

# Public Document Pack

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

Date: 24 December 2013



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

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

Miss DM Taylor (Chairman)  
Mr R Mayne (Vice-Chairman)  
Mr PR Batty  
Mrs R Camamile

Mr PAS Hall  
Mr JS Moore  
Mr K Morrell

Copy to all other Members of the Council

(other recipients for information)

Dear Councillor,

There will be a meeting of the **FINANCE, AUDIT & PERFORMANCE COMMITTEE** in the De Monfort Suite - Hub on **MONDAY, 6 JANUARY 2014** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in purple ink, appearing to read 'Helen Rishworth'.

Helen Rishworth  
Communications & Democratic Accountability Officer

**A G E N D A**

1. APOLOGIES AND SUBSTITUTIONS
2. MINUTES OF PREVIOUS MEETING (Pages 1 - 4)  
To confirm the minutes of the meeting of the Finance Audit & Performance Committee held on 11 November 2013.
3. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES  
To be advised of any additional items of business which the Chairman decides by reason of special circumstances shall be taken as matters of urgency at this meeting.
4. DECLARATIONS OF INTEREST  
To receive verbally from members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the Agenda.**
5. QUESTIONS  
To hear any questions in accordance with Council Procedure Rule 10.
6. INTERNAL AUDIT BLOCK REPORT (Pages 5 - 42)
7. DRAFT CAPITAL PROGRAMME (Pages 43 - 56)  
Report of the Deputy Chief Executive (Corporate Direction).
8. SECOND QUARTER BUDGET MONITORING (Pages 57 - 76)  
Report of the Deputy Chief Executive (Corporate Direction).
9. RISK MANAGEMENT FRAMEWORK (Pages 77 - 86)  
Report of Deputy Chief Executive (Corporate Direction).
10. LOCAL COUNCIL TAX SUPPORT & BUSINESS RATES (Pages 87 - 90)  
Report of the Deputy Chief Executive (Corporate Direction).
11. SUNDRY DEBTS UPDATE (Pages 91 - 94)  
Report of Deputy Chief Executive (Corporate Direction).
12. TENANT RECHARGE POLICY (Pages 95 - 98)  
Report of the Deputy Chief Executive (Community Direction).
13. WORK PROGRAMME (Pages 99 - 100)
14. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY

15. MATTERS FROM WHICH THE PUBLIC MAY BE EXCLUDED

To consider the passing of a resolution under Section 100A(4) of the Local Government Act 1972 excluding the public from the undermentioned item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 10 of Schedule 12A of the 1972 Act.

16. HINCKLEY CLUB FOR YOUNG PEOPLE - AUDIT REVIEW (To Follow)

Report of CW Audit to follow.

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# Agenda Item 2

## HINCKLEY AND BOSWORTH BOROUGH COUNCIL

### FINANCE, AUDIT & PERFORMANCE COMMITTEE

11 NOVEMBER 2013 AT 6.30 PM

PRESENT: Miss DM Taylor - Chairman  
Mr R Mayne – Vice-Chairman

Mr PR Batty, Mrs R Camamile, Mr PAS Hall, Mr JS Moore and Mr K Morrell

Officers in attendance: Julie Kenny, Rebecca Owen and Katherine Plummer

#### 248 MINUTES OF PREVIOUS MEETING

On the motion of Councillor Camamile, seconded by Councillor Morrell, it was

RESOLVED – the minutes of the meeting held on 16 September be confirmed and signed by the Chairman.

#### 249 DECLARATIONS OF INTEREST

No interests were declared at this stage.

#### 250 ANNUAL AUDIT LETTER

Alison Breadon of PricewaterhouseCoopers LLP introduced the Annual Audit Letter, highlighting the new inclusion this year of RGF money. She explained that the letter provided a conclusion on the Council's use of resources, financial standing, how the authority was dealing with the current challenges, and actions taken to address them.

Discussion ensued and included:

- Leicestershire Revenues and Benefits Partnership: the letter had identified the absence of a separate bank account for the Partnership, and a member asked if this was ideal. In response it was explained that from a control point of view it would be easier, but from a governance aspect it would be difficult as it did not operate as a separate entity from the council. Officers had noted the point but provided assurance that the figures were accurately monitored.
- The Discretionary Discount fund: a member referred to a recent meeting which had heard that the hardship fund had so far not been accessed to the level expected, yet the press had recently reported that the fund was under pressure. Members were reassured that the fund was not under undue pressure and the position was regularly assessed and reported to the Partnership Board. It was agreed to add a report on this to the agenda for the January meeting of the Committee.

RESOLVED –

- (i) the Annual Audit letter be approved;
- (ii) a report on Council Tax Support be brought to the January meeting.

## 251 SECOND QUARTER TREASURY MANAGEMENT REPORT

Members received a report which outlined the council's Treasury Management activity during the first six months of 2013/14. It was stated that no prudential limits had been breached. Members were informed that as more of the major capital projects get underway there would be more discussion required on treasury management.

RESOLVED – the report be noted.

## 252 HOUSING REPAIRS UPDATE

Members received an update on the progress made against the action plan produced in response to the review of the Housing Repairs service. Members were reminded that the 'backlog' discussed was not a backlog in work but in 'completing' jobs on the Orchard system. It was reported that additional controls had been introduced in relation to void costs (including kitchens), that the schedule of rates was being reviewed and that capacity had been increased whilst costs remained the same. It was also noted that work was being undertaken to develop relationships between Housing Officers and the Housing Repairs team by way of shadowing and co-location in order to build a greater understanding of the work of the teams and the needs of the tenants.

Discussion ensued regarding:

- Housemark: It was explained that this benchmarking site was for monitoring purposes and was not an accreditation. Officers agreed to confirm the cost of this;
- Voids: Members wished to view completed works on voids to be aware of the current standard. It was stated that the standard hadn't been lowered as part of the action plan, but it did standardise work to prevent too much being spent on a void on unnecessary works. Members were informed that 'tenant inspectors' were used, to look at random samples of properties of their choosing. It was also felt that members should have the opportunity to see the standard of some vacated properties before work is commenced;
- Customer care: the importance of customer care and good communication skills was emphasised;
- Customer satisfaction: Some research was to be undertaken into the response rate to surveys and the type of person who usually responds;
- Staffing restructure: It was stated that there had been no cost to the restructure;
- The cost of upgrading Orchard: it was noted that the Orchard system was not just used by Housing Repairs but also by the Housing Allocations, Rents and Anti-Social Behaviour teams;
- Boiler repair contract: concern was expressed that the contractor did not provide good customer care and seemed to have to make many repeat calls. In response it was reported that a fixed fee was paid, not a fee per call out, but that repeat calls were monitored;
- Boiler replacement programme: it was reported that there was a boiler replacement programme which was procured each year depending upon the number of planned replacements in the programme;
- Improvement programmes: it was noted that there was a kitchen replacement programme in place, but that bathroom replacements were responsive;

Concern was expressed about how a potential overspend would be flagged up, and in response it was noted that there were weekly monitoring meetings and forecasting was carried out continuously.

With regard to the standard of vacated properties and the standard of voids when returned to use, officers agreed to consider how members could be made aware of this. It was also agreed to email a copy of the standards to members.

RESOLVED –

- (i) the void standard be sent to members;
- (ii) cost of Housemark membership be conveyed to members;
- (iii) the report be noted and progress made be endorsed.

253 SUNDRY DEBTS UPDATE

Members were updated on the sundry debts position as at 31 September 2013. It was reported that in the previous month the amount of debt had significantly decreased, partly due to the new initiative of contacting debtors to discuss the reasons for non-payment and possible solutions.

Members congratulated officers on recovering debt during an economically difficult time.

254 WORK PROGRAMME

Members considered the 2013-14 work programme. The following additions were requested:

- Hinckley Club for Young People: it was noted that a report was being prepared by Internal Audit and would be brought to the January meeting;
- Tenant recharge policy: members were reminded that this had been agreed for the January meeting.

(The Meeting closed at 7.46 pm)

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CHAIRMAN

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Hinckley & Bosworth Borough Council

Internal Audit  
Progress Report 2013/14

January 2014



## 1. Introduction

This report summarises the work of Internal Audit to mid-December 2013. The purpose of the report is to update the Committee on progress made in delivering the 2013/14 audit plan and in the level of implementation of actions agreed by management in relation to audit recommendations.

## 2. Progress summary

The internal audit plan for the 2013/14 year totals 291 days (including work in relation to Leicestershire Revenues & Benefits Partnership (LRBP) systems). Section 5 provides details of all the audit assignments included in the 2013/14 year, together with details of the quarter in which the assignments are planned for delivery and an update on progress where assignments have commenced. We have delivered 180 days of work against the plan to date, which is in line with our planned profile at this stage of the year. As shown in Section 5, there are some proposed changes to the audit plan – the detail of the audit work in relation to the revised audits is still to be finally agreed with management.

## 3. Summary of reviews completed

The following reviews have been completed and final reports agreed with management since the last meeting of this Committee. The tables below set out summaries of the outcomes and any high or medium risk issues raised, and agreed actions to address them.

Review	Summary	Level of assurance				
Main Accounting System (General Ledger)	This audit examined the adequacy of the control arrangements for ensuring the integrity of the general ledger system Civica. A Significant Assurance Opinion was provided, with 3 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	Significant				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. All input (including feeder systems) is properly controlled and verified and processing is complete, accurate and timely.	✓					
2. Output from the system is complete, accurate and timely so that all financial information can be fully relied upon.		✓				
3. Access to system functions is restricted to authorised personnel and the security and integrity of the system is maintained.		✓				

Review	Summary	Level of assurance				
Financial Systems-key controls	This audit examined the key controls within the Council's financial systems (Creditors, debtors, income, cash and treasury management). A Significant Assurance Opinion was provided with regard to creditors, debtors and income, and full assurance re cash and treasury management, with 2 medium level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	<b>Significant</b>				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
<b>1. Payments and Creditors</b>						
1.1 There is an adequate segregation of duties between ordering, receiving cash, making cash payments and updating the general ledger.	✓					
1.2 Access to the ordering, invoice processing and general ledger system is restricted by appropriate controls.	✓					
1.3 Invoices are matched to orders and GRNs.			✓			
1.4 Invoices are authorised by an appropriate officer.	✓					
1.5 Duplicate payments are prevented from being made.	✓					
1.6 All payments are authorised prior to payment.	✓					
1.7 Access to the cash payments system (cheques, BACS, DDs cash payments) is restricted.	✓					
1.8 Exception reports are reviewed and addressed on a timely basis.	✓					
<b>2. Income and Debtors</b>						
2.1 There is an adequate segregation of duties between: preparation of orders, raising of invoices, cash receipting, cash recording, depositing income and general ledger maintenance.	✓					
2.2 Access to the income system and related data records is restricted.	✓					
2.3 Invoices are processed accurately, completely and only once.	✓					
2.4 Invoices are matched to evidence of goods or services being provided.	✓					
2.5 Adjustments to invoices (e.g. credit notes) are authorised by an appropriate official.	✓					
2.6 Access to the cash receipting system is restricted.	✓					
2.7 Receipts are recorded against the correct debtor accounts.	✓					
2.8 Unmatched receipts are corrected in a timely manner.	✓					
2.9 Action is taken in respect of overdue payments.			✓			
2.10 Write-offs are approved by an appropriate officer.	✓					
2.11 Exception reports are reviewed and addressed on a timely basis.	✓					
<b>3. Bank, Cash and Treasury</b>						
3.1 The cash position is monitored on a regular basis to identify shortfalls or investment opportunities.	✓					
3.2 All investments and borrowings are appropriately approved.	✓					
3.3 Investments comply with the Council's treasury management and investments	✓					

Review	Summary	Level of assurance				
policy.						
3.4 There is an adequate segregation of duties between authorising transactions, recording transactions, payment of cash and general ledger maintenance.	✓					

The 2 medium level recommendations made, and management responses, were as follows:

### 1: Payments and Creditors.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.1 Invoices matched to orders</b>	Sample testing of 20 invoices received in Finance highlighted that 5 orders, totaling approximately £6,900, were only raised after the respective invoice had been received, suggesting that orders were placed outside of the formal process. This has been identified in the previous two IA reports and actions have been agreed to monitor the situation.	Non-compliance with Council's SFIs and Financial Regulations	3	Our previous recommendation that management should continue to review cases where orders are being raised retrospectively and action taken against responsible officers is reiterated.	A report is taken to COB every quarter that highlights in voices not supported by a prior order. Training has been provided to relevant officers, but ongoing non-compliance to ordering procedures will result in further reminders where necessary.	Action already ongoing	N/A

## 2: Income and Debtors.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>2.1 Recovery Process</b>	<p>Sample testing of debtor accounts included four overdue accounts. Action had been taken for three of these, but for one a letter had been issued on 23rd July for payment due on 21st June but there has been no further action. Further testing on a random sample of 20 outstanding debts from the debt report presented to the September FAP committee highlighted that:</p> <ul style="list-style-type: none"> <li>• 10 had been sent 2nd reminder letters and in 9 cases no payment has been received and no further action has since been taken. The reminders were issued on 27 and 03 September; 30, 13 and 09 August; 02 July; 04 June; 07 and 03 May.</li> <li>• 1 had only been sent a first reminder on 28 May.</li> <li>• 2 had been sent a further invoice in an attempt to instigate a response (12 July and 25 October).</li> <li>• 1 account had been suppressed since 10 June due to an invoice query. No further action has been taken since.</li> </ul>	Non compliance with the Council's Corporate Debt Strategy	3	The Council's documented recovery process should be followed for all outstanding debts	<p>There has been a recent change in the personnel involved in debt recovery and from the beginning of September 2013 debt recovery processes have been redefined, including revised legal actions that can be taken. Also, debts over 120 days are now sent to debt owner to suggest recovery action.</p> <p>The November report to the FAP Committee highlights a £500k reduction in overdue debt.</p>	implemented	n/a

Review	Summary	Level of assurance				
Members Allowances	This audit examined the arrangements to set, approve, pay and report upon members allowances. A Moderate Assurance Opinion was provided, with 3 medium and 5 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	<b>Moderate</b>				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. Robust arrangements are in place to set and approve Members' Allowances.			✓			
2. Controls are in place to ensure the correct allowances are paid on a timely basis.			✓			
3. Robust reporting arrangements are in place in accordance with guidance and legislation.			✓			

The 3 medium level recommendations made, and management responses, were as follows:

**System Control Objective 1: Robust arrangements are in place to set and approve Members' Allowances/ System Control Objective 2: Controls are in place to ensure the correct allowances are paid on a timely basis.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.2 Independent Remuneration Panel</b>	HMRC guidance sets out that Council's are required to establish and maintain an independent remuneration panel to provide the local authority with advice on its scheme and the amounts to be paid. The Members' Allowance Scheme has been in place since April 2007 and until September 2012 there was no independent remuneration panel. There are no formal procedures setting out the recruitment process for panel members and the panel formed in 2012 did not have formal terms of reference.	Lack of clarity; risk of perceived lack of transparency	3	A recruitment procedure should be developed together with a Terms of Reference for the panel.	Agreed. A procedure and Terms of Reference will be developed for the 2014 review	L Horton	August 2014

