Club (FLIC), Leicestershire Eating and Activity Programme (LEAP) programmes), £3k salary saving, (£1k) other variation | 19,000 | | |
| 1.7 | ➤ | Markets - (£16k) Market income, £2k other variations | (14,000) | | |
| | ➤ | Markets Year end - (£25k) predicted under recovery of market income related to £18k for Hinckley Market, £5k for Atherstone Market where responsibility has been transferred and £2k related to lost income from cessation of Farmers Markets. | | (25,000) | (17,000) |

| | | | | | |
|------------|---|--|--------------------------|----------------------------|---|
| | | Outturn Explanations April 2018 to December 2018 Key : () = overspend | | | |
| | | Forecasted year end variations | Variation To Date | Forecasted Year End | Forecasted Year End Variance at November |
| | | | £ | £ | £ |
| 2 | | Corporate Services | 147,000 | (554,000) | (560,000) |
| 2.1 | ➤ | Corporate Management - £4k Underspend on Members Allowances mainly due to new allowances being effective from the middle of May 18 however 12 month budget entered, some members are also receiving a 50% reduction in their 2nd responsibility allowance, £16k No spend to be incurred for Town Centre Support, (£2k) Minor Overspends Year End - £4k Members Allowances mainly due to new allowances being effective from the middle of May 18 however 12 month budget entered and budgeted for 6 Executive Members but only 5 are being paid, £10k No spend to be incurred for Town Centre Support | 18,000 | 10,000 | 4,000 |
| 2.2 | ➤ | Corporate Management (Civic) - £3k Civic Hospitality, £4k other minor underspends | 7,000 | 0 | 0 |
| 2.3 | ➤ | Corporate Management - Director Costs - (£2k) Overspend on Salaries, (£3k) overspend on Car Allowances | (5,000) | | |
| 2.4 | ➤ | Council Tax/ NNDR - £6k Reduced contribution to the Revenues & Benefits Partnership, (£1k) other minor overspends Year End - £8k Reduced contribution to the Revenues & Benefits Partnership | 5,000 | 8,000 | 8,000 |
| 2.5 | ➤ | Council Tax Support - £4k Reduced contribution to the Revenues & Benefits Partnership, £13k additional admin grant relating to Local Council Tax Support, £8k New Burdens Income re Temporary Accommodation, £13k Income from Leicestershire County Council to cover cost of discretionary Council Tax Support, £3k Other Minor overspends Year End - £13k Additional admin grant relating to Local Council Tax Support, £5k Reduced contribution to the Revenues & Benefits Partnership, £15k Income to be received from County, Police & Fire to cover cost of discretionary Council Tax Support | 41,000 | 33,000 | 33,000 |
| 2.6 | ➤ | General Grants - Year End - (£650k) S31 Contribution will now be accounted for as part of Business Rates below the line | 0 | (650,000) | (650,000) |
| 2.7 | ➤ | Register and Borough Elections - £7k Saving on costs of canvass, £2k other savings | 9,000 | 0 | 0 |
| | ➤ | Year End - £7k Saving on costs of canvass | 0 | 7,000 | 7,000 |
| 2.8 | ➤ | Benefits Fraud - £28k Underspend on Universal Credit costs, £7k additional Income from Benefits IMAN, £2k Underspend on Audit Fees, £5k other minor underspends Year End - £33k Underspend on Universal Credit costs | 42,000 | 33,000 | 33,000 |
| 2.9 | ➤ | Rent Allowances - (£50k) reduction in Income from Benefits Overpayments due to Universal Credit, (£12k) Reduction in Housing Benefit Subsidy Income, £19k New Burdens income to cover the cost of Welfare reform changes, £10k Income received to cover ICT Costs, £3k Reduced contribution to the Revenues & Benefits Partnership, £34k additional income re Discretionary Housing Payments, £3k Other Minor Underspends Year End - (£17k) Reduction in Housing Benefit Subsidy Income, £4k Reduced contribution to the Revenues & Benefits Partnership | 7,000 | (13,000) | (13,000) |

| | | | | | |
|-------------|---|---|--------------------------|----------------------------|---|
| | | Outturn Explanations April 2018 to December 2018 Key : () = overspend | | | |
| | | Forecasted year end variations | Variation To Date | Forecasted Year End | Forecasted Year End Variance at November |
| | | | £ | £ | £ |
| 2.10 | ➤ | Industrial Estates - £11k Additional income from Service Charges, £3k Other Minor Underspends | 14,000 | | |
| 2.11 | ➤ | Miscellaneous Properties - £12k additional income for room hire at the Atkins, (£31k) reduction in Rent at the Atkins Building due to vacant units, (£30k) Reduction in rent at the Crescent due to vacant units, £37k Underspend on NNDR as no NNDR to be paid on the former Coop Site following rental of premises, £8k underspend on Asset Maintenance at the Crescent, £4k Salaries underspend, (£3k) Overspend on utility costs, £3k Underspend on the cost of Shared Service Staff, £4k Air Conditioning costs, £3k Security Callout Costs, £5k annual increase in Rent at the HUB lower than anticipated, (£3k) other Minor overspends | 9,000 | | |
| | ➤ | Year End - £41k Underspend on NNDR as no NNDR to be paid on the former Coop Site following rental of premises, £5k underspend on Asset Maintenance at the Crescent, (£28k) Rental Income at the Crescent to be lower than anticipated due to being unable to rent units | | 18,000 | 18,000 |
| 3 | | Support Services | 18,000 | (77,000) | (77,000) |
| 3.1 | ➤ | Asset Management - £43k Salaries, £4k Other minor variations | 47,000 | | |
| 3.2 | ➤ | Communications and Promotions - (£3k) Salary variance, (£7k) additional cost of borough bulletin, £3k Other variations | (7,000) | | |
| 3.3 | ➤ | Finance Support - £8k 2017/18 Audit fees lower than amount set aside, (£4k) salary variance, (£3k) other variations | 1,000 | 8,000 | 8,000 |
| 3.4 | ➤ | Legal - £16k salary underspend due to vacancies, (£38K) Agency costs to cover for vacancies, (£8k) overspend on Legal fees general , (£37k) additional golf course legal fees, (£4k) other minor variations. | (71,000) | | |
| | ➤ | Year end -(£12k) Additional in year legal fees costs , (£37k) Additional golf course legal fees, (£40k) additional agency cover for vacancies | | (89,000) | (89,000) |
| 3.5 | ➤ | Corporate Support Team - £15k underspend on postages due to outsourcing of Electoral Registration posting and lower demand, (£7k) Increased photocopying charges, £5k lower costs for software maintenance and and printing. | 13,000 | 0 | 0 |
| 3.6 | ➤ | Human Resources - (£6k) Salary overspend, (£7k) Corporate training budget overspent to date, £3k Other variations | (10,000) | 0 | 0 |
| 3.7 | ➤ | Contact Centre - £8k Salary Underspend, £2k underspend on Casual Wages, £3k Other Minor Underspends | 13,000 | 0 | 0 |
| 3.8 | ➤ | HRA Element of Support Services - Support Service variations | 32,000 | 4,000 | 4,000 |