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.3 Mileage Rates</b>	<p>The Members' Allowance Scheme sets out that car allowances for authorised journeys on "approved duties" will be paid at the same rate as the casual user rate for employees. However, it was noted that mileage rates paid to Members is 65p compared to 40p as set out in the April 2012 Travel Policy.</p> <p>At a Senior Members' Cross-Party meeting on 9<sup>th</sup> December 2011, the minutes show "SA fed back following discussion at the last meeting, giving details of the outcome of work agreed at that meeting. In summary, if Members' Allowances were brought in line with revised levels for staff, there would be significant losses. After a good deal of discussion on relative merits (with sympathy for both arguments) and a debate on increase in Member Allowances recommended by independent Panel but deferred by Council, it was <b>agreed</b> make no change in travel payments at this point. SA to review Allowances position".</p> <p>This should have been a decision for Council on recommendation from the Independent Remuneration Panel rather than this forum which is not a decision making body.</p>	Non-compliance with the Scheme	3	The Remuneration Panel should recommend the allowances to be paid which should then be considered by Council.	This will be included in the next review	S Atkinson	October 2014

### System Control Objective 3: Robust reporting arrangements are in place in accordance with guidance and legislation.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>3.1 Publication - Reports</b>	<p>The Local Authorities (Members Allowances) Regulations 2003 ("the Regulations") require that as soon as reasonably practicable after receiving a report from their panel which sets out the panel's recommendation, local authorities must publish a notice in at least one newspaper circulating in their area setting out the details.</p> <p>The independent remuneration panel produced a report in October 2012 recommending that allowances be revised. This has not been published in a newspaper or on the website.</p>	Non-compliance with legislation	3	The Council should comply with the 2003 regulations in relation to publication of panel recommendations.	The October 2012 report and the Council decision is now published on the website. In addition a press release will be released.	L Horton	October 2013

Review	Summary	Level of assurance				
Risk Management	This audit examined key aspects of the Council's arrangements for risk management. A Significant Assurance Opinion was provided, with 2 medium and 1 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	Significant				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. All services have developed risk registers which comply with Council guidance and Policy/Strategy and link to delivery of corporate/service plan objectives.		✓				
2. Controls mitigating risks and necessary further management action plans to address risks have been identified and documented within risk registers.	✓					
3. Risk registers are reviewed and updated in a timely fashion.		✓				
4. Robust reporting arrangements are in place to ensure risk registers inform corporate and Committee reporting and that strategic and service risk registers inform each other.		✓				



The 2 medium level recommendations made, and management responses, were as follows:

**System Control Objective 3: Risk registers are reviewed and updated in a timely fashion.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>3.1 Risk Identification</b>	Although the Risk Management Strategy sets out the key risk categories to be considered when identifying risks, there is no evidence of robust processes in place to ensure that these are taken into consideration during the annual Service Improvement Planning process. Discussions with various service managers revealed differing approaches are being used to identify risks. This matter was raised in our 2012/13 audit.	Risks may be missed and therefore not managed appropriately.	3	Processes should be introduced to ensure that risk identification is robust and consistent across the Council. Consideration should be given to re-establishing the annual process whereby corporate services facilitated risk brainstorming sessions.	Agreed. Risk Awareness Workshops to be held annually	C Bellavia	November/December 2013 and ongoing

**System Control Objective 4: Robust reporting arrangements are in place to ensure risk registers inform corporate and Committee reporting and that Strategic and service risk registers inform each other.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>4.1 Committee Reports</b>	Although the template used to produce all committee reports includes a "Risk Implications" section which prompts authors to ensure that risks are captured on project, service or corporate risk registers, no evidence was seen that there is a robust process in place to ensure that this happens in practice. Some service managers consulted agreed that this was not necessarily always the case. This matter was raised in our 2012/13 audit.	Risks may not be managed	3	A process should be developed to ensure that all applicable risks identified on reports to committees and groups are linked back to the risk registers.	The report template will be amended to ensure there is a prompt to link back any risks to the Service or Corporate Risk Register	R Owen	October 2013

Review	Summary	Level of assurance				
Markets	This audit examined the arrangements for setting, collecting and banking fees and charges, and for forecasting income levels. A Significant Assurance Opinion was provided, with 4 medium and 4 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	Significant				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. Approved fees and charges are correctly applied to council market stalls at Hinckley and Atherstone.		✓				
2. Robust arrangements are in place for collecting cash from markets and banking promptly, completely and accurately.		✓				
3. Robust arrangements are in place for forecasting income and addressing the impact of the economic downturn.			✓			

The 4 medium level recommendations made, and management responses, were as follows:

### System Control Objective 1: Approved fees and charges are correctly applied to council market stalls at Hinckley and Atherstone.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.5 Insurance</b>	<p>Stall holders are required to either be a member of the Market Traders Federation or take out and maintain an All Risks Insurance and Employer's Liability Insurance.</p> <ul style="list-style-type: none"> <li>• Hinckley licenced stall holders - 8 traders did not have evidence of valid insurance on file.</li> <li>• Hinckley casual stall holders - not always evidence of valid insurance on file.</li> <li>• Atherstone - no evidence of</li> </ul>	Members of the public not covered	3	Proof of valid insurance should be retained on file.	<p>Investigate the opportunity that the Council purchases a group insurance for all traders, this will then negate the need for copies of insurance.</p> <p>In the mean time all traders must give a copy of valid Insurance to the Markets Manager or they will not be able to trade.</p>	<p>Mark Hryniw</p> <p>Gary Shepherd/Mark Hryniw/Paula Padmore</p>	<p>January 2014</p> <p>October 2013</p>

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	<p>valid insurance on file.</p> <ul style="list-style-type: none"> <li>Farmers' Market - no evidence of valid insurance on file.</li> </ul> <p>-although the Markets Manager informed us that proof of insurance is requested before stall holders are allowed to trade.</p>						

**System Control Objective 2: Robust arrangements are in place for collecting cash from markets and banking promptly, completely and accurately.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>2.1 Cash Collection and Banking</u></b>	<p>The Hinckley Market, Farmer's Market and Atherstone Market were visited and a note made of the stalls trading. Subsequent checks were made to ensure that all stalls had been charged for either by cash for the casuals or by invoice for the licenced traders and all were found to be accurate.</p> <p>There are no independent checks undertaken to reconcile receipts issued with bankings.</p>	Fraud or error	3	Independent checks should be carried out to reconcile receipts issued to income banked.	Independent checks to be carried out when Markets Manager is on holiday.	Mark Hryniw	As from October 2013

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>2.2 Arrears</b>	The latest weekly arrears list as at 22nd July 2013 showed a relatively high level of outstanding debts of approximately £3,000 and one trader currently owes more than £700 which relates to 4 months of rent. The Arrears Policy states that if rent is outstanding after 3 months the relevant senior officer should speak to the trader and inform him both verbally and in writing that if the outstanding amount is not paid within 14 days then the matter will be reported to the Cashiers for legal action to be taken to recover the debt. Market Conditions states that if any licenced trader becomes 3 months behind in paying their rent the Council will suspend the licence and the stall holder will be treated as a casual until the due amount has been paid. No legal action has been instigated and no licences have been suspended to date.	Income not received	3	The Arrears Policy and Market Conditions should be complied with.	Arrears Policy to be refreshed.	Mark Hryniw/Gary Shepherd/ Paula Padmore	October 2013

### System Control Objective 3: Robust arrangements are in place for forecasting income and addressing the impact of the economic downturn.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>3.1 Budgeting</b>	A Market Action Plan was developed and approved by the SLB in March 2013 to attempt to improve and sustain the markets. The elements set out in the plan have been actioned or are in progress and although income was £1,500 more than the previous year as at the end of July 2013, actual income levels are below budgeted levels based on a target of £183,000 spread evenly over the year: <ul style="list-style-type: none"> <li>April 2013 £602 adverse variance</li> <li>May 2013 £3,795 adverse variance</li> <li>June 2013 £2,128 adverse variance</li> <li>July 2013 £1,166 adverse variance</li> </ul>	Falling income levels.	3	Proactive steps should continue to be taken to improve and sustain markets activity.  Consideration should be given to revising the current budgeted income levels.  The target income levels should be profiled over the year to reflect seasonal variations.	Markets Operations Group to meet quarterly to ensure the action Plan is being progressed.  Report being sent to SLB to request budget revision, in line with action plan.  Target income to be profiled through the year.	Mark Hryniw/Mark et Ops Group  Simon Jones  Mark Hryniw/Daks ha Mehta	October 2013 – ongoing  October 2013  October 2013

Review	Summary	Level of assurance				
Car Parks	This audit examined the arrangements for collecting and banking car park fees and charges and for the maintenance of parking machines. A Moderate Assurance Opinion was provided, with 1 High, 5 Medium and 2 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	<b>Moderate</b>				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. Approved fees and charges are correctly applied to car parks.	✓					
2. Suitable arrangements are in place for maintenance of car park machines to ensure their effective operation.		✓				
3. All car park income due is received promptly and intact in accordance with the set budget.			✓			
4. Processes are in place to ensure the accuracy of charges from the cash collection contractor.			✓			

The 1 high and 5 medium level recommendations made, and management responses, were as follows:

### System Control Objective 2: Suitable arrangements are in place for maintenance of car park machines to ensure their effective operation.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>2.1 Contract Renewal Metric Group Ltd</b>	The original contract for the maintenance of car parking machines with the Metric Group was entered into by the Council in January 2005. (Date of contract commencement 1 January 2005 to 30 June 2005 - 6 months). Audit has confirmed with the Public Space Officer (Car Parks) that through her requests to the Council's Legal Department and then to the Metric Group that no updates to the original contract exists. This indicates that there is no signed agreement covering current arrangements and that the service has not been subject to review and market testing for nearly a decade.	The Council may not achieve value for money.  The basis for current prices being charged cannot be verified/challenged.  The absence of any signed agreement may hinder any disputes over the service provided.	3	The contract for machines maintenance should be subject to market testing after which formal contractual documentation agreed and signed by both parties should be retained. In the short term to reduce its exposure to risk, the Council should formalise its current arrangements with the Metric Group Ltd.	Accepted. The Public Space Officer (Car Parks) will seek to identify if other companies can maintain these machines or only the Metric Group. We have previously explored training a member of staff to maintain the machines but this was rejected as did not ensure full cover (holidays / sickness etc) or value for money.	Jackie Lee Public Space Officer (Car Parks)	31 December 2013

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
					If an alternative supplier cannot be sourced then we will bench mark charges paid by other Local Authorities and ensure a revised agreement with the Metric Group is put in place.		
<b>2.2 Monitoring of Performance Indicators</b>	Audit review of the March 2013 Engineers Service Report (listing the machines serviced and dates and times) highlighted that one of the Council's machines (Hinckley Church Walk SL2528) had not been serviced. However the related invoice included this machine as being serviced (cost excl. VAT £88.56). The Engineers Report is not routinely checked to the related invoice and therefore had not detected this omission by the contractor.	All machines may not be maintained as per agreement.  Potential loss of income.  Council paying for services not received.	3	All maintenance reports received from the Metric Group should be compared to Council records to confirm that the required services have been fully supplied and then to invoices to confirm that the Council is only invoiced and pays for services received.  The Council should ascertain from the Metric Group why the machine had not been serviced and to seek a credit note for the amount paid for servicing a machine that had not been serviced.  This recommendation links to 4.2.	Accepted. Credit note to be sought.  Invoices to be reconciled before payment by the Public Space Officer (Car Parks).	Jackie Lee Public Space Officer (Car Parks)	31 October 2013

System Control Objective 3: All car park income due is received promptly and intact in accordance with the set budget.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>3.1 Contract – Kings Armoured Security Services Ltd</b>	A copy of the original contact signed in June 2006 with the Kings Armoured Security Services Ltd retained by the Council has been provided to Audit. However this only relates to the car park run in agreement with Market Bosworth Parish Council. No contract for the Council's remaining 18 car parks could be located despite checks being made with the Legal Department. This indicates that there is no signed agreement covering current arrangements with Kings and that the service has not been subject to review and market testing in the last seven years.	Absence of signed agreement may hinder any disputes over service provided.  The Council may not achieve value for money.  The basis for current prices being charged cannot be verified.	2	The contract for cash collection and counting and banking should be subject to market testing after which formal contractual documentation agreed and signed by both parties should be retained. In the short term to reduce exposure to risk, the Council should formalise its current arrangements with Kings Armoured Security Services Ltd.	Already implemented. Quotes for cash collection obtained and the contract for cash collection established in line with the Audit recommendation.	Caroline Roffey Head of Street Scene Services	Implemented
<b>3.4 Monthly Reconciliation</b>	At present the Public Space Officer (Car Parks) assigns a sequential number to each Reconciliation Sheet she receives from Kings and then matches it to the Monthly Transactions Listing produced by the Finance Department which details the amount banked for each day of collection (and which should agree to the Reconciliation Sheet total). However since there is a time difference between cash banking and the amount appearing on the bank statement there will always be differences between the Monthly Transactions Listing and the spreadsheet ("Jan – June 2013 Cash Collection") amounts recorded by the Public Space Officer (Car Parks) as this is based on the Reconciliation Sheets provided by Kings. Adjustments are also required to these amounts due to discrepancies identified by the bank when they count the cash deposited by Kings. Because of these factors it cannot readily be confirmed that for each month the amount claimed to have been collected and banked by Kings. Further there are no supervisory checks to ensure	Anomalies in income reconciliation not detected and actioned in a timely manner.	3	A formal monthly reconciliation procedure to confirm the amount of cash collected and banked by Kings agrees to the Council's Bank statements needs to be put in place. There should be a supervisory evidenced review of the reconciliation.  The format of the reconciliation should be fairly straightforward, simply listing: <ul style="list-style-type: none"> <li>Total amount collected and banked by Kings in the month.</li> <li>Total amount per bank statements for the month:</li> </ul> Reconciling items: <ul style="list-style-type: none"> <li>Difference in cash counted by Kings Ltd and the bank</li> <li>Cash banked not yet credited to the account (these should</li> </ul>	Accepted. Reconciliation procedure to be put in place. The Public Space Officer (Car Parks) to establish spreadsheet to monitor. The Head of Street Scene Services to sign this off each month.	Caroline Roffey Head of Street Scene Services  Jackie Lee Public Space Officer (Car Parks)	31 December 2013

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	confirmation that the Reconciliation Sheets and Bank Statements are in agreement.			be cleared each month).			

#### System Control Objective 4: Processes are in place to ensure the accuracy of charges from the cash collection contractor

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>4.1 Checks on contractor invoices</b>	<p>There is no checking of the Collection Rota to the Contractor's Reconciliation Sheet to confirm that the required collections have taken place. Further there is no checking of the monthly contractor invoice to the Reconciliation Sheets to confirm that the collections being charged for are correct and that the calculation of the % of the cash charged for agrees with the amount banked as per the bank details.</p> <p>Audit testing of the income collected and banked confirmed that the contractor was charging for collection and processing of cash based on the weekly collection rotas and the associated amounts collected and banked.</p>	<p>Non compliance with the collection rota.</p> <p>Incorrect charges for cash collection and processing (overcharging).</p>	3	<p>It should be ensured that checking of the Collection Rota to the Contractor's Reconciliation Sheet to confirm that the required collection has taken place is undertaken.</p> <p>Further related checks should be undertaken on the monthly contractor invoice to the Council's monthly reconciliations to confirm that the collections being charged for are correct and that the calculation of the % of the cash processed agrees with the amount banked as per the bank details.</p>	The Public Space Officer (Car Parks) will check all invoices against collection rota and reconciliation sheet. Notes of checks to be recorded within the creditors system to show this check has been made before invoice is passed to the manager for approval.	Jackie Lee Public Space Officer (Car Parks)	31 October 2013
<b>4.2 Metric Group Invoices</b>	<p>Audit testing highlighted that the Metric Group invoice for the scheduled July 2013 maintenance of machines had been received in advance - in June 2013.</p> <p>This finding links to the finding at 2.2.</p>	Council paying for services not received.	3	Invoices from the Metric Group should only be received and paid for after the agreed maintenance of machines has been completed and verified.	To be revised dependent on new machine maintenance arrangements.	Jackie Lee Public Space Officer (Car Parks)	31 December 2013



Review	Summary	Level of assurance				
Street Cleansing	This audit examined the arrangements for street cleansing service standards and requests and for dealing with income. A Significant Assurance Opinion was provided, with 4 medium level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	<b>Significant</b>				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. Arrangements are in place to ensure the setting, achievement and monitoring/reporting of cleanliness service standards.		✓				
2. Effective processes are in place to promptly and effectively deal with service requests.		✓				
3. Income relating to the service is promptly recognised, charged in accordance with legislation or the Councils scale of charges, collected and properly accounted for.		✓				

### System Control Objective 1: Arrangements are in place to ensure the setting, achievement and monitoring/reporting of cleanliness service standards.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.1 ASC monitoring results</b>	Audit testing was undertaken to confirm that "hot spots" identified under the new ASC (Assessment of Street Cleansing) monitoring results for quarter 1 have been carried forward into the Monitoring Plan for quarter 2 to ensure that corrective action has been undertaken to effect improvements. Of the 21 'hotspots' tested, four had not been rolled forward for inspection as part of the QTR2 ASC Monitoring Plan.	Resources not directed to areas requiring Improvements.  Unclean neighbourhoods.  Reputational risk for Council.	3	It should be ensured that all areas identified with relatively high scores arising from the Assessment of Street Cleansing Monitoring exercises are included in future quarterly ASC plans for further monitoring. The areas identified by Audit should be added to current monitoring plans.	Accepted that on going monitoring is required. Some of the hotspots identified in the earliest monitoring proved to have been incorrectly selected instead of the ones that required ongoing monitoring and have now been removed.  Monitoring of "hot spots" from now on will cover the following three months at the end of	Lisa Kirby Senior Clean Neighbourhood Officer	31 October 2013

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
					each quarter until cleanliness improvements are sustained.		

**System Control Objective 2: Effective processes are in place to promptly and effectively deal with service requests.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>2.1 Housing Department Requests</b>	Audit testing of 6 Housing Department requests for cleansing works for the period January 2013 – June 2013 highlighted that in 5 cases the date of completion of the works had not been recorded on the Housing Department Order before it was passed to the Cemetery and Green Spaces Officer who raises the internal recharge to the Housing Department.	Lack of audit trail to readily confirm that work has been completed within required deadlines.	3	It should be ensured that the date of completion of works requested by the Housing Department should be recorded on the related Housing Department order by the Neighbourhood Warden before he passes it to the Cemetery and Green Space Officer for internal recharging.	Accepted – the completion date will be recorded on the Housing Department order before the internal recharge is raised.	Lisa Kirby Senior Clean Neighbourhood Officer	31 October 2013
<b>2.2 External Requests – Special Collections</b>	The Uniform System is used by the Street Cleaning Services to record all details of special collection requests from the date of the request to closure of the request (job completion). Audit testing of 6 special requests for the period January 2013 – June 2013 highlighted that two did not end up resulting in a payment being made and it is assumed that no collections were made. The requests were subsequently closed on the Uniform System but no explanatory notes were added to identify the reasons for closing the requests. Of the remaining four special requests, the audit trail on the Uniform System was not complete with details such as those listed below missing: <ul style="list-style-type: none"> <li>• Details of quotes – dates and amounts;</li> <li>• Invoicing and payment details (where applicable);</li> </ul>	Lack of /incomplete audit trail to readily confirm that all requests appropriately actioned and paid for.  Cannot monitor if required deadlines met.  Customer dissatisfaction.  Reputational risk for Council.	3	It should be ensured that full details of all requests for a special collections are recorded on the Uniform System including: <ul style="list-style-type: none"> <li>• Quote date/ amount</li> <li>• If quotes were not provided and the reasons;</li> <li>• Date of acceptance / rejection of quote by customer;</li> <li>• Payment date; Method and Receipt reference;</li> <li>• Reductions in payment received compared to quote;</li> <li>• Date for completion of the request / date of completion of the request;</li> <li>• Customer satisfaction /dissatisfaction (and how resolved)</li> </ul>	Special collections have now been absorbed within the bulky collection service to improve efficiency. Therefore quotes are no longer made.  Implementing this recommendation in relation to quotations is not applicable as this system no longer exists. The use of the bulky collection system should ensure the other points in the Audit recommendation	Lisa Kirby Senior Clean Neighbourhood Officer	Not Applicable

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	<ul style="list-style-type: none"> <li>Date for completion of the request / date of completion of the request;</li> <li>Reasons why a quote for £20 was made but payment of £10 was accepted;</li> <li>Customer satisfaction / dissatisfaction (and resolution).</li> </ul>			Supervisory checks should be introduced to ensure that no job should be closed on the system unless it has been confirmed that all this information has been recorded.	are effectively addressed including the recommendation at 3.1 below.		

**System Control Objective 3: Income relating to the service is promptly recognised, charged in accordance with legislation or the Councils scale of charges, collected and properly accounted for.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>3.1 Confirmation of Payment to Income System</b>	Audit testing was undertaken to confirm that four payments received for special collections could be traced to the Income Receiving System. One of the payments (for £55) could not be traced to the Income Receiving System due to the very limited detail relating to the payment recorded on the Uniform System.	Lack of audit trail which means payments cannot be readily confirmed.	3	As per Recommendation at 2.2.	As 2.2 above the special collection system is now merged with the bulky collection system. Payment is made and a receipt issued at the point the collections are booked. The system does not allow a booking to be made without this information.	Lisa Kirby Senior Clean Neighbourhood Officer	N/A

Review	Summary	Level of assurance				
Leicestershire Revenues & Benefits Partnership – Council Tax	This audit examined the Partnership's arrangements for administering key controls with regards to Council Tax in relation to partner authorities. A Significant Assurance Opinion was provided, with 5 medium and 3 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	<b>Significant</b>				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. Suitable, authorised policies and procedures are in place covering Council Tax processing, and staff are aware of these and that they need to comply with them.		√				
2. Relevant property records are accurately, comprehensively and efficiently maintained and updated.		√				
3. Council Tax liability is determined efficiently and in line with statutory requirements for all properties.	√					
4. Billing procedures are in accordance with statutory regulations and amounts due in respect of each chargeable property have been correctly calculated and promptly demanded from the person or persons liable.	√					
5. The application of discounts/exemptions is authorised in accordance with statute, the authority's policy and is supported by documentary evidence.			√			
6. Secure and efficient arrangements are made for all collections, and all collections are promptly posted to the correct tax payers' accounts.	√					
7. Collection rates and other key performance indicators are regularly monitored.	√					
8. Refunds are in accordance with regulations and the Council's Standing Orders and Financial Regulations and all refunds are valid and authorised.	√					
9. Recovery and enforcement procedures are managed efficiently and in accordance with statutory requirements.	√					
10. Non-recoverable debts are written-off in accordance with policy and with suitable authorisation.	√					
11. There is a routine reconciliation between the Council Tax system and the Cash Receipting system.	√					

The 5 medium level recommendations, and management responses, are as follows:

**System Control Objective 1: Suitable, authorised policies and procedures are in place covering Council Tax processing, and staff are aware of these and that they need to comply with them.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.1 Policies and Procedures</b>	As recommended during the previous audit, standard procedure notes should be developed to ensure that a consistent approach to Council Tax processing is undertaken across all three Councils within the partnership. The Partnership Manager informed us that all procedures and guidelines are currently being reviewed and will be discussed at the joint committee meeting on 20/11/13. Those with a financial impact will then go to the respective cabinets/executives for approval in January/February 2014.	Inconsistencies in working practices.	3	Every effort should be given to ensuring that the completion date for the standardised procedure notes is achieved.	Policies and Reports have been approved by the Joint Committee on 20 <sup>th</sup> November 2013  Depending on each Council's constitution these will be adopted immediately or final approval will be sought from our respective Executives/Cabinets	Leigh Butler Storme Coop Sue Williams-Lee	February 2014

**System Control Objective 5: The application of discounts/exemptions is authorised in accordance with statute, the authority's policy and is supported by documentary evidence.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>5.1 Exemptions</b>	Testing of 20 exemptions for each council found that: <ul style="list-style-type: none"> <li>HDC - 1/20 not correctly applied, 1/20 no supporting documentation.</li> <li>NWL - all correctly applied and supporting documentation retained.</li> <li>HBBC - 1/20 no supporting documentation, 2/20 past review dates.</li> </ul> <p>The details have been provided to the Team Leaders.</p>	Incorrect exemptions applied.	3	Care should be taken to ensure that supporting documentation is indexed correctly to the relevant account.  Team Leaders should investigate the exemption that has been incorrectly applied and rectify where necessary.  Reviews should be carried out as soon as possible.	Staff will be reminded of the importance of indexing and coding of discounts correctly when applied.  Management checks are undertaken of work processed	Clare Sewell Russell York	December 2013

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>5.2 Discounts</b>	<p>Testing of 20 discounts for each of the three councils found that:</p> <ul style="list-style-type: none"> <li>HDC - 1/20 discount incorrectly applied</li> <li>NWL - 1/20 no supporting documentation</li> <li>HBBC - 1/20 discount incorrectly applied</li> </ul> <p>The details have been provided to the Team Leaders.</p>	Incorrect discounts applied.	3	<p>Care should be taken to ensure that supporting documentation is indexed correctly to the relevant account.</p> <p>Team Leaders should investigate the discounts that have been incorrectly applied and rectify where necessary.</p>	<p>Staff will be reminded of the importance of indexing and coding of discounts correctly when applied.</p> <p>Management checks are undertaken of work processed</p>	Clare Sewell Russell York	December 2013
<b>5.3 Inspections</b>	<p>As noted during the previous audit, inspections were not always being carried out on a 6 monthly basis of a property becoming empty. From sample testing of 20 empty properties within each authority it was noted:</p> <ul style="list-style-type: none"> <li>NWL 16/20 properties were not inspected within 6 months of them becoming empty.</li> <li>HDC 15/20 properties were not inspected within 6 months of them becoming empty.</li> <li>HBBC 1/20 properties were not inspected within 6 months of them becoming empty.</li> </ul>	Inappropriate exemptions given	3	<p>Although it is understood that this should have been addressed as part of the Capita Mobile solution which has been delayed, the Partnership should ensure that all empty and void properties are inspected at least 6 months from being registered as eligible.</p>	<p>HDC - Capacity Grid have undertaken a review of empty properties during Sept/Oct 2013</p> <p>Will review arrangements to ensure they are inspected in a timely manner.</p> <p>Inspection reports are produced to inspect those that are due an inspection</p>	Clare Stone Linda Howe	February 2014
<b>5.5 Inspections – separation of duties</b>	The HDC inspectors make the necessary amendments to the amounts due and discounts given following their visits, whereas the HBBC and NWL inspectors complete the inspection screen and/or the notes sections of the system and the Team Leaders make the necessary amendments.	Errors may occur.	3	To ensure adequate separation of duties, the Team Leaders should make the necessary amendments to amounts due following inspections.	Disabled Relief Applications records updated by billing staff not inspectors	Linda Howe Claire Stone	January 2014

Review	Summary	Level of assurance				
Leicestershire Revenues & Benefits Partnership – Business Rates	This audit examined the Partnership's arrangements for administering key controls with regards to business rates in relation to partner authorities. A Significant Assurance Opinion was provided, with 2 medium and 2 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	<b>Significant</b>				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. Suitable, authorised policies and procedures are in place covering Business Rates processing, and staff are aware of these and that they need to comply with them.		√				
2. Relevant property records are accurately, comprehensively and efficiently maintained and updated.	√					
3. Business Rates liability is determined efficiently and in line with statutory requirements for all properties.	√					
4. Billing procedures are in accordance with statutory regulations and amounts due in respect of each chargeable property have been correctly calculated and promptly demanded from the person or persons liable.	√					
6. The application of discounts/exemptions is authorised in accordance with statute, the authority's policy and is supported by documentary evidence.		√				
6. Secure and efficient arrangements are made for all collections, and all collections are promptly posted to the correct tax payers' accounts.	√					
7. Collection rates and other key performance indicators are regularly monitored.	√					
8. Refunds are in accordance with regulations and the Council's Standing Orders and Financial Regulations and all refunds are valid and authorised.	√					
9. Recovery and enforcement procedures are managed efficiently and in accordance with statutory requirements.	√					
10. Non-recoverable debts are written-off in accordance with policy and with suitable authorisation.	√					
11. There is a routine reconciliation between the Business Rates system and the Cash Receipting system.	√					

The 2 medium level recommendations, and management responses, are as follows:

**System Control Objective 1: Suitable, authorised policies and procedures are in place covering Business Rates processing, and staff are aware of these and that they need to comply with them.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>1.1 Policies and Procedures</u></b>	As recommended during the previous audit, standard procedure notes should be developed to ensure that a consistent approach to Business Rates processing is undertaken across all three Councils within the partnership. The Partnership Manager informed us that all procedures and guidelines are currently being reviewed and will be discussed at the joint committee meeting on 20/11/13. Those with a financial impact will then go to the respective cabinets/executives for approval in January/February 2014.	Inconsistencies in working practices.	3	Every effort should be given to ensuring that the completion date for the standardised procedure notes is achieved.	Policies and Reports have been approved by the Joint Committee on 20 <sup>th</sup> November 2013  Depending on each Council's constitution these will be adopted immediately or final approval will be sought from our respective Executives/Cabinets.	Leigh Butler Storme Coop Sue Williams-Lee	February 2014