| | | | | | |
|------------|---|---|--------------------------|----------------------------|---|
| | | Outturn Explanations April 2018 to December 2018 Key : () = overspend | | | |
| | | Forecasted year end variations | Variation To Date | Forecasted Year End | Forecasted Year End Variance at November |
| | | | £ | £ | £ |
| 4 | | Environment and Planning | 44,000 | (32,000) | (43,000) |
| 4.1 | ➤ | DSO Grounds Maintenance Yr end - (£5k) overspend on overtime/agency costs due to additional duty cover. | | (5,000) | (5,000) |
| 4.2 | ➤ | Cemetery - Underspent £2k Tree works, Hires & Contract underspent £5k, Minor variations (£4k) | 3,000 | | |
| | ➤ | Yr. end - £6k additional income from burial fees | | 6,000 | 6,000 |
| 4.3 | ➤ | Dog Warden- £7k underspend on hired & contracted services due to lower demand, (£1k) Higher leasing charges | 6,000 | | |
| 4.4 | ➤ | Licences - (£5k) Salary Variance | 5,000 | | |
| 4.5 | ➤ | Parks - Ground Maintenance Additional works underspent £11k, Tree works underspent £10k, £9k Insurance claim received , £3k minor variances | 33,000 | | |
| | ➤ | Yr end. - £6k effluent treatment Wykin Park underspend, £4k Water 17/18 yr end underspend | | 10,000 | 10,000 |
| 4.6 | ➤ | Recycling - £8k Kerbside recycling saving for prior year contract settlement, (£14k) additional severance costs, (£21k) salaries overspend due to vacancy factor and additional overtime, £4k Green Waste disposal savings, £6k Repairs & Maintenance savings, (£6K) overspend on Advertising, £6k additional Miscellaneous income, £9k Plastic/Cardboard Income, £8k additional Green Waste Charges income, (£1k) Minor variation. | (1,000) | | |
| | ➤ | Recycling Yr. end - £8k additional green bin income, (£6k) Agency additional agency cost due to price increase and additional cover requirement, £2k Repairs & maintenance underspend. | | 4,000 | 13,000 |
| 4.7 | ➤ | Refuse £47k additional trade waste income, (£19k) salaries overspend due to vacancy factor, £9k additional misc income, £10k Bulky Waste income, Minor variations £3k | 50,000 | | |
| | ➤ | Yr. end - £75k additional trade waste income (Currently both quarter 1 & quarter 2 invoices for crescent remain unpaid), (£16k) overspend trade waste disposal costs, £2k underspend Repairs & Maintenance. | | 61,000 | 70,000 |
| 4.8 | ➤ | Street Cleansing - £4k additional bulky income,(£3k) Misc Income under, £16k additional income from variations to other service heads, £12k equipment purchase underspend, (£32k) salaries overspend due to vacancy factor, £5k Repairs & Maintenance underspent, (£5k) Other minor variations | (11,000) | | |
| | ➤ | Yr. end - £20k additional income from bulky collections based demand continuing, £10k additional variation income | | 30,000 | 30,000 |
| 4.9 | ➤ | Waste Business Improvements - £4k underspent Wages/full time employees, £2k Repairs & Maintenance | 6,000 | | |
| | ➤ | Yr. end - £3k additional income from new occupancy bins | | 3,000 | 3,000 |

| | | Outturn Explanations April 2018 to December 2018 | | | |
|-------------|---|---|--------------------------|----------------------------|---|
| | | Key : () = overspend | | | |
| | | Forecasted year end variations | Variation To Date | Forecasted Year End | Forecasted Year End Variance at November |
| | | | £ | £ | £ |
| 4.10 | ➤ | Building Inspection - £9k salaries underspend, (£12k) income shortfall, £2k structural fees underspend, £4k underspend dangerous premises, £4k other minor variations | 7,000 | | |
| | ➤ | Yr. End - (£20k) predicted shortfall in income based on current levels of income | | (20,000) | (20,000) |
| 4.11 | ➤ | Car Parks - (£67k) shortfall in pay and display income due to tariff increase not coming into effect until 1/7/18, £3k Salaries underspend, £7k Ground Maint. Underspend, £5k Hired and Contract service underspend, £6k other misc cost underspend, £15k Season Ticket additional income, (£6k) CPE Penalty Notices LCC reduction in revenue, (£2k) minor variations | (39,000) | | |
| | ➤ | Yr. end - (£50k) shortfall pay and display income due to tariff increase not coming into effect until 1/7/18, £10k additional income on Season Tickets, (£14k) Parking Fines shortfall, £6k LCC Notice Processing CPE underspend, (£12k) NNDR overspend due to change in valuations. | | (60,000) | (59,000) |
| 4.12 | | Community Planning - £5k salary saving, £1k minor variations | 6,000 | | |
| 4.13 | ➤ | Development Control - £4k Salary underspend due to vacant posts, £4k advertising underspend, (£184k) shortfall in income due to fewer large applications, (£2k) other minor variations | (178,000) | | |
| | ➤ | Yr. End - (£200K) forecast shortfall in income due to fewer larger planning applications, £30k business planning underspend, | | (170,000) | (170,000) |
| 4.14 | | Economic Development - (£8k) salary variance on Economic Development, £6k savings on contributions to other funds principally made up of £5k lower payment to Hinckley BID for 3rd tier proposal, £2k savings on Christmas light electricity expenditure and £5k savings on other Christmas light expenditure to date | 5,000 | | |
| | ➤ | Year End - Lower contribution made in respect of Hinckley BID Third term proposal | | 5,000 | 5,000 |
| 4.15 | ➤ | Planning policy - £34k salary savings due to vacant posts, £98k local plan underspend to date, £15k strategic growth underspend to date, £5k other minor variations | 152,000 | | |
| | ➤ | Yr. end - £74k estimated local plan underspend (carry forward to be requested), £30k | | 104,000 | 74,000 |
| | | Total (over)/under spend | 426,000 | (484,000) | (498,000) |

Estimated Year end salary (over)/under spend

0

20,000

30,000

Estimated Insurance saving

20,000

20,000

Forecasted year end saving

426,000

(444,000)

(448,000)

Forecasted year end saving (Adj for Transfers)

426,000

(444,000)

(448,000)

Summary of Timing Differences

Monthly Outturn Report 1st April 2018 to 31st December 2018 Under spends/(Overspends) caused by timing differences