**System Control Objective 5: The application of discounts/exemptions is authorised in accordance with statute, the authority's policy and is supported by documentary evidence.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>5.2 Empty Property Inspections</u></b>	As noted during the previous audit, inspections were not always being carried out on a quarterly basis. From sample testing it was noted that although inspections were issued within three months of a property being registered as being empty, delays in carrying out the inspections meant that: <ul style="list-style-type: none"> <li>HBBC - 10/20 properties had not been inspected within 3 months of the property becoming empty</li> </ul>	Inappropriate exemptions given.	3	Although it is understood that this should have been addressed as part of the Capita Mobile solution which has been delayed, the Partnership should ensure that all empty and void properties are inspected on a quarterly basis.	Agree, will review current arrangements to meet the 3 month inspection	Jon Beange	May 2014



Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	<ul style="list-style-type: none"> <li>HDC - 17/20 properties had not been inspected within 3 months of the property becoming empty</li> <li>NWL - 15/20 properties had not been inspected within 3 months of the property becoming empty</li> </ul>						

Review	Summary	Level of assurance				
Leicestershire Revenues & Benefits Partnership – Benefits	This audit examined the Partnership's arrangements for administering key controls with regards to benefits in relation to partner authorities. A Significant Assurance Opinion was provided, with 8 medium and 4 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	Significant				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1 Suitable, authorised policies and procedures are in place covering Benefits processing, overpayments and counter fraud, and staff are aware of these and that they need to comply with them.		✓				
2 Processes are in place to ensure all benefit claims are processed and payments made in accordance with regulations and relevant policies, and are legitimate and appropriate.		✓				
3 All relevant records and accounts are accurately updated in a timely manner to record all benefits transactions (including reconciliations to feeder and other systems).		✓				
4 All payments and associated output are timely, recorded securely and data protected against unauthorised access.		✓				
5 Overpayments of benefit are identified and accounted for in accordance with legislation/regulations, the organisation's policy, standing orders and financial regulations, and recovery (and where non-recoverable, write off) arrangements		✓				

Review	Summary	Level of assurance				
are efficient and effective.						
6 Fraud investigation is in accordance with statute, professional guidelines and the organisation's Standing Orders, Financial Regulations and relevant policies.	✓					
7 Processing times, accuracy, overpayment levels, fraud case outcomes and other key performance indicators are regularly monitored.	✓					

The 8 medium level recommendations, and management responses, are as follows:

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.2 Training Needs Analysis (TNA)</b>	There is no procedure in place to ensure that staff receive adequate training to ensure they are competent in their role. There is a Training Needs Analysis (TNA) in place which would evaluate the competencies of staff and highlight where further training may be required. However to date only two members of staff have completed this.	Skills and competencies required for the effective processing of Housing Benefit and Council Tax Support Claims may not be maintained, resulting in increased processing errors.	3	To ensure that staff training remains current and addresses any identified weaknesses the TNA should be routinely completed by all relevant staff.	<p>Quality Assurance is in place utilising the module within the Capita application</p> <p>Training Needs Analysis (TNA) is utilised when we have repeat issues with data quality resulting from misinterpretation of regulations and guidance in place.</p> <p>Records are kept of all training which is kept within the revenues and benefits support team area. For each course training session is noted along with the people attending. We will explore whether we can keep this at individual level as there will be some work involved to doing is.</p>	Storme Coop Russell York	31/3/2014

**System Control Objective 2: Processes are in place to ensure all benefit claims are processed and payments made in accordance with regulations and relevant policies, and are legitimate and appropriate.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>2.1 Backdated Claims</u></b>	High value cheques over £1k are separately identified as part of the payment run procedures and an e-mail message is sent to the Benefits Assessor responsible for that payment asking for confirmation that this is accurate. An e-mail of confirmation is received by the Benefits Control Officer prior to the payment run being processed and retained. Most of the high value payments are for social landlords but those relating to claimants are usually for backdated claims where there is no independent verification to confirm that backdated claims have been calculated correctly.	Backdated claims may be processed incorrectly and may not comply with the legislative framework.	3	High value backdated claims should be authorised by Team Leaders.	We will undertake an additional check that backdated claims are authorised where the value is >£2k	Leigh Butler	31 <sup>st</sup> December 13
<b><u>2.2 Backdated Claims - Independent Authorisation</u></b>	Audit testing of 15 claims showed that in one case a visiting officer reached the opinion that a request to backdate a claim (£1,482.16) was valid because the applicant had been ill. However, there was no medical reference retained to support this view. The same officer also processed the claim. There is inadequate independent evidence to support the decision taken.	Lack of evidence to support a decision made. There is also a conflict of interest where a visiting officer processes their client's claims for benefit support.	3	Whenever possible all evidence to support a decision relating to a claim should be documented and retained. Visiting officers should not process the claims of their clients. Where this is not possible the decision should be approved by a Team Leader	Disagree, visiting officers will continue to review claims resulting from home visits. There is a management check / QA in place to ensure accuracy of where records are amended.  There is a benefits protocol in place whereby benefit decision makers are aware of when dealing with claims if they know the claimant personally.		

**System Control Objective 3: All relevant records and accounts are accurately updated in a timely manner to record all benefits transactions (including reconciliations to feeder and other systems).**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>3.2 Changes to Welfare Benefit Parameters - Annual Updates</u></b>	Welfare benefit parameters are updated in line with the circular from the DWP. They are processed by one of the Team Leaders and checked by another Team Leader. Screen prints taken from Academy and which record the name of the inputter and the name of the team leader who has checked that the data has been input correctly, are not always dated (the date of the amendment is on the screen print) or authorised by signature.	Changes in welfare benefit parameters may not be input and checked correctly and there is no audit trail to demonstrate the correct segregation of responsibilities.	3	All changes should be authorised by both the inputter and the Team Leader responsible for checking the accuracy of the changes, and dated by both parties.	Team Leader will countersign that parameters have been input correctly	Storme Coop	31 March 2014
<b><u>3.3 System Access Controls</u></b>	All leavers should have access to the Citrix and Academy systems disabled when they leave the employment of the Council. The process for removing leavers from the systems is that the Team Leader or HR personnel notify the Systems Administration Team in writing that a member of staff is about to leave or has left. A request is then forwarded to the IT Dept to remove that staff member from Citrix (no notification is received from IT to confirm that this request has been processed) and access to Academy is disabled. In practise this process does not happen and the Systems Administration team is not always notified of leavers, particularly agency staff, home workers, Customer Service Centre staff and staff working in the call centre at Charnwood. However, even staff working in the Benefits and CT teams are not routinely reported to Systems Administration when they leave.	Leavers access rights are not disabled on a timely basis and staff may be able to access systems after they have left the employment of the Council.	3	Processes for removing access controls for staff that have left the employment of the Council should be reviewed and complied with, and confirmation should be obtained to demonstrate that access to Citrix has been disabled.	Staff leavers in the partnership are disabled when the leave.  Need to ensure for our partners that we receive information on leavers to ensure they are 'system disabled'	Lesley Gardner	31 December 13

**System Control Objective 4: All payments and associated output are timely, recorded securely and data protected against unauthorised access.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>4.1 Management of Potential Conflicts of Interest</u></b>	Benefits staff do not routinely complete Declarations of Interest forms although they are aware that they must alert their supervisor where they consider there is a conflict of interest, such as when they receive information regarding family or friends and which will require an adjustment to their account. The Partnership operates on a culture of trust for such matters.	Benefits officers overlook conflicts of interest and may process and view claims and records in which they have an interest.	3	Conflicts of interest should be managed as far as possible, and officers should be asked to complete and sign a Declaration of Interest which confirms they will not process any applications or amendments to claims, nor view the records of persons who are family or friends. This should be undertaken annually to remind staff of this obligation.	Protocol is now in place for this as agreed by HR Managers for all 3 Councils.		

**System Control Objective 5: Overpayments of benefit are identified and accounted for in accordance with legislation/regulations, the organisation's policy, standing orders and financial regulations, and recovery (and where non-recoverable, write off) arrangements are efficient and effective.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>5.2 Overpayments - Clawback from New Claims</u></b>	In 1 case a new Housing Benefit claim was processed but it did not take account of an outstanding overpayment for that claimant of £1,152.60. The assessor should have made arrangements to clawback this sum from the new payment.	Failure to follow procedures for recovering overpayments from existing benefit claimants	3	Benefit Assessors should check for the existence of outstanding overpayments before authorising new claim payments	Benefit decision makers will be reminded of the importance to ensure that the overpayment is tagged to ensure recovery of ongoing benefit is not missed.	Leigh Butler	31/12/2013
<b><u>5.3 Overpayments - Accuracy of Correspondence with Claimant</u></b>	From audit sample of 58 records there were 8 cases where inaccurate information about the overpayment was communicated in correspondence to the claimant, and 5 of these cases reported an incorrect value for the overpayment.	Inaccurate reporting of information may be confusing and misleading for the claimant.	3	Wherever possible the correspondence to the claimant should be accurate.	Benefit decision makers will be reminded to ensure where there is a difference that the award letter reflects this change	Leigh Butler	31/12/2013

## 4. Recommendation tracking

CW Audit Services has implemented a system for tracking the actioning of agreed Internal Audit recommendations, as a management assurance tool for the Council and specifically this Committee. Managers are responsible for updating actions taken and other key information directly on the system. A further update for the Committee is provided below. This refers to all actions agreed and due by 30/11/13, which were carried forward into 2013/14 audit year as still outstanding at that time. The first table below represents the status of such agreed actions due to be implemented by 30/11/13, the second table the age of the outstanding recommendations (based on the original date due for implementation). The status shown is as advised by the relevant manager/Head of Service and does not imply that Internal Audit have verified the status, albeit where we have followed up our prior year recommendations we have dealt with these as closed or implemented where possible.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 30/11/2013	-	2	49	43	94
Implemented	-	1	23	32	56
Closed (effectively implemented or system changed)	-	1	11	5	17
Not completed yet	-	-	15	6	21

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	-	6	6	12
3 – 6 months	-	-	1	-	1
Greater than 6 months	-	-	8	-	8

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Total	-	-	15	6	21

The 8 issues more than 6 months overdue are as follows:

Review	Recommendation	Risk Rating	Response	Current Status per update
2011/12 Homelessness	<u>Orchard System</u>  The Council should ensure there is a review of the effectiveness of the Orchard system for the Homelessness function.	3	A review of the Orchard system was planned.  January 2012 - Jo Wykes	Orchard upgrade taking place during September/October. The upgraded module will be considered alongside the review of the existing module to ensure it is used to assist service delivery.
2012/13 Fuel Controls	<u>CCTV Security Camera (1)</u>  The CCTV security camera motion detection facility should be fully operational.	3	CCTV equipment comes under the remit of the Estate & Asset Team IP to liaise with Matt Burns concerning repairs to equipment.  31/12/12 – Matt Burns, Estates & Asset Manager	The CCTV at The Jubilee Building has been operating satisfactorily as a stand-alone system since the site was handed over in March. This means that footage is recorded on site at all times (with approximately 30 day retention on the hard drive, which can be archived permanently on to a DVD) and the cameras on site are all

Review	Recommendation	Risk Rating	Response	Current Status per update
				<p>motion sensitive. The system has additional functionality that allows it to be 'set' as an alarm out-of-hours. This means that images from the CCTV can be monitored off-site if the alarm is activated and a challenge can be made via loud speakers installed next to the CCTV cameras. This element of the system is not yet fully commissioned as an issue exists with connectivity which is currently being investigated.</p>
2012/13 Fuel Controls	<p><u>Fuel Consumption Monitoring</u></p> <p>A more robust system for regular monitoring of fuel consumption rates for individual vehicles needs to be introduced. This should include:</p> <ul style="list-style-type: none"> <li>- Setting of expected consumption rates for all vehicles. This may require a tolerance range to be set for some vehicles, as consumption rates can vary depending on vehicle usage.</li> </ul>	3	<p>Agree Service area Managers/ Senior Accounts</p> <p>31/1/13 - Caroline Roffey, Public Space Manager</p>	<p>Fuel monitoring through existing systems has proved inaccurate. New vehicle telematics system will be installed in March 2014. This will enable fuel use to be monitored more accurately by vehicle, and by driver and enable a fuel reduction scheme to be introduced to improve fuel efficiency through driver training.</p>



Review	Recommendation	Risk Rating	Response	Current Status per update
	<ul style="list-style-type: none"> <li>- Six monthly production of consumption rates for individual vehicles for each service area.</li> <li>- Records of investigation / explanations by relevant managers where consumption rate results fall below expected levels.</li> </ul>			
2012/13 Housing Repairs	<p><u>Tenant Recharge Policy</u></p> <p>The Council should consider introducing a tenant recharge policy that holds tenants accountable for the cost of repairs that have arisen through their negligence and ensure that processes are in place to enforce this.</p>	3	<p>A Recharge Policy will be introduced as part of the revised conditions of tenancy.</p> <p>30/11/12 - Ian Parsons, Housing Repairs Manager</p>	<p>Now being addressed as part of wider Housing Repairs Action Plan. To be implemented by end December 13 subject to consultation.</p> <p>A Tenant Recharge report is to be presented to FAP Cttee in Jan 14.</p>
2012/13 Housing Repairs	<p><u>Repairs Administration</u></p> <p>The Council should ensure that when implementing hand held devices, it automates as many processes as possible in order to reduce current administrative burden and improve overall efficiency.</p>	3	<p>The new Orchard Direct Works Module has been procured to assist with streamlining processes. Once in place, this should reduce the amount of manual processes as handheld devices will be used by engineers to receive and complete jobs.</p> <p>30/4/13 -Ian Parsons, Housing Repairs Manager</p>	<p>The Direct Works module is now due to start implementation over Summer 2014 due to main Orchard upgrade taking precedence.</p> <p>Revised date 29/8/14</p>
2012/13 Housing Repairs	<p><u>Housing Repairs (Contractor)</u></p> <p>a) Management should review the total value of expenditure on contractors to ensure that the</p>	3	<p>A review of Contractors used, and the associated spend, will take place to ensure value for money.</p> <p>These type of errors will be reduced when the new Direct Works System is</p>	<p>A Procurement Plan is now in place for all relevant contracts over the next five years. (See separate update also on</p>

Review	Recommendation	Risk Rating	Response	Current Status per update
	<p>council is obtaining value for money in respect of their services.</p> <p>b) Contractor performance should be monitored and reported upon</p> <p>c) Every effort should be made to ensure post inspections are completed in a timely manner.</p>		<p>introduced. Until then, random checks of data quality will take place.</p> <p>31/1/13 - Ian Parsons, Housing Repairs Manager</p>	<p>Direct Works Module). Revised date 29/8/14</p>
2012/13 Anti-Fraud	<p><u>Risk Assessment - NFA Fraud Loss Tool</u></p> <p>HBBC should use the NFA fraud loss tool to determine the Council's likely fraud risk exposure and ensure that all potential risks have been addressed.</p>	3	<p>Agreed. The Fraud loss tool will be assessed and we will adopt relevant elements.</p> <p>30/4/13 – Julie Kenny</p>	<p>Dealt with through fraud awareness session that was performed by PwC and a fraud risk assessment will be produced as a result (by March 2014).</p>
2012/13 Anti-Fraud	<p><u>Resilience Check</u></p> <p>"The LGFS also recommends that Councils use the free resilience tool on the National Anti-Fraud Network (NAFN) website to perform a resilience check of their current fraud response capabilities."</p>	3	<p>Agreed</p> <p>30/4/13 – Julie Kenny</p>	<p>Dealt with through fraud awareness session that was performed by PwC and a fraud risk assessment will be produced as a result (by March 2014).</p>

## 2013/14 Internal audit plan

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Budgetary Control				✓	Scoping the work	
Main Accounting			✓		Final report issued	Significant
Council Tax (LRBP)			✓		Final report issued	Significant
Business Rates (LRBP)			✓		Final report issued	Significant
Benefits (LRBP)			✓		Final report issued	Significant
Financial Systems – key controls			✓		Final report issued	Significant
IT audit – Payment Card Industry Data Security Standards compliance		✓	✓		In progress; draft report imminent	
IT audit – risk assessment (advisory)				✓	Due to commence imminently	
Corporate Governance – members allowances		✓			Final report issued	Moderate
Risk Management		✓			Final report issued	Significant
Customer Services (reception)-second stage review following move to the Hub*			✓			
Payroll & expenses				✓	Terms of reference agreed, starting in January	

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Mobile Communications - advisory		✓	✓		Terms of reference agreed; in progress	
Anti-Social Behaviour Management System			✓		Terms of reference agreed; to start imminently	
Housing Rents				✓	Scope discussed	
Tenant Scrutiny					Likely to drop out of plan	N/A
Sheltered Housing					Likely to drop out of plan	N/A
Community Safety				✓	Potential scope discussed	
Town Centre Regeneration *				✓	Advisory/assurance input re the Town Centre regen project under discussion.	
Carbon Management Plan					Likely to drop out of plan	N/A
Section 106 agreements/contributions			✓		Draft report imminent	
Hinckley Club for Young People			✓		Advisory input and briefing report provided; further discussions in progress	
Leisure Centre					Likely to drop out of plan	N/A
Markets		✓			Final report issued	Significant
Housing Repairs			✓	✓	Terms of reference agreed; in progress	

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Car Parks		✓			Final report issued	<b>Moderate</b>
Street Cleansing		✓			Final report issued	<b>Significant</b>
Additional review: DECC grant claim sign-off			✓	✓	Delayed at Council request - in progress	
Additional review/support: MIRA project				✓	Under discussion	
Additional review/support: HRA Investment Strategy				✓	Under discussion	
Follow Up Review					Allocation to be used to resource corporate risk assurance audits (MIRA, Town Centre, HRA Investment Strategy)	

- Denotes agreed carry-forward from 2012/13

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**RE: CAPITAL PROGRAMME 2013/2014 TO 2016-2017**  
**REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE**  
**DIRECTION)**

**WARDS AFFECTED: ALL WARDS**

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1. **PURPOSE OF REPORT**

To consider the draft Capital Programme for the years 2013/2014 - 2016-2017

2. **RECOMMENDATION**

That the committee endorse the proposed Capital Programme for the years 2013/2014 - 2016-2017 ahead of submission to Council for approval

3. **BACKGROUND TO THE REPORT**

3.1 Capital expenditure is essentially expenditure that results in the creation of an asset that has a life expectancy of more than one year and where use of the asset will result in benefits in future years. Capital expenditure may be used to generate assets for the Council's own use or to provide support for third party capital enhancements.

3.2 Any plans for capital expenditure must be financed through an approved method of funding. The main streams of such financing are:

- Supported borrowing - where the costs of the borrowing are part recognised in the formula grant settlement and are therefore 'supported'
- Unsupported borrowing – the Council is permitted to set within its "Prudential Indicators" a level of borrowing that can be obtained to fund capital expenditure. The Council must be satisfied that this borrowing is used to fund projects that are prudent, sustainable and affordable
- Government Grants – where specific monies have been awarded by Government to fund a particular project. In these cases the monies are often time limited and ring fenced for specific purposes. One of the largest government grants awarded to this Council is Regional Growth Funding for the works on the A5 and MIRA Enterprise Zone
- Third Party Contributions – these include contributions made from bodies such as the National Lottery, as well as planning obligations funded from section 106 agreements received from developers. As with Government Grants, these contributions tend to contain conditions on how they can be spent
- Capital receipts – these are derived from asset sales and can only be used to fund future capital expenditure.
- Revenue contributions – the Council is permitted to contribute revenue balances to capital, however this should be a minimal amount and only used to fund minor shortfalls in funding
- Earmarked reserves – funds that have been put aside from previous under spends for specific capital schemes that will occur in the future. For this Council, the Leisure Centre reserve is an example of where funds have been put aside to finance a specific capital priority in the future

3.3 The Capital Programme (the Programme) is produced on an annual basis to cover the current year and forecasts for the next three financial years. The Programme supports the Council's Corporate Plan and Medium Term Financial Strategy and ensures that resources are allocated and are used effectively to achieve corporate targets. At the

same time, the Programme is an integral element of the financial planning procedures of the Council and forecasts how the Council will deliver key projects affordably and within relevant Prudential Limits. The Programme should therefore be read in conjunction with these documents, alongside the Council's Corporate Asset Management Strategy and Housing Revenue Account Investment Plan.

- 3.4 The Capital Programme is prepared in conjunction with budget holders and Chief Officers. Project officers are invited as part of the budget setting process to submit requests for capital growths which are considered by Chief Officers and the Strategic Leadership Board. Growths are assessed in terms of their contribution to corporate objectives and funding availability.
- 3.5 The draft overall Capital Programme for 2013/2014 – 2016/2017 is contained within Appendix 1 along with supporting schedules showing spend by scheme.

### **Proposed Capital Programme – General Fund**

- 3.6 As outlined in the Medium Term Financial Strategy, the General Fund Capital Programme is concentrated around achievement of three capital priority projects namely:
  - The Hinckley Bus Station Redevelopment - "The Crescent"
  - Build of the new Hinckley Leisure Centre
  - Capital works associated with the Regional Growth Fund

#### **The Crescent**

- 3.7 This scheme involves redevelopment of the town centre bus station site, including a new supermarket, bus station, 560 space car park, new shops, family restaurants and cinema. Following renegotiation of the Development Agreement with the schemes developer, The Tin Hat Partnership, Council approved on 16<sup>th</sup> July 2013 capital investment of £4,500,000 to purchase the freehold of the Leisure "Block C" upon completion.
- 3.8 Based on the current development programme, completion of Block C will occur on 5<sup>th</sup> June 2015. The Council's £4,500,00 investment has therefore been included in the draft Programme in 2015/2016, to be funded by borrowing approved by Council in July.
- 3.9 On completion of the development, blocks A, B and D will be sold by Tin Hat Partnership on the open market. Tin Hat Partnership will have priority over the first £5,000,000 of development profit with the balance split 80:20 (THP:HBBC). This receipt (currently estimated at £1,200,000) will be used by the Council to partly fund the Leisure Centre project. The development agreement contains a "long stop" date for this sale of five years following completion (currently programmed for 27<sup>th</sup> July 2015). On the basis that the precise timescale is unknown, the Programme has prudently not included this financing until further clarity on timescales is known.

#### **Hinckley Leisure Centre**

- 3.10 The current Leisure Centre building on Coventry Road was opened in 1975 and will be at the end of its design life by the end of 2014/15. Council approved the decision in November 2012 to proceed with the procurement of a Partner (or Partners) to develop a new Leisure Centre and deliver the ongoing management of the Centre. Having considered all of the alternatives, Council agreed to relocate the Leisure Centre to the former Council Offices location on Argents Mead.



3.11 At the time of producing this report, the procurement process for the Centre was in the process of finalisation ahead of approval by Council in January 2014. In order to ensure that financing is available for the scheme, the Capital Programme includes expenditure of up to £12,200,000 to fund a high specification centre which includes:

- 25 metre, 8 lane swimming pool and learner pool
- 8 court sports hall
- Health and fitness facilities, including studios
- Ancillary supporting facilities

It is expected that the approved scheme will also provide revenue streams to the Council which can be used to fund service provision and capital financing costs.

3.12 Based on the current cost, the Programme outlines the following financing for the centre:

	<b>TOTAL COST £</b>	<b>ESTIMATE 2013-2014 £</b>	<b>ESTIMATE 2014-2015 £</b>	<b>ESTIMATE 2015-2016 £</b>	<b>ESTIMATE 2016-2017 £</b>
<b>Expenditure</b>	<b>12,200,000</b>	<b>50,000</b>	<b>6,075,000</b>	<b>6,075,000</b>	<b>0</b>
<b>Financed by</b>					
Leisure Centre Reserve	2,710,000	50,000	2,660,000	0	0
Capital Receipts (depot site)	2,000,000	0	2,000,000	0	0
Leisure Centre Temporary Financing	3,400,000	0	0	3,400,000	0
Leisure Centre Borrowing	4,090,000	0	1,415,000	2,675,000	0
<b>Total financing</b>	<b>12,200,000</b>	<b>50,000</b>	<b>6,075,000</b>	<b>6,075,000</b>	<b>0</b>

As outlined in 3.9, any capital receipt received from the sale of the Bus Station site will be utilised for this scheme. However because of uncertainty around the timing of this funds flow, it has been assumed that borrowing will be used to fund any shortfall. It should also be noted that the available balance of the Leisure Centre reserve may increase should savings be realised in the 2013/2014 revenue budget.

3.13 The exact mix of facilities and any associated revenue stream from the centre will be clarified upon completion of the procurement process and will be reflected in further iterations of this Programme.

#### Regional Growth Funding

3.14 During 2012/2013, the Secretary for State for Business Innovation and Skills (BIS) confirmed that Hinckley and Bosworth Borough Council would receive £19,474,000 in Regional Growth Funding (RGF) to support the development of the MIRA Enterprise Zone and wider economy. The funding will be spent in conjunction with MIRA, the Highways Agency and Highways Authorities to provide enhanced highway capacity on the A5 around the zone and other sustainable transport initiatives. In addition, elements of the funding have been provided to fund the relocation of a substation on the current site and also to support sustainable transport links for the zone.

3.15 The capital works associated with this project are due to commence in 2014/2015. Expenditure will be incurred in the main by the Council with some elements being passported to MIRA and Highways Agency to fund the works. In all cases the expenditure is funded by the RGF monies and therefore the scheme has not net impact on the capital financing requirement of the Council. Details of the profile of the works are included in Section 3 of the appendix to this report.

## New Schemes

3.16 Following review of submitted proposals, the following new schemes from 2014/2015 onwards have been included in the Programme for approval:

	<b>TOTAL</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>
	<b>COST</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Waste Management Receptacles</b> -This scheme relates to the cost of bins for new residential properties in the Borough. Options for recouping this capital outlay are currently being investigated and therefore a net budget has been assumed				
Total Annual Expenditure	<b>114,565</b>	25,520	48,225	40,820
Less: Income generation	<b>(114,565)</b>	-25,520	-48,225	-40,820
HBBC ELEMENT	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>MS Software</b> - Cost associated with upgrading the Council's Microsoft software. This work is essential in order to ensure the Council's software is supported and is up-to-date.				
Total Annual Expenditure (ALL HBBC)	<b>114,000</b>	<b>0</b>	<b>57,000</b>	<b>57,000</b>
<b>Green Spaces/Parks works</b> - Ongoing works required on green spaces and parks. Following a review of available 106 and other private contributions, a significant element of these works is financed by these sources. It is proposed that for those schemes in Hinckley, a contribution of £50,000 per annum is made from the Special Expenses Area reserves. This is subject to approval by the Committee.				
The Council is currently producing a Green Spaces Delivery Plan, the results of which will be factored into the Programme following consultation and approval processes.				
Total Cost	<b>420,851</b>	147,742	176,559	96,550
Less Section 106 contributions	<b>(170,449)</b>	(69,147)	(95,752)	(5,550)
Less other private contributions	<b>(100,402)</b>	(28,595)	(30,807)	(41,000)
Less Special Expenses Area reserves	<b>(150,000)</b>	(50,000)	(50,000)	(50,000)
HBBC ELEMENT	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Hinckley Squash Club</b> – Capital grant awarded to the Club to fund the new facilities. This was approved by Executive in 2013/2014 but is not required until the forthcoming year.				
Total Annual Expenditure (ALL HBBC)	<b>49,000</b>	<b>49,000</b>	<b>0</b>	<b>0</b>

## Existing schemes

3.17 With the exception of these material schemes, the remainder of the Programme contains ongoing schemes which have been in place for a number of financial years. The following points should be noted when reviewing these schemes:

- The Major and Minor works budgets have been reduced by £40,000 and £20,000 respectively from the proposals in 2014/2015 onwards. This is to reflect the under-spends in these areas in previous years. A review of the allocations process for these funds is currently being undertaken to understand this under-spend. Any revision to the policy will be considered for financial impact upon approval.
- Changes in the allocation method for Disabled Facilities Grant are being proposed by Central Government from 2016/2017 onwards. The impact of these changes on the Programme will be considered upon publication from Government.

## **Proposed Capital Programme – Housing Revenue Account**

3.18 Following the approval of the Housing Revenue Account Investment Plan by Council in July 2013, the HRA Capital Programme reflects the main investment priorities outlined in this plan as follows:

	<b>ESTIMATE 2014-15 £</b>	<b>ESTIMATE 2015-16 £</b>	<b>ESTIMATE 2016-17 £</b>
Service Investment	100,000	100,000	100,000
Stock Enhancements	596,000	146,000	806,000
New Build/Acquisition	2,500,000	2,500,000	2,500,000
<b>Total Investment</b>	<b>3,196,000</b>	<b>2,746,000</b>	<b>3,406,000</b>

3.19 The following proposed schemes link to the achievement of these investment objectives:

- £7,500,000 over the next three years for new Affordable Housing. This scheme will prioritise the buy back of ex-Council properties and development of housing on Council owned sites in 2014/2015. In the following two years the emphasis will move to targeting new land for acquisition and potential new build in conjunction with a development partner.
- £620,000 of kitchen and bathroom “enhancement” works - additional kitchen and bathroom refurbishment projects to an upgraded standard and works to give tenants additional bathroom location and equipment options

3.20 In addition to this, the HRA Capital Programme includes expenditure towards the rolling works on housing properties confirmed by the outcomes of the stock condition exercise carried out in 2012/2013.

3.21 Expenditure in the Capital Programme will be funded by the following key streams:

- Contributions from the Major Repairs Reserve for the cyclical stock programmes
- Use of the HRA “Regeneration Reserve” which has been set up following the introduction of self financing
- Use of Right to Buy Receipts obtained from Council properties

### **Funding Implications**

3.22 The main methods of financing the Capital Programme are detailed in section 3.2 of this report. The availability of financing options are becoming restricted over the medium term as asset sales become less frequent and the availability of funding from central government becomes restricted.