| | | £ | £ |
|--------------------------|--|-----------|------------------|
| DSO Housing Repairs | WIP & Overheads to be processed | (118,000) | |
| | Painting budget to be reprofiled | (35,000) | |
| | Vehicle leasing invoice prepayment | (67,000) | |
| | Awaiting material invoices | 60,000 | (160,000) |
| Housing Strategy | Income received in advance for Rural Housing Enabling Services | 41,000 | 41,000 |
| Community Safety | Outstanding 2017/18 payment for Home Security Services | 2,000 | 2,000 |
| Highways Miscellaneous | Invoices expected in respect of prior year services (Street lighting) | 3,000 | 3,000 |
| Corporate Management | Delay in payment of 2018/19 contribution to the LLEP | 8,000 | 8,000 |
| Council Tax/ NNDR | Delay in payment - costs not yet incurred by the Revenue & Benefits P'ship | 18,000 | |
| | Legal costs recovered following court action | (25,000) | |
| | Delay in payment of invoice for cost associated with rating analysing appeals | 5,000 | (2,000) |
| Council Tax Support | Delay in payment - costs not yet incurred by the Revenue & Benefits P'ship | 11,000 | 11,000 |
| General Grant | 2017/18 S31 Grant to be reimbursed to MHCLG following final return reconciliation | 25,000 | |
| | Delay in payment of grant to shop mobility | 5,000 | 30,000 |
| Rent Allowances | Additional benefit costs. Income for any additional costs will be processed at year end | (13,000) | |
| | Delay in payment of contributions to the Revenues & Benefits Partnership, due to costs not yet having been incurred by the Partnership | 8,000 | |
| | December Benefit payments reflected in January | 42,000 | 37,000 |
| Miscellaneous Properties | Awaiting September to November cleaning invoices for the Hub and Atkins. | 21,000 | |
| | Delay in receipt of invoice for cleaning windows | 2,000 | |
| | Invoice for Service Charge for the Crescent not yet received | 20,000 | 43,000 |
| Asset Management | Awaiting September to November cleaning invoices for Jubilee, Station Rd toilet & Atkins. | 5,000 | |
| | Payment for Furniture in post room delayed | 3,000 | 8,000 |
| Finance Support | Internal Audit awaiting invoice for Dec 2018 | 19,000 | |
| | ALLPAY Income system payments still to be processed | 21,000 | |
| | Publications awaiting invoice | 1,000 | |
| | Computer Software Maintenance & Upgrade | 15,000 | 56,000 |
| ICT Support | Maintenance contracts paid in advance to be accrued at year end | (34,000) | |
| | Partners to be invoiced for reimbursement of Costs re October to December 18 | (82,000) | (116,000) |
| Performance and Scrutiny | Invoice awaited for subscription to Mosaic software | 6,500 | 6,500 |
| Local Land Charges | Contribution from outside bodies - Miscoding awaiting journal | 37,000 | |
| | Capital charges awaiting journal | 26,000 | 63,000 |
| Cemeteries | Grounds Maintenance (Additional Works) | 2,500 | |
| | Burial Fees | (1,000) | 1,500 |
| Parks | Water Metered | 9,000 | |
| | Effluent Treatment - invoice not received | 10,000 | 19,000 |
| Recycling | Vehicle Leasing prepayment to be charged to 19/20 | (176,000) | |
| | Protective Clothing | 2,000 | |
| | Agency Wages | 17,000 | (157,000) |
| Refuse | Agency Wages & Salaries | (17,000) | |
| | Vehicle Leasing prepayment to be charged to 19/20 | (94,000) | (111,000) |
| Street Cleansing | Vehicle Leasing prepayment to be charged to 19/20 | (30,000) | (30,000) |
| Car Park | Sewer & Environmental | 2,000 | |
| | Other - Miscellaneous costs related to housing near car park | 1,000 | |
| | LCC Notice Processing CPE - Qtr. 2 not invoiced | 3,000 | |
| | Outstanding 2017/18 accrual for LCC Street Lighting charges | 4,000 | 10,000 |
| Building Inspection | Awaiting invoice for dangerous premises emergency response works | 5,000 | 5,000 |
| Development Control | Awaiting viability planning invoices | 8,000 | 8,000 |
| | TOTAL TIMING DIFFERENCES | | (224,000) |

Capital Programme Summary**31st Dec 2018**

| Description | Latest Budget £ | Budget to Date £ | Actual £ | Variance £ |
|--------------------------------|--------------------|---------------------|------------------|------------------|
| General Fund | | | | |
| Corporate and Support Services | 2,900,921 | 677,137 | 232,336 | 444,801 |
| Environment and Planning | 2,184,729 | 1,356,999 | 1,004,914 | 352,085 |
| Community Services | 1,867,147 | 1,633,788 | 521,174 | 1,112,614 |
| | 6,952,797 | 3,667,924 | 1,758,424 | 1,909,500 |
| HRA | 7,984,955 | 5,957,027 | 2,949,456 | 3,007,571 |
| Grand Total | 14,937,752 | 9,624,951 | 4,707,881 | 4,917,070 |

31st Dec 2018
Corporate Direction

| Description | Latest Budget £ | Budget to Date £ | Actual £ | Variance £ | |
|--------------------------------------|--------------------|---------------------|----------------|----------------|---|
| Unit upgrade for Hansom Cab | 40,000 | 40,000 | 42,322 | (2,322) | |
| Asset Management Enhancement Works | 69,867 | 53,099 | 28,927 | 24,172 | the majority of this budget has been committed with a large piece of work beginning in November |
| Council Office Relocation | 0 | 0 | (3,642) | 3,642 | |
| General Renewal -Extensions | 15,000 | 11,250 | 7,691 | 3,559 | |
| Web Development | 6,100 | 6,100 | 5,900 | 200 | |
| Channel Shift - My Account | 0 | 0 | (3,077) | 3,077 | |
| Home Connections - IT Systems | 24,000 | 24,000 | 10,250 | 13,750 | Budget to be reprofiled. |
| Rolling Server Review | 40,000 | 15,200 | 9,872 | 5,328 | |
| New Scanners | 24,000 | 24,000 | 18,127 | 5,873 | |
| New Crematorium | 1,553,611 | 143,710 | 114,324 | 29,386 | Budget to be reprofiled. |
| Data Centre | 40,000 | 10,000 | 603 | 9,397 | |
| Shared Revenue and Benefits | 0 | 0 | 700 | (700) | |
| Benefits Replacement Server | 0 | 0 | 338 | (338) | |
| Server/Network Hardware Replacements | 20,000 | 5,000 | 0 | 5,000 | |
| Citrix Upgrade | 50,400 | 12,600 | 0 | 12,600 | Cost unlikely to be incurred in 2018/19 will need to be cfwd to 19/20 |
| Telephony Upgrade | 15,000 | 3,750 | 0 | 3,750 | Cost unlikely to be incurred in 2018/19 will need to be cfwd to 19/20 |
| Crescent Development | 1,002,943 | 328,428 | 0 | 328,428 | Earmarked for incentive payments - Budget to be removed |
| | 2,900,921 | 677,137 | 232,336 | 444,801 | |

31st Dec 2018
Community Direction

| Description | Latest Budget £ | Budget to Date £ | Actual £ | Variance £ | |
|--|--------------------|---------------------|------------------|----------------|---|
| Memorial Safety Programme | 5,360 | 4,022 | 1,266 | 2,756 | |
| Hollycroft Park | 13,780 | 13,780 | 0 | 13,780 | Budgeted committed works to be completed in February& March |
| Preston Road | 3,571 | 3,571 | 3,571 | 0 | |
| Clarendon Park | 154,962 | 0 | 631 | (631) | Budgeted to be rephased into 2019/20 |
| Queens Park | 403 | 403 | 0 | 403 | |
| The Greens | 150,480 | 0 | 0 | 0 | Awaiting developers intentions. Rephrased into following year. |
| Harrowbrook corridor | 5,000 | 3,752 | 0 | 3,752 | |
| Recycling Containers | 123,453 | 92,601 | 62,874 | 29,727 | Budget committed. |
| Incab System (Tracker System) | 45,000 | 33,753 | 39,757 | (6,004) | Project delayed due to vehicle procurement. |
| Purchase of Refuse Vehicle | 15,000 | 11,250 | 204 | 11,046 | Budget to be rephrased |
| Atkins 3 New Office Spaces | 49,000 | 49,000 | 51,307 | (2,307) | |
| Atkins 2 New Office Spaces | 8,500 | 0 | 0 | 0 | Conversion of Gallery Area on Ground Floor awaiting invoices |
| Parks : Major Works | 39,975 | 32,478 | 23,066 | 9,412 | Budget committed. |
| Parish & Community Initiatives | 165,566 | 128,081 | 95,027 | 33,054 | Awaiting evidence of works before payments are released |
| Hinckley Community Initiative Fund -HCIF | 10,520 | 8,021 | 9,727 | (1,706) | |
| Community Development Fund | 807,885 | 629,961 | 433,624 | 196,337 | Budget to be reprofiled based scheme cashflows |
| Grounds Machinery | 250,000 | 187,525 | 220,394 | (32,869) | £200k committed for grounds machinery. Budget to be rephased |
| Borough Improvements | 57,253 | 44,758 | 28,474 | 16,284 | Scheme to commence later in year and the budget will be reprofiled. |
| Shop Front Improvements Barwell | 6,698 | 6,698 | 2,108 | 4,590 | |
| Car Park Improvements | 93,836 | 75,092 | 21,963 | 53,129 | £25k committed for Church Walk is subject to a Heritage Lottery funding bid being successful. Balance committed for new car park machines |
| Argents Mead Phase 2 | 25,566 | 0 | 415 | (415) | Moat improvement works - Still awaiting Historic England approval. |
| Langdale Park | 12,253 | 12,253 | 10,506 | 1,747 | |
| Waterside Open Space (SEA) | 50,000 | 0 | 0 | 0 | Project not commenced. Rephrased into following year. |
| Waterside Play Area | 70,668 | 0 | 0 | 0 | Project not commenced. Rephrased into following year. |
| Lancaster Road Pedestrian Crossing | 20,000 | 20,000 | 0 | 20,000 | |
| | 2,184,729 | 1,356,999 | 1,004,914 | 352,085 | |