### **Capital Receipts Reserve**

3.23 The estimated impact of the proposed programme on the Capital Receipts reserve is summarised below. Based on current expenditure proposals, all receipts will be quickly used for financing expenditure and the reserve will be effectively drawn down over the period of this Programme. Receipts assumptions are based on the following:

- Right to buy sales of £350,000 per annum;

- Disposal of the current depot site in March 2014 for £2,000,000. This receipt must be used for future regeneration projects and therefore will be applied in full to the Leisure Centre scheme
- A receipt of £2,200,000 for the current leisure centre site in 2015/16 which will be used in part to repay any short term financing required for the Leisure Centre pending receipt of the Bus Station receipt
- The receipt from the Tin Hat Partnership upon the sale of Block C has not been factored into this Programme

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balance	1,603,000	267,602	562,202	912,202
In Year Receipts	646,400	2,794,600	350,000	2,550,000
Repayment of Debt - Leisure Centre	0	0	0	(3,400,000)
In Year Application (Non Leisure Centre)	1,981,798	500,000	0	0
In Year Application - Leisure Centre	0	2,000,000	0	0
<b>Closing Balance</b>	<b>267,602</b>	<b>562,202</b>	<b>912,202</b>	<b>62,202</b>

### Borrowing

3.24 As outlined in section 3.2, the Council is permitted to borrow within approved limits to finance capital expenditure. Following agreement of the revised development agreement with developers of the Bus Station site and the required investment in the Leisure Centre, the "Authorised Limit" for this Council has been approved at £117,507,000 for 2014/2015. This is split between the HRA and General Fund as follows:

	<b>£</b>
General Fund	47,310,000
Housing Revenue Account	70,197,000
<b>Total Authorised Limit</b>	<b>117,507,000</b>

3.25 In line with relevant accounting standards, the Council is required to budget for the cost of borrowing, to include any interest payable and also a provision for the repayment of debt (the Minimum Revenue Position). Based on the current borrowing need detailed in the Programme, the additional cost of borrowing has been calculated as follows:

	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Additional MRP cost	14,550	58,410	226,715
Additional Interest cost	41,196	235,196	179,951

3.26 Further details of the Council's borrowing limits and indicators will be outlined in the 2014/2015 Treasury Management Policy which will accompany the Capital Programme for Council approval in February 2014.

### Use of Reserves

3.27 The following reserves have been used to finance specific capital schemes outlined in the Programme:

	<b>Use of Reserves</b>	<b>Forecast balance 31<sup>st</sup> March 2013</b>	<b>Use of Reserves</b>	<b>Use of Reserves</b>	<b>Use of Reserves</b>	<b>Forecast balance 31st March 2017</b>
	<b>2013-14</b>	<b>2013</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Waste Management Reserve	-138,500	178,265	-26,000	-32,000	-32,000	88,265
ICT Reserve	-1,650	210,850	-57,000	-57,000	0	96,850
Transformation	-23,600	26,400	0	0	0	26,400
Relocation Reserve	-394,768	102,781	0	0	0	102,781
<b>Sub total</b>	<b>-558,518</b>		<b>-83,000</b>	<b>-89,000</b>	<b>-32,000</b>	
Leisure Centre	0	2,660,216	-2,660,000	0	0	216

4. FINANCIAL IMPLICATIONS [KP]

Contained within the body of the report.

5. LEGAL IMPLICATIONS [AB]

None arising directly from the report.

6. CORPORATE PLAN IMPLICATIONS

The report provides a refresh of the Council's rolling Capital Programme. Any item included in the programme has been evaluated to ensure it contributes towards achievement of a Corporate Plan objective.

7. CONSULTATION

Members of the public were consulted on priorities for budget setting as part of the annual Priority Setting exercise, the results of which will be reported to Executive in November 2013.

Expenditure proposals contained within this report have been submitted after officer consultation, including the COB and SLB.

Material schemes (e.g. the Leisure Centre and Bus Station Redevelopment) have been subject to individual consultations as part of the viability and design process.

8. RISK IMPLICATIONS

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

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

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

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
<p>If the schemes were not implemented this would impact on Service Delivery. It would also mean an inability to meet corporate plan objectives and have an impact on the reputation of the Council.</p> <p>The risk of external funding not being granted. This would result in additional borrowing costs in the short term if funding is delayed or long term if funding is withdrawn.</p> <p>Risk of Capital Receipts not being realised.</p>	<p>Projects are to be managed through an officer capital forum group and reported to SLB on a quarterly basis. Monthly financial monitoring statements are provided to project officers and the programme will now be reviewed twice a year.</p> <p>Six monthly review of capital programme would mean that it is easier to switch resources.</p> <p>The Executive approve the disposal of surplus assets as recommended by the Deputy Chief Executive (Corporate Direction)</p>	<p>Individual Project Officers/ Capital Forum</p> <p>Project Officer / Accountancy section</p> <p>Estates and Asset Manager/Deputy Chief Executive (Corporate Direction)</p>

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

The programme contains schemes which will assist in equality and rural development. Equality and rural issues are considered separately for each project.

10. **CORPORATE IMPLICATIONS**

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

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

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**Background Papers:** Capital Estimates submissions

**Contact Officer:** Katherine Plummer, Head of Finance (ext 5609)

**Lead Member:** Cllr KWP Lynch

**CAPITAL ESTIMATES 2013-2014 to 2016-2017 GENERAL FUND SUMMARY**

	<b>TOTAL COST</b>	<b>ESTIMATE 2013-14</b>	<b>ESTIMATE 2014-15</b>	<b>ESTIMATE 2015-16</b>	<b>ESTIMATE 2016-17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expenditure</b>					
SECTION 1 (Leisure and Environment)	13,425,024	565,526	6,350,178	6,292,160	217,160
SECTION 2 (Planning)	4,891,370	237,680	43,943	4,566,052	43,695
SECTION 3 (Central Services)	1,674,041	1,470,041	97,000	67,000	40,000
Housing (General Fund)	1,966,420	739,472	496,948	365,000	365,000
<b>Expenditure Total</b>	<b>21,956,855</b>	<b>3,012,719</b>	<b>6,988,069</b>	<b>11,290,212</b>	<b>665,855</b>
<b>Financing</b>					
<b>General Financing</b>					
Capital Receipts	2,481,798	1,981,798	500,000	0	0
Supported Borrowing GF	426,400	106,600	106,600	106,600	106,600
Unsupported Borrowing GF	1,478,489	257,153	174,469	519,612	527,255
Revenue Contribution to Capital	107,650	58,650	49,000	0	0
Contribution from reserves GF	762,518	558,518	83,000	89,000	32,000
<b>Leisure Centre Financing</b>					
Leisure Centre Reserve	2,710,000	50,000	2,660,000	0	0
Leisure Centre Capital Receipt	2,000,000	0	2,000,000	0	0
Leisure Centre Temporary Financing	3,400,000	0	0	3,400,000	0
Leisure Centre Borrowing	4,090,000	0	1,415,000	2,675,000	0
<b>Bus Station Financing</b>					
Bus Station Borrowing	4,500,000	0	0	4,500,000	0
<b>Financing Total</b>	<b>21,956,855</b>	<b>3,012,719</b>	<b>6,988,069</b>	<b>11,290,212</b>	<b>665,855</b>

## SECTION 1

	TOTAL COST £	ESTIMATE 2013-2014 £	ESTIMATE 2014-2015 £	ESTIMATE 2015-2016 £	ESTIMATE 2016-2017 £
<b>Parish &amp; Community Initiatives Grants</b>					
Total Annual Expenditure(ALL HBBC)	401,760	101,760	100,000	100,000	100,000
<b>Parks Major works</b>					
Total Annual Expenditure(ALL HBBC)	120,000	30,000	30,000	30,000	30,000
<b>Richmond Park Play Area</b>					
Total Annual Expenditure	150,000	114,000	36,000	0	0
<b>Section 106</b>	(20,982)	0	(20,982)	0	0
External Funding (FA)	(106,574)	(106,574)	0	0	0
Total Annual Expenditure(ALL HBBC)	43,426	7,426	36,000	0	0
<b>Burbage Common</b>					
Total Annual Expenditure	66,210	66,210	0	0	0
Less 6c's grant	0	0	0	0	0
HBBC Element	66,210	66,210	0	0	0
<b>Rural Broadband</b>					
Total Annual Expenditure(ALL HBBC)	58,000	58,000	0	0	0
<b>Roll on Roll off Vehicle</b>					
Total Annual Expenditure(ALL HBBC)	6,000	6,000	0	0	0
<b>Waste Vehicle</b>					
Total Annual Expenditure(ALL HBBC)	75,000	75,000	0	0	0
<b>Tele Handler</b>					
Total Annual Expenditure(ALL HBBC)	28,000	28,000	0	0	0
<b>Fork Lift truck</b>					
Total Annual Expenditure(ALL HBBC)	14,500	14,500	0	0	0
<b>Memorial Safety Programme</b>					
Total Annual Expenditure(ALL HBBC)	21,710	6,230	5,160	5,160	5,160
<b>Waste Management Receptacles</b>					
Total Annual Expenditure(ALL HBBC)	361,000	121,000	76,000	82,000	82,000
<b>Hinckley Squash Club</b>					
Total Annual Expenditure(ALL HBBC)	49,000	0	49,000	0	0
<b>Lesiure Centre</b>					
Total Annual Expenditure(ALL HBBC)	12,200,000	50,000	6,075,000	6,075,000	0
<b>Brodick Road Woodlands Scheme</b>					
Total Annual Expenditure(ALL HBBC)	1,400	1,400	0	0	0
<b>Waste Management Receptacles</b>					
Total Annual Expenditure	114,565	0	25,520	48,225	40,820
Less: Income generation	(114,565)	0	(25,520)	(48,225)	(40,820)
HBBC ELEMENT	0	0	0	0	0
<b>Green Spaces/Parks works</b>					
Total Cost	420,851	0	147,742	176,559	96,550
Less Section 106 contributions	(170,449)	0	(69,147)	(95,752)	(5,550)
Less other private contributions	(100,402)	0	(28,595)	(30,807)	(41,000)
Less Special Expenses Area reserves	(150,000)	0	(50,000)	(50,000)	(50,000)
HBBC ELEMENT	(0)	0	(0)	0	0
<b>TOTAL GROSS EXPENDITURE</b>	14,087,996	672,100	6,544,422	6,516,944	354,530
<b>LESS TOTAL CONTRIBUTIONS</b>	(662,972)	(106,574)	(194,244)	(224,784)	(137,370)
<b>TOTAL HBBC ELEMENT</b>	13,425,024	565,526	6,350,178	6,292,160	217,160



SECTION 2

	TOTAL COST £	ESTIMATE 2013-2014 £	ESTIMATE 2014-2015 £	ESTIMATE 2015-2016 £	ESTIMATE 2016-2017 £
<b>Borough Improvements</b>					
Total Annual Expenditure	215,000	65,000	50,000	50,000	50,000
Less Private contribution	(60,000)	(15,000)	(15,000)	(15,000)	(15,000)
HBBC Element	<b>155,000</b>	<b>50,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>
<b>Car Park Resurfacing</b>					
Total Annual Expenditure(ALL HBBC)	<b>66,930</b>	<b>18,240</b>	<b>8,943</b>	<b>31,052</b>	<b>8,695</b>
<b>Carlton Rural Exception Site</b>					
Total Annual Expenditure(ALL HBBC)	<b>55,000</b>	<b>55,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Barwell Shop Front Improvements</b>					
Total Annual Expenditure	6,698	6,698	0	0	0
Less Private contribution	(6,698)	(6,698)	0	0	0
HBBC Element	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depot Relocation</b>					
Total Annual Expenditure (ALL HBBC)	<b>114,440</b>	<b>114,440</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bus Station Development</b>					
Total Annual Expenditure (ALL HBBC)	<b>4,500,000</b>	<b>0</b>	<b>0</b>	<b>4,500,000</b>	<b>0</b>
<b>TOTAL GROSS EXPENDITURE</b>	4,958,068	259,378	58,943	4,581,052	58,695
<b>LESS TOTAL CONTRIBUTIONS</b>	(66,698)	(21,698)	(15,000)	(15,000)	(15,000)
<b>TOTAL HBBC ELEMENT</b>	<b>4,891,370</b>	<b>237,680</b>	<b>43,943</b>	<b>4,566,052</b>	<b>43,695</b>

## SECTION 3

	TOTAL COST £	ESTIMATE 2013/14 £	ESTIMATE 2014/15 £	ESTIMATE 2015/16 £	ESTIMATE 2016-2017 £
<b>Asset Management Enhancements</b>					
Total Annual Expenditure(ALL HBBC)	62,620	62,620	0	0	0
<b>General Renewals</b>					
Total Annual Expenditure(ALL HBBC)	79,000	69,000	0	10,000	0
<b>Rolling Server Review</b>					
Total Annual Expenditure(ALL HBBC)	80,000	0	40,000	0	40,000
<b>Financial System</b>					
Total Annual Expenditure(ALL HBBC)	11,050	11,050	0	0	0
<b>Council Office Relocation</b>					
Total Annual Expenditure	718,680	718,680	0	0	0
Less Private contribution	(3,429)	(3,429)	0	0	0
HBBC Element	715,251	715,251	0	0	0
<b>Florenance House Delapidation</b>	100,000	100,000	0	0	0
Total Annual Expenditure(ALL HBBC)	100,000	100,000	0	0	0
<b>Stamp Duty - Hinckley Hub</b>					
Total Annual Expenditure(ALL HBBC)	165,550	165,550	0	0	0
<b>RGF - MIRA</b>					
Substation and A5 improvements	11,571,790	5,598,790	5,973,000	0	0
Less Regional Growth Fund contribution	(11,571,790)	(5,598,790)	(5,973,000)	0	0
HBBC Element	0	0	0	0	0
<b>Channel Strategy</b>					
Total Annual Expenditure(ALL HBBC)	23,600	23,600	0	0	0
<b>Wifi Hinckley Hub</b>					
Total Annual Expenditure(ALL HBBC)	13,900	13,900	0	0	0
<b>Demolition of Argents Mead Offices</b>					
Total Annual Expenditure(ALL HBBC)	199,750	199,750	0	0	0
<b>Demolition of Depot</b>					
Total Annual Expenditure(ALL HBBC)	90,010	90,010	0	0	0
<b>Transformation</b>					
Total Annual Expenditure(ALL HBBC)	3,110	3,110	0	0	0
<b>Mobile Web</b>					
Total Annual Expenditure(ALL HBBC)	16,200	16,200	0	0	0
<b>MS Software</b>					
Total Annual Expenditure (ALL HBBC)	114,000	0	57,000	57,000	0
<b>TOTAL GROSS EXPENDITURE</b>	13,249,260	7,072,260	6,070,000	67,000	40,000
<b>LESS TOTAL CONTRIBUTIONS</b>	(11,575,219)	(5,602,219)	(5,973,000)	0	0
<b>TOTAL HBBC ELEMENT</b>	<b>1,674,041</b>	<b>1,470,041</b>	<b>97,000</b>	<b>67,000</b>	<b>40,000</b>