31st Dec 2018
Community Direction

| Description | Latest Budget £ | Budget to Date £ | Actual £ | Variance £ | |
|------------------------------------|--------------------|---------------------|----------------|------------------|--|
| Leisure Centre | 52,000 | 52,000 | 6,300 | 45,700 | Scheme complete. |
| Market Towns Wifi | 38,598 | 28,952 | 26,999 | 1,953 | |
| Major Works Grants | 352,425 | 312,441 | 14,019 | 298,422 | Demand lower than anticipated. Budget to be reduced |
| Disabled Facilities Grant | 772,150 | 611,545 | 252,065 | 359,480 | Budget committed. Payments depended on 3rd party works being completed. Carry forward will be required |
| Minor Works Grants | 66,833 | 56,837 | 0 | 56,837 | Demand lower than anticipated. Budget to be reduced |
| Green Deal Fuel Poverty | 100,518 | 100,518 | 39,833 | 60,685 | Promotion of scheme in progress to spend government grant funded scheme |
| Green Deal Capital Fund | 373,717 | 373,717 | 130,326 | 243,391 | Promotion of scheme in progress to spend government grant funded scheme |
| Private Sector Housing Enforcement | 58,366 | 58,366 | 8,438 | 49,929 | Spend occurs as and when enforcement takes place |
| CCTV | 24,540 | 18,408 | 15,094 | 3,314 | |
| 1485 Legacy Project | 28,000 | 21,004 | 28,100 | (7,096) | |
| | 1,867,147 | 1,633,788 | 521,174 | 1,112,614 | |

31st Dec 2018
HRA Capital Programme

| | Latest Budget | Budget to date | Actuals | Variance |
|---|--------------------------|---------------------------|------------------|------------------|
| Major Voids | 682,400 | 517,466 | 420,594 | 96,872 |
| Programmed Enhancements | 309,776 | 232,360 | 105,734 | 126,626 |
| Adaptation Of HRA Dwellings-Social Serv | 500,993 | 404,681 | 141,321 | 263,360 |
| Electrical Upgrades/Rewires | 604,514 | 457,321 | 149,650 | 307,671 |
| Windows : Single to Double Glazing | 116,686 | 87,526 | 87,932 | (406) |
| Re-Roofing | 844,175 | 633,215 | 343,044 | 290,171 |
| Orchard System Upgrade | 7,000 | 3,501 | 0 | 3,501 |
| Window Replacement | 34,100 | 0 | 0 | 0 |
| Roofing scheme | 36,000 | 0 | 0 | 0 |
| Kitchen Upgrades | 598,897 | 435,730 | 360,527 | 75,203 |
| Boiler Replacement | 852,981 | 643,320 | 493,129 | 150,191 |
| Low Maintenance Doors | 76,060 | 57,052 | 54,835 | 2,217 |
| Heating Systems | 65,100 | 0 | 0 | 0 |
| Control Centre relocation | 0 | 0 | (2,535) | 2,535 |
| Sheltered Scheme Enhancements | 114,000 | 89,010 | 38,458 | 50,552 |
| Enhancement Works - Bathroom Upgrades | 204,000 | 166,524 | 109,972 | 56,552 |
| Affordable Housing | 200,000 | 150,022 | 3,074 | 146,948 |
| Southfield Road | 34,931 | 34,931 | 22,506 | 12,425 |
| Martinshaw Lane | 597,696 | 497,736 | 470,382 | 27,354 |
| Ambion Court | 1,824,674 | 1,387,349 | 33,099 | 1,354,250 |
| Legionalla | 50,000 | 37,505 | 20,235 | 17,270 |
| Bathroom replacement | 68,622 | 0 | 0 | 0 |
| Piper Alarm Upgrade | 162,350 | 121,778 | 97,501 | 24,277 |
| | 7,984,955 | 5,957,027 | 2,949,456 | 3,007,571 |

works committed variations are due to contracts that need to be tendered and work in progress that still needs to be charged

Budget to be rephased into next year

Budget committed

Budget committed

Housing Revenue Account

Key : () = overspend

| | 2018/19 ORIGINAL ESTIMATE | 2018/19 LATEST ESTIMATE | 2018/19 BUDGET to December | 2018/19 ACTUAL to December | VARIANCE to December | TIMING | VARIANCE Excl TIMING | F'CASTED OUTTURN | F'CASTED VARIATION TO YEAR END | REF |
|--------------------------------------|---------------------------------|-------------------------------|----------------------------------|----------------------------------|-------------------------|-----------------|-------------------------|---------------------|--------------------------------------|-----|
| SUMMARY HOUSING REVENUE ACCOUNT | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| INCOME | | | | | | | | | | |
| Dwelling Rents | (12,691,926) | (12,691,926) | (9,563,367) | (9,754,611) | 191,244 | 208,000 | (16,756) | (12,671,926) | (20,000) | 1 |
| Non Dwelling Rents (garages & land) | (86,400) | (86,400) | (67,974) | (65,702) | (2,272) | | (2,272) | (86,400) | | |
| Contributions to Expenditure | (17,020) | (17,020) | - | - | - | - | - | (17,020) | - | |
| | (12,795,346) | (12,795,346) | (9,631,341) | (9,820,313) | 188,972 | 208,000 | (19,028) | (12,775,346) | (20,000) | |
| EXPENDITURE | | | | | | | | | | |
| Supervision & Management (General) | 2,131,652 | 2,151,492 | 1,545,810 | 1,490,780 | 55,030 | (19,000) | 74,030 | 2,055,492 | 96,000 | 2 |
| Supervision & Management (Special) | 576,774 | 588,174 | 454,145 | 465,129 | (10,984) | 9,000 | (19,984) | 627,174 | (39,000) | 3 |
| Lump Sum LCC pension contribution | 36,360 | 36,360 | 27,273 | 27,270 | 3 | - | 3 | 36,360 | - | |
| Contribution to Housing Repairs A/C | 3,192,165 | 3,192,165 | - | - | - | - | - | 3,192,165 | - | |
| Depreciation (Item 8 Debit) | 2,111,099 | 2,111,099 | - | - | - | - | - | 2,111,099 | - | |
| Capital Charges : Debt Management | 2,700 | 2,700 | 2,025 | 2,062 | (37) | - | (37) | 2,700 | - | |
| Increase in Provision for Bad Debts | 160,000 | 160,000 | - | - | - | - | - | 160,000 | - | |
| Interest on Borrowing | 2,087,800 | 2,087,800 | 1,043,900 | 1,043,900 | 0 | - | 0 | 2,087,800 | - | |
| | 10,298,550 | 10,329,790 | 3,073,153 | 3,029,141 | 44,012 | (10,000) | 54,012 | 10,272,790 | 57,000 | |
| Net (Income)/Cost of Services | (2,496,796) | (2,465,556) | (6,558,188) | (6,791,172) | 232,984 | 198,000 | 34,984 | (2,502,556) | 37,000 | |
| Transfer from Major Repairs Reserve | - | - | - | - | - | - | - | - | - | |
| Interest Receivable | (19,543) | (19,543) | - | - | - | - | - | (19,543) | - | |
| IAS19 Adjustment | (74,020) | (74,020) | - | - | - | - | - | (74,020) | - | |
| Accumulated Absences | - | - | - | - | - | - | - | - | - | |
| Net Operating (Income)/Cost | (2,590,359) | (2,559,119) | (6,558,188) | (6,791,172) | 232,984 | 198,000 | 34,984 | (2,596,119) | 37,000 | |
| CONTRIBUTIONS | | | | | | | | | | |
| Contribution to Piper Alarm Reserve | 10,400 | 10,400 | - | - | - | - | - | 10,400 | - | |
| Contribution to Pension Reserve | 3,520 | 3,520 | - | - | - | - | - | 3,520 | - | |
| Transfer to Major Reserves | 898,349 | 898,349 | - | - | - | - | - | 898,349 | - | |
| Transfer to Regeneration Reserve | 1,595,700 | 1,595,700 | - | - | - | - | - | 1,595,700 | - | |
| (Surplus) / Deficit | (82,390) | (51,150) | (6,558,188) | (6,791,172) | 232,984 | 198,000 | 34,984 | (88,150) | 37,000 | |

Explanations for Variances

Income

Rents for 1st - 6th January included in actual to date
Reduction in rents due to vacant properties to be refurbished
partially offset by fewer dwelling sales than budgeted.

Expenditure

See next page for Supervision and Management variances
See next page for Supervision and Management variances

| | TIMING | VARIANCE | VARIANCE AT YEAR END | REF |
|------------|-----------|----------|-------------------------|-----|
| | £000's | £000's | £000's | |
| 208 | | (17) | (20) | 1 |
| (19) | 74 | | 96 | 2 |
| 9 | (20) | | (39) | 3 |
| 198 | 37 | | 37 | |

Housing Revenue Account

Key : () = overspend

| | 2018/19 ORIGINAL ESTIMATE £ BUDGET BOOK | 2018/19 LATEST ESTIMATE £ | 2018/19 BUDGET to December £ | 2018/19 ACTUAL to December £ | VARIANCE to December £ | TIMING | VARIANCE Excl TIMING | F'CASTED OUTTURN | F'CASTED VARIATION YEAR END | REF |
|---|--|------------------------------------|---------------------------------------|---------------------------------------|------------------------------|-----------------|-------------------------|---------------------|-----------------------------------|------------|
| SUPERVISION & MANAGEMENT (GENERAL) | | | | | | | | | | |
| Employees | 976,412 | 976,642 | 696,998 | 642,168.56 | 54,829 | 6,000 | 48,829 | 916,642 | 60,000 | 2.1 |
| Premises Related Expenditure | 127,900 | 127,900 | 92,403 | 86,677.60 | 5,725 | | 5,725 | 98,900 | 29,000 | 2.2 |
| Transport Related Expenditure | 16,830 | 16,830 | 12,624 | 11,374.19 | 1,250 | | 1,250 | 16,830 | | |
| Supplies & Services | 240,030 | 234,960 | 139,175 | 131,998.95 | 7,176 | | 7,176 | 239,960 | (5,000) | 2.3 |
| Central & Administrative Expenses | 825,010 | 826,620 | 620,041 | 643,921.97 | (23,881) | (25,000) | 1,119 | 826,620 | - | 2.4 |
| Gross Expenditure | 2,186,182 | 2,182,952 | 1,561,241 | 1,516,141 | 45,100 | (19,000) | 64,100 | 2,098,952 | 84,000 | |
| Revenue Income | (46,530) | (31,460) | -15,431 | -25,361.41 | 9,930 | | 9,930 | (43,460) | 12,000 | 2.5 |
| Recharges | (8,000) | - | - | - | - | - | - | - | | |
| Total Income | (54,530) | (31,460) | (15,431) | (25,361) | 9,930 | - | 9,930 | (43,460) | 12,000 | |
| Net Expenditure to HRA | 2,131,652 | 2,151,492 | 1,545,810 | 1,490,780 | 55,030 | (19,000) | 74,030 | 2,055,492 | 96,000 | |
| SUPERVISION & MANAGEMENT (SPECIAL) | | | | | | | | | | |
| Employees | 600,690 | 586,080 | 413,471 | 459,519.45 | (46,048) | 9,000 | (55,048) | 649,080 | (63,000) | 3.1 |
| Premises Related Expenditure | 376,428 | 401,038 | 281,118 | 263,063.87 | 18,054 | | 18,054 | 390,038 | 11,000 | 3.2 |
| Transport Related Expenditure | 15,340 | 15,340 | 11,524 | 11,001.94 | 522 | | 522 | 15,340 | - | |
| Supplies & Services | 147,040 | 148,440 | 129,564 | 124,970.65 | 4,593 | | 4,593 | 148,440 | - | 3.3 |
| Central & Administrative Expenses | 106,840 | 106,840 | 80,261 | 78,748.43 | 1,513 | | 1,513 | 106,840 | - | |
| Gross Expenditure | 1,246,338 | 1,257,738 | 915,938 | 937,304 | (21,366) | 9,000 | (30,366) | 1,309,738 | (52,000) | |
| Revenue Income | (615,644) | (615,644) | -461,793 | -472,175.17 | 10,382 | | 10,382 | (628,644) | 13,000 | 3.4 |
| Recharges | (53,920) | (53,920) | - | - | - | | - | (53,920) | - | |
| Total Income | (669,564) | (669,564) | (461,793) | (472,175) | 10,382 | - | 10,382 | (682,564) | 13,000 | |
| Net Expenditure to HRA | 576,774 | 588,174 | 454,145 | 465,129 | (10,984) | 9,000 | (19,984) | 627,174 | (39,000) | |

| Explanations for Variances | TIMING £000's | VARIANCE £000's | VARIANCE AT YEAR END | REF |
|--|------------------|--------------------|-------------------------|------------|
| SUPERVISION & MANAGEMENT (GENERAL) | | | | |
| Employees | | | | 2.1 |
| £6k Holiday Pay/Flexi to be processed at year end | 6 | | | |
| £56k saving to date on severance pay, (£12k) salaries overspend, £4k staffing restructure underspend, £1k other minor variations | | 49 | | |
| Year End - £75K estimated Severance budget savings, £6k Staffing Restructure budget not required. (£21k) salaries overspend | | | 60 | |
| Premises Related Expenditure | | | | 2.2 |
| £24k Insurance cost savings, (£18k) Council Tax overspend | | 6 | | |
| Year End - £24k insurance savings, (£20k) council Tax overspend, £25k Discretionary Housing Payment savings | | | 29 | |
| Supplies & Services | | | | 2.3 |
| £13k underspend to date on tenant association support, (£5k) legal fees overspend, (£1k) other minor variations | | 7 | | |
| Year end - (£5k) legal fees overspend | | | (5) | |
| Central & Admin Expenses | | | | 2.4 |
| IT costs & licence fees paid in advance | (25) | | | |
| Revenue Income | | | | 2.5 |
| £8k income from DWP for access to work funding, £2k other minor variations | | 10 | | |
| Year end - £12k income from DWP for access to work funding | | | 12 | |
| | (19) | 72 | 96 | |