**GENERAL FUND HOUSING**

	<b>TOTAL COST</b>	<b>ESTIMATE 2013-2014</b>	<b>ESTIMATE 2014-2015</b>	<b>ESTIMATE 2015-2016</b>	<b>ESTIMATE 2016-2017</b>
	£	£	£	£	£
<b>Major Works Assistance</b>					
HBBC ELEMENT	<b>580,000</b>	<b>130,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>Minor Works Assistance</b>					
HBBC ELEMENT	<b>300,000</b>	<b>90,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>
<b>Private Sector Leasing Scheme</b>					
HBBC ELEMENT	<b>60,000</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Care &amp; Repair Improvement Agency</b>					
Total Annual Expenditure(ALL HBBC)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Disabled Facilities Grants</b>					
Total Annual Expenditure	<b>1,722,420</b>	633,472	450,948	319,000	319,000
Less Government Grant	<b>(696,000)</b>	(174,000)	(174,000)	(174,000)	(174,000)
HBBC ELEMENT	<b>881,420</b>	<b>459,472</b>	<b>276,948</b>	<b>145,000</b>	<b>145,000</b>
<b>Fuel Poverty and Green Deal Programme</b>					
Total Annual Expenditure	1,301,010	1,301,010	0	0	0
Less Government Grant	(1,301,010)	(1,301,010)	0	0	0
HBBC ELEMENT	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>TOTAL GROSS EXPENDITURE</b>	3,963,430	2,214,482	670,948	539,000	539,000
<b>LESS TOTAL CONTRIBUTIONS</b>	(1,997,010)	(1,475,010)	(174,000)	(174,000)	(174,000)
<b>TOTAL HBBC ELEMENT</b>	<b>1,966,420</b>	<b>739,472</b>	<b>496,948</b>	<b>365,000</b>	<b>365,000</b>

**CAPITAL ESTIMATES 2013-2014 to 2016-2017 HOUSING REVENUE ACCOUNT SUMMARY**

	<b>TOTAL</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>
		<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>
<b>EXPENDITURE</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Stock Condition Schemes</b>					
Sheltered Scheme Enhancements (internal dec to com areas	90,000	0	35000	35000	20000
Kitchen Improvements	2,291,890	560,890	560,000	580,000	591,000
Boiler and Heating Replacement	2,024,160	350,160	558,000	558,000	558,000
uPVC Door Replacement	128,000	32,000	32,000	32,000	32,000
Electrical Testing / Upgrading	1,820,000	320,000	500,000	500,000	500,000
Programmed Enhancements	1,280,000	320,000	320,000	320,000	320,000
uPVC Window Replacement	130,000	20,000	30,000	40,000	40,000
Re-roofing	252,000	63,000	63,000	63,000	63,000
Major Void Enhancements	3,120,000	780,000	780,000	780,000	780,000
Exceptional Extensive items and Contingencies	1,008,972	252,972	252,000	252,000	252,000
<b>Previous years budgets</b>					
Housing Repairs Software system	37,210	0	37,210	0	0
Orchard System Upgrade	103,820	103,820	0	0	0
Adaptations for Disabled People	1,200,102	288,000	297,250	303,631	311,221
<b>Enhancements works</b>					
Kitchens and Bathrooms	620,000	0	120,000	200,000	300,000
<b>Affordable Housing</b>					
Affordable Housing	7,500,000	0	1,000,000	3,500,000	3,000,000
<b>Expenditure Total</b>	<b>21,686,154</b>	<b>3,110,842</b>	<b>4,604,460</b>	<b>7,183,631</b>	<b>6,787,221</b>
<b>FINANCING</b>					
Major Repairs Reserve	12,245,198	2,719,022	3,084,786	3,168,170	3,273,220
Regeneration Reserve	8,840,956	391,820	1,119,674	3,915,460	3,414,002
1:4:1 Receipts	600,000	0	400,000	100,000	100,000
<b>Financing Total</b>	<b>21,686,154</b>	<b>3,110,842</b>	<b>4,604,460</b>	<b>7,183,631</b>	<b>6,787,221</b>



**REVENUE AND CAPITAL OUTTURN – 2<sup>ND</sup> QUARTER 2013/2014**  
**REPORT OF DEPUTY CHIEF EXECUTIVE – (CORPORATE**  
**DIRECTION)**

1. **PURPOSE OF REPORT**

1.1 To inform members of the revenue and capital outturn at the end of the second quarter of 2013/2014

2. **RECOMMENDATION**

2.1 That the committee notes the report

3. **BACKGROUND TO THE REPORT**

3.1 Attached to this report are the monthly outturn reports including the following information for the period 1<sup>st</sup> April– 30<sup>th</sup> September 2013:

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

**General Fund**

3.2 When the budget was approved by Council in February 2013 it was anticipated that £267,372 would be taken **from** balances and a net £230,641 transferred **to** earmarked reserves. Since that date, £252,476 of supplementary budgets have been approved in line with financial procedure rules.

3.3 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:

	<b>Timing Differences</b>	<b>Outturn variances</b>	<b>Explanation</b>
	<b>£000's Under spend/(Overspend)</b>		
Council Tax /NNDR	-	58	Additional legal fees income from recovery activity forecast to be received to year end (£33k as at September 2013)
Rent Allowances	64	-	Additional overpayment income received to September 2013 compared to profile.
Recycling	77	95	Various savings identified following a full review of budgets in this year. Key variances include £25k savings on fuel expenditure and £15k of agency fees.
Car Parks	54	59	Additional car parking income arising from a delay in closing Brunel Road

			car park and receipt of season ticket income from Leicestershire County Council.
Council Offices	(65)	(40)	Variance includes £22k less income from Florence House rental and additional electricity costs for the Middlefield depot of £18k
Various	-	164	Salary savings identified across all service areas

3.4 Taking into account these variances, £413,479 of positive variances against budget are forecast to the year end. In considering this position it should be noted that a transfer of £568,000 from balances to reserves was approved by Council in June 2013. Taking this into account, a net under spend of £406,903 is forecast to year end as indicated below leaving closing General Fund balances of £1,352,531:

	<b>Transfer to/(from) Balances</b>
	<b>£</b>
Original Estimate	-267,372
Approved transfer to reserves	-568,000
Forecast position	-835,372
Forecast outturn position (Sept '13)	-428,469
<b>(Under)/over spend</b>	<b>-406,903</b>

3.5 It should be noted that of the under spends identified, it is expected that up to £149,000 will be spent to year end following approval of a grant to the Hinckley Squash Club (£49,000) and in anticipation of payments for planning appeals (circa £100,000).

#### Capital

3.6 £2,921,746 has been spent on capital schemes to the end of September 2013 against a budget for that period of £4,076,815. This represents an under-spend of £1,156,034. The major variations in excess of £50,000 are as follows:

<b>Scheme</b>	<b>£000's Under spend/ (Overspend)</b>	<b>Explanation</b>
Green Deal Fuel Poverty	381	These funds are held on behalf of all Leicestershire Districts. Under spend reflects delays in completion of works across the County. Of this variance, £246k was committed to be spent as at September 2013. All monies must be spent by the year end and therefore no forecast variance is expected.
Housing Repairs	615	Difference represents the value of "Work in Progress" (WIP) currently sat within the Council's Orchard system. This will be transferred to the financial ledger following completion of works. The value of this WIP is being monitored on a periodic basis to ensure that the outturn on these budgets is accurately

		forecast. Taking into account this balance as at 30 <sup>th</sup> June 2013, the total over commitment on the Housing Repairs capital budgets is forecast to be circa £17k. Any shortfall will be met by the contingency budget which is currently under-spent.
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Housing Revenue Account

3.8 At the present time it is anticipated that the HRA outturn deficit will be £1,174,588 as against an approved budget of £1,101,153. This reflects a net over spend of £73,435 which relates to the reversal of accounting entries at the start of the financial year. Use of the HRA regeneration reserve was considered in the revised HRA Investment Plan by Council during July 2013 and any approved schemes will be reflected in the Capital Programme for 2014/15 onwards.

4. FINANCIAL IMPLICATIONS (KP)

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

5. LEGAL IMPLICATIONS (AB)

None raised directly by this report

6. CORPORATE PLAN IMPLICATIONS

The budget impacts on all areas of the Corporate Plan

7. CONSULTATION

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

8. RISK IMPLICATIONS

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

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

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

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

None

10. CORPORATE IMPLICATIONS

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

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

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Background Papers:           Civica Financial Files

Author:                         Sanjiv Kohli, Deputy Chief Executive (Corporate Direction) ext  
5607  
Katherine Plummer, Head of Finance ext 5609

Executive Member:           Cllr KWP Lynch





# Hinckley & Bosworth Borough Council

## Monthly Outturn Reports

For the period April to September 2013

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**September 2013 PE Budget Monitoring Summary 2013/14**

Service	Supplementary Budgets/virements approved to date		Latest Budget used for Monitoring ledger		Budget per Monitoring Report		Estimated Outturn	
	Budget as per Feb 13 budget Book	Budgets/virements approved to date	recharges	ledger	recharges	Report	Variations	Estimated Outturn
Central Services	2,937,530	21,080	2,958,610	-990,410	1,968,200	-101,000	2,857,610	
Leisure & Environment	6,649,840	-36,483	6,613,357	-1,548,290	5,065,067	-164,000	6,449,357	
Housing (GF)	1,326,246	520,805	1,847,051	-235,250	1,611,801	27,000	1,874,051	
Planning	1,438,555	450,309	1,888,864	-1,232,810	656,054	-47,000	1,841,864	
Direct Services Organisation	-10,300	-2,410	-12,710	-365,360	-378,070	30,000	-12,710	
Support Services	213,240	-700,825	-487,585	4,379,570	3,891,985	6,000	-500,055	
Estimated Salary Savings	0	0	0	0	0	-164,479	-152,229	
Increments and Pay award budget adj	0	0	0	0	0	0	0	
Carry forwards 2012/13	0	0	0	0	0	0	0	
Corporate Savings recovered above	0	0	0	0	0	0	0	
<b>TOTAL SERVICE EXPENDITURE</b>	<b>12,555,111</b>	<b>252,476</b>	<b>12,807,587</b>	<b>7,450</b>	<b>12,815,037</b>	<b>-413,479</b>	<b>12,394,108</b>	
Special Expenses	-614,430	-2,293	-616,723		-616,723		-616,723	
Capital Accounting	-1,996,100		-1,996,100		-1,996,100		-1,996,100	
External Interest - Net	134,240		134,240		134,240		134,240	
FRS 17 adjustment	-141,350		-141,350		-141,350		-141,350	
Transfer to Pension Reserve	115,510		115,510		115,510		115,510	
use of ug & C reserves	0	-620,568	-620,568		-620,568		-620,568	
carry forwards	0	-139,439	-139,439		-139,439		-139,439	
Transfer to Reserves	396,840	2,077,216	2,474,056		2,474,056		2,474,056	
Revenue Contribution for Capital Outlay	0	0	0		0		0	
Use of Reserves	-166,199	-1,032,816	-1,199,015		-1,199,015		-1,199,015	
<b>BUDGET REQUIREMENT</b>	<b>10,283,622</b>	<b>674,015</b>	<b>10,818,198</b>	<b>7,450</b>	<b>10,975,087</b>	<b>-373,479</b>	<b>10,444,719</b>	
Financing								
Council Tax	3,296,322		3,296,322		3,296,322		3,296,322	
Council Tax Freeze Grant	147,511		147,511		147,511		147,511	
Revenue Support Grant	2,992,354		2,992,354		2,992,354		2,992,354	
Council Tax Support Grant	544,764		544,764		544,764		544,764	
National Non-Domestic Rate	1,990,732		1,990,732		1,990,732		1,990,732	
New Homes Bonus	1,042,501		1,042,501		1,042,501		1,042,501	
Collection Fund Surplus	2,066		2,066		2,066		2,066	
<b>TOTAL RESOURCES (HBBC BUDGET)</b>	<b>10,016,250</b>	<b>0</b>	<b>10,016,250</b>	<b>0</b>	<b>10,016,250</b>	<b>0</b>	<b>10,016,250</b>	
<b>Movement in General Fund Balances</b>	<b>-267,372</b>	<b>-674,015</b>	<b>-941,387</b>		<b>-941,387</b>	<b>373,479</b>	<b>-428,469</b>	
Special Expenses								
Expenditure	614,430	2,293	616,723		616,723	0	616,723	
Council Tax Income	614,430		614,430		614,430		614,430	
Movement in Special Expenses Balances	0	-2,293	-2,293	0	-2,293	0	-2,293	
Special Expenses to / (from) Reserves	0	17,000	17,000		17,000		17,000	
Special Expenses mvt in Balances	0	0	0		0		0	
Total Movement in Balances	-267,372	-674,015	-941,387	0	-941,387	373,479	-428,469	
Balance at 1 April 2013 Council Feb 13	1,543,000	0	1,543,000		1,543,000		1,543,000	
Year 12/13 underspend	0	238,000	238,000		238,000		238,000	
Revised Balance 1st April 2013	1,543,000	238,000	1,781,000	0	1,781,000	0	1,781,000	
Balance at 31 March 2014	1,275,628	-674,015	839,613		839,613	373,479	1,352,531	
NBR	10,898,052	676,308	11,434,921	7,450	11,442,371	-373,479	11,061,442	

	August Outturn	Variance	Change in Budget	Change in Outturn
Central Services	2,959,430	-101,820	-820	-101,000
Leisure & Environment	6,562,086	-112,729	-112,729	0
Housing (GF)	1,864,051	10,000	0	10,000
Planning	1,872,235	-30,371	-371	-30,000
Direct Services Organisation	-12,710	30,000	30,000	30,000
Support Services	-500,055	18,470	4,470	14,000
Estimated Salary Savings	-152,229			-12,229
Carry forwards 2012/13	0	0	0	0
Corporate Savings recovered above	0	0	0	0
<b>TOTAL SERVICE EXPENDITURE</b>	<b>12,592,787</b>	<b>-198,679</b>	<b>-109,450</b>	<b>-89,229</b>
Special Expenses	-616,723	0	0	0
Capital Accounting	-1,996,100	0	0	0
External Interest - Net	134,240	0	0	0
FRS 17 adjustment	-141,350	0	0	0
Transfer to Pension Reserve	115,510	0	0	0
use of ug & C reserves	-620,568	0	0	0
carry forwards	-139,439	0	0	0
Transfer to Reserves	2,474,056	0	0	0
Revenue Contribution for Capital Outlay	0	0	0	0
Use of Reserves	-1,199,015	0	40,000	-40,000
<b>BUDGET REQUIREMENT</b>	<b>10,643,398</b>	<b>-198,679</b>	<b>-69,450</b>	<b>-129,229</b>

-267	Approved Feb 13 Use of Balances
-568	Additional Cont. to Reserves approved July 13
-835	Revised expected Use of Balances
-428	Forecast per September
-407	Estimated revised net underspend
-203	Underspend reported in June
-20	Additional Underspend in July
15	Overspend in August
-199	Additional Underspend in September
-407	Estimated revised net underspend