| Explanations for Variances | TIMING | VARIANCE | VARIANCE AT YEAR END |
|---|----------|-------------|-------------------------|
| SUPERVISION & MANAGEMENT (SPECIAL) | | | 3.1 |
| Employees | | | |
| £9k Holiday Pay/Flexi to be processed at year end | 9 | | |
| (£37k) salary overspend due to fully staffed service & additional post, (£16K) overspend on overtime, (£2k) other minor variations | | (55) | |
| Year End -(£42K) salary overspend of which (£23k) is due to a fully staffed service, (£21K) overspend on overtime | | | (63) |
| Premises Related Expenditure | | | 3.2 |
| £15K Electricity underspend due to lower usage, £3k other minor variations | | 18 | |
| Year End -£12k Electricity savings, (£1k) NNDR overspend | | | 11 |
| Supplies & Services | | | 3.3 |
| (£3k) overspend to date on equipment purchase/maintenance, £5k underspend to date on furniture purchases, £2k piper alarm underspend, £1k other minor variations | | 5 | |
| Revenue Income | | | 3.4 |
| (17k) sheltered scheme service charges income shortfall due to Ambion Court being closed for refurbishment, £25k additional piper alarm income, £2k additional hire fees Groby Community Centre | | 10 | |
| Year end - (£23k) income shortfall from Ambion Court offset by £34k additional piper alarm income & £2k additional hire fees Groby Community Centre | | | 13 |
| | 9 | (22) | (39) |

| HOUSING REPAIRS ACCOUNT | 2018/19 LATEST BUDGET £ | 2018/19 BUDGET to Dec £ | 2018/19 ACTUAL to Dec £ | VARIANCE to Dec £ | TIMING £ | VARIANCE Excl TIMING £ | F'CASTED OUTTURN £ | F'CASTED VARIATION YEAR END £ | REF |
|---|----------------------------------|----------------------------------|----------------------------------|-------------------------|----------------|------------------------------|--------------------------|--|-----|
| Administration | | | | | | | | | |
| Employee Costs | 376,360 | 265,210 | 251,576 | 13,634 | 10,000 | 3,634 | 376,360 | | 1 |
| Transport Related Expenditure | 8,000 | 5,336 | 3,972 | 1,364 | 0 | 1,364 | 8,000 | | |
| Supplies & Services | 303,313 | 221,767 | 137,819 | 83,948 | 56,000 | 27,948 | 273,313 | 30,000 | 2 |
| Central Administrative Expenses | 278,250 | 208,719 | 217,082 | (8,363) | | (8,363) | 278,250 | | 3 |
| Total Housing Repairs Administration | 965,923 | 701,032 | 610,449 | 90,583 | 66,000 | 24,583 | 935,923 | 30,000 | |
| Programmed Repairs ("Major Works" e.g. Central Heating Service) | 682,981 | 519,337 | 437,430 | 81,907 | 83,000 | (1,093) | 682,981 | | 4 |
| Responsive Repairs | 1,250,040 | 939,911 | 771,327 | 168,584 | 117,000 | 51,584 | 1,240,040 | 10,000 | 5 |
| GROSS EXPENDITURE | 2,898,944 | 2,160,280 | 1,819,206 | 341,074 | 266,000 | 75,074 | 2,858,944 | 40,000 | |
| Contribution from HRA | (3,192,165) | 0 | 0 | 0 | 0 | 0 | (3,192,165) | - | |
| Other Income | (2,000) | (1,502) | (3,366) | 1,864 | 0 | 1,864 | (2,000) | - | |
| Accumulated Absences/ IAS 19 | (20,840) | 0 | 0 | 0 | 0 | 0 | (20,840) | - | |
| TOTAL INCOME | (3,215,005) | (1,502) | (3,366) | 1,864 | 0 | 1,864 | (3,215,005) | - | |
| Contribution to HRA Reserves | 460,000 | 0 | 0 | 0 | 0 | 0 | 460,000 | | |
| NET EXPENDITURE | 143,939 | 2,158,778 | 1,815,840 | 342,938 | 266,000 | 76,938 | 103,939 | 40,000 | |

Variances

| | TIMING £000's | VARIANCE £000's | Outturn |
|--|------------------|--------------------|---------------|
| 1 Salary underspend due to vacant post | | 7,000 | |
| Holiday pay accruals processed at yr end | 3,000 | | |
| Awaiting Agency & Training Invoices | 7,000 | | |
| | <u>10,000</u> | <u>7,000</u> | |
| 2 Software maintenance prepayment | (7,000) | | |
| Asbestos budget to be reprofiled | 58,000 | | |
| Consultancy Budget to be reprofiled | 5,000 | | |
| Asbestos delays due to contractor capacity. Budget will be carried forward | | 28,000 | 30,000 |
| | <u>56,000</u> | <u>28,000</u> | <u>30,000</u> |
| 3 IT invoices to be accrued | | (8,000) | |
| 4 Painting budget to be reprofiled | 38,000 | | |
| Awaiting electrics invoices | 35,000 | | |
| Awaiting central heating invoices | <u>10,000</u> | | |
| | <u>83,000</u> | | |
| 5 Elderly accommodation budgets to be reprofiled | 27,000 | | |
| Elderly accommodation off maintenance savings | | 7,000 | |
| Work in progress awaiting processing | 90,000 | | |
| Variance due to the nature of response works | | 44,000 | 10,000 |
| | <u>117,000</u> | <u>51,000</u> | <u>10,000</u> |
| Total | <u>266,000</u> | <u>86,000</u> | <u>40,000</u> |



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FINANCE & PERFORMANCE SCRUTINY 25 March 2019

WARDS AFFECTED: All Wards

TREASURY MANAGEMENT QUARTER 3 2018/19

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 To inform the Committee of the Council's Treasury Management activity in the third quarter of 2018/19.

2. RECOMMENDATION

- 2.1 That the Committee note the report.

3. BACKGROUND TO THE REPORT

- 3.1 At its meeting on 22nd February 2018 Council approved the Council's Treasury Management Policy for the year 2018/19 and delegated the oversight of the execution of the Policy to this Committee.

This report sets out the Treasury Management activities in 2018/19 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

During the quarter ended 31 December 2018:

1. The economy lost some momentum after strong quarter ended 30th Sep 2018.
2. There was further acceleration in wage growth.

3. Early signs that lower oil prices will soon depress inflation.
4. The Chancellor delivered a giveaway in the autumn Budget.
5. The MPC was stuck in a state of Brexit inertia.
6. Parliament was deadlocked over Brexit.
7. Equity markets worldwide were hit hard by global growth fears.

The latest forecasts are detailed in the table below:

| | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 |
|----------------|------------|------------|------------|------------|------------|
| Bank Rate | 0.75% | 1.00% | 1.00% | 1.00% | 1.25% |
| 5yr PWLB rate | 2.10% | 2.20% | 2.20% | 2.30% | 2.30% |
| 10yr PWLB rate | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% |
| 25yr PWLB rate | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% |
| 50yr PWLB rate | 2.70% | 2.80% | 2.90% | 2.90% | 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 2018.

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 31st December 2018, the Council held the following investments totalling £27,731,175 and are summarised below:-

| Counterparty | Investment Date | Maturity Date | Amount | Interest Rate |
|----------------------|-----------------|---------------|------------|---------------|
| Hsbc Bank | 31/12/2018 | 01/01/2019 | £1,722,175 | 0.4300 |
| National Counties BS | 24/07/2018 | 24/01/2019 | £500,000 | 0.7900 |
| Newcastle BS | 19/12/2018 | 19/02/2019 | £1,200,000 | 0.6800 |
| Coventry BS | 03/12/2018 | 12/03/2019 | £3,009,000 | 0.6800 |
| Nationwide BS | 03/12/2018 | 12/03/2019 | £3,000,000 | 0.7200 |
| National Counties BS | 13/09/2018 | 13/03/2019 | £1,000,000 | 0.9100 |

| | | | | |
|----------------------|------------|------------|--------------------|--------|
| Monmouthshire BS | 21/09/2018 | 21/03/2019 | £1,900,000 | 0.8500 |
| National Counties BS | 28/09/2018 | 29/03/2019 | £1,000,000 | 0.9000 |
| National Counties BS | 28/09/2018 | 29/03/2019 | £1,000,000 | 0.9000 |
| Furness BS | 01/10/2018 | 01/04/2019 | £2,000,000 | 0.8200 |
| Coventry BS | 01/10/2018 | 01/04/2019 | £1,500,000 | 0.8300 |
| National Counties BS | 01/10/2018 | 01/04/2019 | £1,500,000 | 0.9000 |
| Cumberland BS | 03/10/2018 | 03/04/2019 | £1,400,000 | 0.8500 |
| Newcastle BS | 03/10/2018 | 03/04/2019 | £3,000,000 | 0.9000 |
| Coventry BS | 15/11/2018 | 15/05/2019 | £1,000,000 | 0.8100 |
| Rotherham Met BC | 04/12/2018 | 03/06/2019 | £3,000,000 | |
| Total | | | £27,731,175 | |

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

Details of the weighted average investment to December 2018 are shown in the table below together with the average 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 0.73% compared against 0.51%). Typical one month fixed deposit with UK banks and Building Societies range between 0.53% and 0.69%.

| Period | Weighted Average invested | Average period (days) | HBBC Average Return | 7 Days LIBID | 1 Month LIBID |
|--------------|---------------------------|-----------------------|---------------------|--------------|---------------|
| Apr to Dec18 | £24,103,412 | 22 | 0.7338 | 0.4846 | 0.5115 |

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 £38.3m 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 £30m 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 13th 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

There was no Short term borrowing for the period from April to December 2018.

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

Background papers: Civica Reports
Link Reports

Contact Officer: Ilyas Bham, Accountancy Manager x5924
Executive Member: Councillor C Ladkin

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Hinckley & Bosworth
Borough Council

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FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY 25 March 2019

WARDS AFFECTED: ALL WARDS

SUNDRY DEBTS – Q3 2018/2019

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 December 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 December 2018 the overall sundry debt was £1,247,691. Compared against the value as at 30 September, this is a reduction of £591,637. The current balance can be broken down by age as follows:

| Credits and Refunds and | Not Yet Due | < 30 Days | 30 - 59 Days | 60 - 89 Days | 90 - 119 Days | > 120 Days | Total Debt |
|-------------------------|-------------|-----------|--------------|--------------|---------------|------------|------------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| -5,574 | 79633 | 557,726 | 107,205 | 58,388 | 46,466 | 408,069 | 1,247,691 |

- 3.2 The Council has a KPI for Debt over 90 days old as a percentage of aged debt, not exceeding 25%. The performance for the end of Sep 2018 was 16.94 percent. The current percentage is 22.34 percent, 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 1,239, with an average value of £366.86.

| | £ | Description |
|---------------------|------------------|---|
| Total debt | 1,247,691 | |
| | -146,977 | Homelessness |
| | -79,399 | Installment Plans |
| | 1,021,315 | (A) |
| Over 90 days | 454,535 | |
| | -146,977 | Homelessness |
| | -79,399 | Installment Plans |
| | 228,159 | (B) |
| Performance | 22.34% | Over 90 days/Total debt (amended) B/A |
| Target | 25% | |

Of the remaining £228,159 debt, £47k is in dispute and £61k has either had a letter before action (LBA), or is going through legal action.

- 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 2017/18 is £59,010.
- 3.4 The split of the current debt position over 90 days by type of debt is detailed below. The largest element, for Homelessness Bonds has increased marginally by 1.72%. The provision of these bonds is funded by the Council’s Homelessness Prevention Grant which is provided by the DCLG annually. The second largest debt is “Estates”, (18.47%, £84k) which have decreased since the last quarter from £91k. Of the £84k, 34% have now entered in to a payment plan to clear their debts. All new leases are being granted with a direct debit payment in place, to limit debts problems going forward.
- 3.5 Action is being taken to recover the debts where possible. 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 | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 | Q2 to Q3 Movement £ | Q2 to Q3 Movement % |
|---------------------------------------|-------------|-------------|-------------|---------------------|---------------------|
| Building Control | £1,102.75 | £13,235.18 | £12,809.24 | -£425.94 | -3.22% |
| Environmental Health | £6,483.60 | £6,867.67 | £4,457.35 | -£2,410.32 | -35.10% |
| Estates | £143,571.67 | £91,183.38 | £83,949.64 | -£7,233.74 | -7.93% |
| Green Spaces | £917.87 | £2,866.66 | £3,549.44 | £682.78 | 23.82% |
| Grounds Maintenance | £3,763.13 | £3,741.13 | £3,136.63 | -£604.50 | -16.16% |
| Homeless | £143,083.11 | £145,538.21 | £146,976.58 | £1,438.37 | 0.99% |
| Housing | £59,555.84 | £56,215.12 | £61,899.93 | £5,684.81 | 10.11% |

| | | | | | |
|----------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| Markets | £7,103.76 | £7,275.87 | £4,920.18 | -£2,355.69 | -32.38% |
| Other | £3,432.75 | £2,966.08 | £12,080.40 | £9,114.32 | 307.29% |
| Refuse/ Recycling | £26,857.18 | £43,989.83 | £56,375.99 | £12,386.16 | 28.16% |
| Other LA | £77,830.29 | £71,622.87 | £35,558.90 | -£36,063.97 | -50.35% |
| Licensing | £500.00 | £140.00 | £0.00 | -£140.00 | -100.00% |
| Pest Control | £100.42 | £0.00 | £0.00 | £0.00 | 0.00% |
| Planning | £7,505.99 | £262.99 | £262.99 | £0.00 | 0.00% |
| Housing Repairs | £10,938.67 | £11,689.37 | £10,828.91 | -£860.46 | -7.36% |
| Finance | £9,372.52 | £0.00 | £0.00 | £0.00 | 0.00% |
| Atkins Building | £0.00 | £31,322.17 | £17,656.73 | -£13,665.44 | -43.63% |
| Waste Services | £1,128.00 | £504.00 | £72.00 | -£432.00 | -85.71% |
| | £503,247.55 | £489,420.53 | £454,534.91 | -£34,885.62 | -7.13% |

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

4.1 Report is taken in an open session.

5. FINANCIAL IMPLICATIONS AW

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: Ashley Wilson, Head of Finance, Ext 5609
Executive Member: Councillor C Ladkin



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY 25 MARCH 2019

WARDS AFFECTED: All Wards

BUSINESS RATES AND POOLING UPDATE QUARTER 3 - 2018/19

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 To inform the committee of business rates performance from 1 April – 31 December 2018 and to provide an update on pooling arrangements for 2018/2019.

2. RECOMMENDATION

- 2.1 That the committee notes the contents of the report.

3. BACKGROUND TO THE REPORT

- 3.1 Hinckley and Bosworth BC as a billing authorities pay 50% of collected business rates to government. The remaining 50% is split between the billing authority (40%) and the precepting authorities (10%).
- 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. AS the council is in an approve pool, the levy get paid into the pool, with the majority of it being used to fund the LLEP (see table 2 below). 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 £1,202,893 of “section 31 grant” income. The allocated grant was based on the level of reliefs that were forecast to be granted in 2018/2019 in the submitted business rates budget form (the NNDR1). This grant covers the income given up due to the reliefs. Therefore, the grant does not make the council better off in overall terms.

- 3.4 The budgeted business rates performance for this council, along with the forecast as at March 2019 is summarised below.

| <i>Table 1</i> | NNDR1 Rates Forecast 2018/19 | Jun-18 | Sep-18 | Dec-18 |
|---|---|---------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| NNDR collected (net of reliefs) | 32,640 | 31,755 | 31,686 | 31,545 |
| Less: | | | | |
| Central Government share | (16,320) | (15,878) | (15,843) | (15,773) |
| County Council share | (2,938) | (2,858) | (2,852) | (2,839) |
| Fire Authority Share | (326) | (318) | (317) | (315) |
| HBBC notional share | 13,056 | 12,702 | 12,674 | 12,618 |
| S31 Grant compensation | 1,203 | 1,159 | 1,246 | 1,272 |
| Total before tariff | 14,259 | 13,861 | 13,920 | 13,890 |
| Tariff charged on HBBC | (9,278) | (9,278) | (9,278) | (9,278) |
| Levy charged on growth 50% | (1,241) | (1,042) | (1,071) | (1,056) |
| Retained income total | 3,740 | 3,541 | 3,571 | 3,556 |
| | | | | |
| The retained income is made up of: | | | | |
| Baseline funding | 2,500 | 2,500 | 2,500 | 2,500 |
| Total growth | 2,482 | 2,083 | 2,142 | 2,112 |
| Less 50% Levy | (1,241) | (1,042) | (1,071) | (1,056) |
| Total | 3,741 | 3,541 | 3,571 | 3,556 |
| Movement- Gain/(loss) | 0 | (200) | (170) | (185) |

- 3.4.1 The above table shows that as at 31st December 2018, the council is forecasting £1,056,000 of retained growth for 2018/2019, which will be set aside in the Business Rates Equalisation Reserve.

- 3.5 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

- 3.5.1 The Council continues to be member of the Leicestershire pool for 2018/19, this enables funds that are normally paid to central government to be retained and used by the LLEP locally. The table below summarises the history of the pool and amounts retained with the 2018/19 forecast.

| Table 2 | Balance | Levies | Safety Nets | Interest on Safety Nets | Net Levies | Paid to LLEP* | Balance -Pool Contingency |
|-------------------|---------|--------|-------------|-------------------------|------------|---------------|---------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 2013/14 | n/a | 1,142 | -433 | -3 | 706 | 0 | 706 |
| 2014/15 (no Pool) | 706 | n/a | n/a | n/a | n/a | 0 | 706 |
| 2015/16 | 706 | 3,403 | -678 | -7 | 2,718 | -2,000 | 1,424 |
| 2016/17 | 1,424 | 5,048 | 0 | 0 | 5,048 | -4,472 | 2,000 |
| 2017/18 | 2,000 | 6,057 | 0 | 0 | 6,057 | -6,057 | 2,000 |
| 2018/19** | 2,000 | 6,015 | 0 | 0 | 6,015 | -6,015 | 2,000 |

** 2018/19 forecast as at Dec 2017.

- 3.5.2 There are changes planned to the business rates retention scheme due to proposals by government for the implementation of 100% business rates retention by local authorities. As part of these changes, it is now expected that a 75% retention rate will be introduced in by 2020/21. Central Government has not yet published details of the change in retention rates and its impacts on councils and their partners. The final proposed details are not expected to be available until December 2019.
- 3.5.3 The Government proposals for business rates retention will have some similarities with the existing system. For example, there will continue to be a level of redistribution between authorities similar to the current system of tariffs and top-ups. The current expectation is that the baseline reset that is coupled to the 75% retention rate may adversely affect district councils that have enjoyed higher growth levels, which is the case for HBBC.
- 3.5.4 HBBC in the process of agreeing the governance arrangements for the successful business rates pilot bid based on 75% local retention. This will lead, if successful, to an overall forecast benefit to the Leicester and Leicestershire area, recalculated to £15.7m based on the most recent information, up £2m from the forecast of £13.7m originally expected. HBBC is expected to benefit by approximately £0.5m.

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

- 4.1 Report to be taken in open session

5. FINANCIAL IMPLICATIONS (AW)

- 5.1 Contained in the body of the report.

6. LEGAL IMPLICATIONS (MR)

- 6.1 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

7. CORPORATE PLAN IMPLICATIONS

- 7.1 To ensure the Council's governance arrangements are robust

8. CONSULTATION

- 8.1 All members of the Business Rates Pool were included in decisions made on its operation for 2018/19.

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 |
| None | | |

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

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

11. CORPORATE IMPLICATIONS

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

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

Background Papers: Revenues and Benefits Monitoring Reports
Author: Ashley Wilson, Head of Finance Ext 5609
Executive Member: Cllr C Ladkin.



Hinckley & Bosworth
Borough Council

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Overview and Scrutiny Work Programme 2018-2019

MARCH 2019

FINANCE & PERFORMANCE SCRUTINY

| Date | Issue | Reason | Outcomes | Lead Officer | Supports corporate aims |
|-----------------|---|--|---|-----------------|-------------------------|
| 25 March 2019 | Frontline service review – Environmental Health (health & safety enforcement) | Programme of frontline service reviews | Monitor performance | Steve Merry | 1, 2 |
| | Revenue & capital outturn | Budget monitoring | Monitor performance | Ashley Wilson | All |
| | Performance & risk Q3 | Quarterly review | Monitor performance and risk management | Julie Kenny | All |
| | Aged debt | Quarterly review | Monitor performance | Ashley Wilson | All |
| | Business rates & pooling | Quarterly review | Monitor performance | Ashley Wilson | All |
| | Treasury management | Quarterly review | Monitor performance | Ashley Wilson | All |
| | | | | | |
| 24 June 2019 | Overview & Scrutiny workshop | | | | |
| | | | | | |
| | | | | | |
| 19 August 2019 | Frontline service review – Streetscene Services | Programme of frontline service reviews | Monitor performance | Caroline Roffey | All |
| | Rental income | To assess impact of universal credit on the rent account | Monitor income | Sharon Stacey | 1, 3 |
| | Frontline service review – housing | Programme of frontline service reviews | Monitor performance | Sharon Stacey | 1 |
| | | | | | |
| 14 October 2019 | Frontline service review – Planning | Programme of frontline service reviews | Monitor performance | Nicola Smith | 2 |
| | | | | | |
| 9 December 2019 | Frontline service review – Housing | Programme of frontline service reviews | Monitor performance | Sharon Stacey | All |
| | Leisure Centre performance | Annual review | Ensure performance and value for money | Simon Jones | All |
| | | | | | |

To programme

Highway adoption

Building Control service & charges (F&P)

HRA cap

Void properties (F&P)

Universal credit – impact on non-council tenants

Key to corporate aims

1 – People

2 – Places

3 – Prosperity

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