3,296,322	3,296,322
147,511	147,511
2,992,354	2,992,354
544,764	544,764
1,990,732	1,990,732
1,042,501	1,042,501
2,066	2,066
10,016,250	10,016,250
-267,372	-941,387
614,430	616,723
614,430	614,430
0	-2,293
0	17,000
-267,372	-941,387
1,543,000	1,543,000
0	238,000
1,543,000	1,781,000
1,275,628	839,613
10,898,052	11,434,921
3,296,322	3,296,322
147,511	147,511
2,992,354	2,992,354
544,764	544,764
1,990,732	1,990,732
1,042,501	1,042,501
2,066	2,066
10,016,250	10,016,250
-941,387	-941,387
616,723	616,723
614,430	614,430
-2,293	-2,293
17,000	17,000
-941,387	-941,387
1,543,000	1,543,000
238,000	238,000
1,781,000	1,781,000
839,613	839,613
11,434,921	11,442,371
373,479	373,479
-428,469	-428,469
1,543,000	1,543,000
238,000	238,000
1,781,000	1,781,000
1,352,531	1,352,531
11,061,442	11,061,442

Level 5	Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2013/14	Forecast Outturn	Forecast Variation to Year End	REF
as45	287,455	234,452	63,003	39,000	24,003	604,520	561,520	43,000	1.1
as40	16,796	11,834	4,962		4,962	32,320	32,320		
as75	120,910	-9,138	130,048	94,000	36,048	282,650	224,650	58,000	1.2
ag35	52,999	-21,830	74,829	71,000	3,829	192,220	192,220		
as90	29,286	29,319	-33		-33	35,470	35,470		
as65	395,401	359,460	35,941	36,000	-59	675,690	675,690		
as70	4,107	3,770	337		337	5,450	5,450		
as60	55,007	76,260	-21,253	-18,000	-3,253	139,880	139,880		1.3
<b>Central Services</b>	<b>971,961</b>	<b>684,128</b>	<b>287,833</b>	<b>222,000</b>	<b>65,833</b>	<b>1,968,200</b>	<b>1,867,200</b>	<b>101,000</b>	
cs04	-46,594	-45,371	-1,223		-1,223	-154,200	-124,200	-30,000	2.1
cs05	-115,984	530,988	-646,972	-646,000	-972	-223,870	-223,870		
<b>Direct Services Organisation</b>	<b>-162,578</b>	<b>485,617</b>	<b>-648,195</b>	<b>-646,000</b>	<b>-2,195</b>	<b>-378,070</b>	<b>-348,070</b>	<b>-30,000</b>	
ag40	25,896	-10,272	36,168	35,000	1,168	27,855	27,855		
ag50	11,118	11,118	0		0	22,230	22,230		
ag60	7	0	7		7	10	10		
ag20	-3,312	-3,085	-227		-227	-5,300	-5,300		
ag55	42,799	32,265	10,534	-5,500	16,034	155,646	155,646		3.1
ag10	187	189	-2		-2	250	250		
ag80	22,027	22,720	-693		-693	45,190	45,190		
ag70	179,391	184,406	-5,015		-5,015	1,437,780	1,437,780		3.2
ag30	-23,247	-513,617	490,370	403,000	87,370	-71,860	-44,860	-27,000	3.3
<b>Housing (Gen Fund)</b>	<b>254,866</b>	<b>-276,277</b>	<b>531,143</b>	<b>432,500</b>	<b>98,643</b>	<b>1,611,901</b>	<b>1,638,901</b>	<b>-27,000</b>	
ac65	2,920	1,430	1,490		1,490	9,650	9,650		
ac05	76,005	75,883	122		122	168,120	168,120		
ac90	-27,957	-18,042	-9,915	-8,500	-1,415	85,540	85,540		4.1
as86	64,368	65,164	-796		-796	110,890	110,890		
as85	215,495	197,992	17,503	15,000	2,503	440,254	440,254		
ac70	54,092	51,697	2,395		2,395	108,420	108,420		
ac87	32,685	35,846	-3,161		-3,161	58,810	58,810		
ac45	21,765	25,449	-3,684		-3,684	38,550	38,550		
ac35	269,482	274,573	-5,091		-5,091	562,960	562,960	-3,000	4.2
ag40	11,773	11,953	-180		-180	26,400	26,400		
ac60	171,617	173,776	-2,159		-2,159	333,780	333,780		
ac89	22,279	10,848	11,431	11,000	431	46,470	46,470		
ac95	8,153	11,759	-3,606		-3,606	-13,930	-8,930	-5,000	4.3
ac68	313,747	305,127	8,620	7,000	1,620	643,068	643,068		
ac30	18,120	7,857	10,263		10,263	51,470	43,470	8,000	4.4
ac10	17,027	16,411	616		616	30,230	30,230		
ac20	211,765	152,729	59,036	-17,500	76,536	519,860	425,360	94,500	4.5
ac15	504,572	497,740	6,832	-6,000	12,832	988,310	979,810	8,500	4.6
ac83	47,393	19,181	28,212	17,700	10,512	110,175	104,175	6,000	4.7
ac25	383,073	356,592	26,481	6,000	20,481	792,790	749,790	43,000	4.8
cs03	-27,301	-51,222	23,921		23,921	-46,750	-58,750	12,000	4.9

Level 5	Leisure & Environment		Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2013/14	Forecast Outturn	Forecast Variation to Year End	REF
			<b>2,391,093</b>	<b>2,222,743</b>	<b>168,350</b>	<b>24,700</b>	<b>143,650</b>	<b>5,065,067</b>	<b>4,901,067</b>	<b>164,000</b>	
aq15	Planning		20,403	7,601	12,802		12,802	28,080	22,080	6,000	5.1
aq20	Building Inspection		-23,245	-94,464	71,219	17,500	53,719	-186,510	-245,510	59,000	5.2
aq70	Car Parks		33,095	32,092	1,003		1,003	104,649	104,649		
aq11	Community Planning		144,679	130,184	14,495	26,500	-12,005	416,775	429,775	-13,000	5.3
aq14	Development Control		76,151	58,628	17,523	33,000	-15,477	178,920	178,920		5.4
aq13	Economic Development		2,974	3,888	-914		-914	41,040	41,040		
aq05	Environmental Initiatives		32,476	27,322	5,154		5,154	65,400	60,400	5,000	5.5
aq35	Highways Miscellaneous		-290,388	-296,792	6,404		6,404	-613,290	-614,290	1,000	5.6
ac75	Industrial Estates		9,659	17,686	-8,027		-8,027	-6,810	12,190	-19,000	5.7
ac30	Markets		5,282	-414	5,696		5,696	-11,890	-19,890	8,000	5.8
ac12	Misc Property		284,689	177,995	86,694	45,000	41,694	592,550	592,550		5.9
ac25	Planning Policy		4,320	1,841	2,479		2,479	420	420		
ac75	Public Transport		21,155	20,371	784		784	46,720	46,720		
	Sustainable Development		<b>301,250</b>	<b>85,937</b>	<b>215,313</b>	<b>122,000</b>	<b>93,313</b>	<b>656,054</b>	<b>609,054</b>	<b>47,000</b>	
as05	Support Services Holding A/c		138,696	128,906	9,790	7,000	2,790	338,880	338,880		
as07	Asset Management		82,193	82,581	-388		-388	168,850	171,850	-3,000	6.1
as45	Communications & Promotion		327,259	306,310	20,949		20,949	667,240	667,240		6.2
as25	Corporate Management		46,170	-29,091	75,261	140,000	-64,739	681,110	721,110	-40,000	6.3
as15	Council Offices		301,050	275,991	25,059	19,000	6,059	654,315	654,315		6.4
as30	Finance Support		21,561	22,404	-843		-843	54,430	54,430		
as20	Health & Safety		872,029	555,058	316,971	308,000	8,971	1,468,010	1,456,010	12,000	6.5
as10	I.T. Support		600,666	582,690	17,976	3,000	14,976	1,206,520	1,181,520	25,000	6.6
as06	Legal /Administration		21,872	23,246	-1,374		-1,374	45,400	45,400		
	Performance & Scrutiny		-561,522	-365,813	-195,709	-195,709	0	-1,320,340	-1,320,340		
	HRA element of Support Services		-25,608	-23,453	-2,155		0	-72,430	-72,430		
	Revs & Benefits Partnership		<b>1,824,367</b>	<b>1,556,829</b>	<b>265,538</b>	<b>279,136</b>	<b>-13,598</b>	<b>3,891,985</b>	<b>3,897,985</b>	<b>-6,000</b>	
	Support Services Holding A/c										
	Position as at 30/09/2013		<b>5,580,959</b>	<b>4,760,977</b>	<b>819,981</b>	<b>434,336</b>	<b>385,645</b>	<b>12,815,037</b>	<b>12,566,037</b>	<b>249,000</b>	
	Estimated year end salary underspend									<b>164,479</b>	

**Outturn Explanations September 2013**

**Key : ( ) = overspend**

		Variation To Date	Forecasted Yr End Variance
	<b>Forecasted year end variations</b>		
<b>1</b>	<b>Central Services</b>	<b>24,000</b>	<b>101,000</b>
1.1	<ul style="list-style-type: none"> <li>Corporate Management - £23k Increase in Members Allowance now approved, £6k variance in Bank Charges, (£10k) Severance Pay, £1k Subsidence, £4k minor variances</li> </ul>	24,000	43,000
1.2	<ul style="list-style-type: none"> <li>Year End - £3k Bank Charges, £40k Members Allowances</li> <li>Council Tax/NNDR - £33k Additional Legal Costs Recovered, £3k Minor Variances</li> </ul>	36,000	58,000
1.3	<ul style="list-style-type: none"> <li>Year End - £58k Additional Legal Costs forecast to be recovered to year end</li> <li>Register &amp; Borough Elections - (£3k) Salaries overspend due to handover period. (£1k) Staff Advertising costs, £1K Minor Variances</li> </ul>	(3,000)	0
<b>2</b>	<b>Direct Service Organisations</b>	<b>(1,000)</b>	<b>(30,000)</b>
2.1	<ul style="list-style-type: none"> <li>DSO Grounds Maintenance - There are a number of small variances amounting to a net of (£1k)</li> <li>Year end - Due to staff shortages and a delay in recruitment, there is a possible income pressure of (£37.5k). (£30k) of this would be spent on capital projects and (£7.5k) on miscellaneous income, as there may not be adequate staffing cover to complete. To offset against this, we are forecasting £7k savings on equipment purchase &amp; maintenance.</li> </ul>	(1,000)	(30,000)
<b>3</b>	<b>Housing (General Fund)</b>	<b>98,000</b>	<b>(27,000)</b>
3.1	<ul style="list-style-type: none"> <li>Homelessness - Salary overspend of (£4k), together with an overspend on bed &amp; breakfast costs of (£1k) and a number of smaller variances with a (£1k) net impact. This is offset against additional £22k income from Bond repayments and homelessness contributions. As these funds are ringfenced specifically for homelessness prevention, a supplementary income and expenditure budget has been requested (approved in October)</li> </ul>	16,000	0
3.2	<ul style="list-style-type: none"> <li>Year end - No year end variance forecast as any shortfalls will be requested to carry forward to next year.</li> <li>Private Sector Housing - (£6k) salary variance which is due to the 4% vacancy factor, together with a (£1k) overspend on minor renovation works offset against small variances of £2k</li> </ul>	(5,000)	0
3.3	<ul style="list-style-type: none"> <li>Year end - No variances forecast at this time, however any year end variances will be requested to carry forward to next year</li> <li>Rent Allowances - £64k Additional income from Benefits Iman, £8k Income received to cover Capita expenditure relating to LA Data Sharing, £6k Income for Housing Benefit Reforms to cover transitional Costs, £6k additional Discretionary Housing income, £3k Minor Variances</li> </ul>	87,000	(27,000)
	<ul style="list-style-type: none"> <li>Year End - (£27k) Subsidy Impact - estimated Reduction in income at month 9. This amount fluctuates in year.</li> </ul>		
<b>4</b>	<b>Leisure &amp; Environment</b>	<b>142,500</b>	<b>164,000</b>
4.1	<ul style="list-style-type: none"> <li>Children and Young People - (£2k) overspend on salaries</li> </ul>	(2,000)	0
4.2	<ul style="list-style-type: none"> <li>Environmental Health - Salary overspends of (£4k) due to increased costs for standby salaries and car allowances. and overspend of (£1k) for burial fees of destitute persons.</li> </ul>	(5,000)	(3,000)
4.3	<ul style="list-style-type: none"> <li>Year end - Year end variance for burial fees of destitute persons of (£2k), forecast fall in income for registration fees for the Environmental Protection Act in the amount of (£2k) offset against a £1k forecast saving on computer consumables.</li> <li>Licensing - There is currently a small shortfall on personal licence fee income, which is offset against increased income for temporary event notices. It is expected that this trend continue, leaving no year end variance. There is also a (£4k) shortfall in income from hackney vehicle licence fees</li> </ul>	(4,000)	(5,000)
4.4	<ul style="list-style-type: none"> <li>Year End - Due to a drop in demand for hackney vehicle licence fees there is a forecast variance of (£5k) downturn in income. This may be reversed over the xmas period.</li> <li>Pest Control - There are current salary savings of £8k together with a number of smaller variances with a £2k net impact</li> </ul>	10,000	8,000
4.5	<ul style="list-style-type: none"> <li>Year End - We are forecasting £5k underspend on hired &amp; contracted services due to savings realised on spend with outsourced providers of pest control. Due to a vehicle transfer to housing, there is a forecast saving on leasing costs of £3k.</li> <li>Recycling - Current salary savings of £37k due to vacant posts. There are also a number of other variances including agency savings of £4k, fuel savings of £15k have been generated together with a saving of £4k on leasing costs. Additional income has also been generated with £14k coming from Palm Ltd for compensation for missed routes etc. We have also increased our income on fees &amp; charges by £5k. There are a number of smaller variances with a net impact of (£2k).</li> </ul>	77,000	94,500
4.6	<ul style="list-style-type: none"> <li>Year End - Following a full service review, we are forecasting a number of year end savings including agency costs of £15k, computer equipment of £2k and fuel savings of £25k including savings achieved to date. With regard to recycling improvements we forecast a saving of £15k due to a cancellation of initiatives. There will also be a £6k saving on collection contracts together with a £10k saving on green waste disposal fees. The annual contribution of £1.5k to Leicestershire Partnership is no longer payable therefore realising a saving. Further savings forecasted include postage of £3k, cardboard &amp; plastic recycling in the amount of £5k, equipment purchase £10k and surplus distribution £2k.</li> <li>Refuse - Salary saving of £12k, some of which may be used to offset against an agency costs overspend of (£5k) in the future. In addition there is currently a severance pay cost of (£6k) for which there was no budget, fuel savings of £6k, savings on repairs &amp; maintenance of £3k and additional income of £3k.</li> </ul>	12,000	8,500
4.7	<ul style="list-style-type: none"> <li>Year end - Variances include severance pay of (£6k) which will be offset against forecasted savings of £1.5k on equipment leasing, and £2k on postage. In addition to savings already achieved and taking previous usage into account, we are currently forecasting fuel savings to be £11k.</li> <li>Sports Development - £5k underspend on salaries</li> </ul>	11,000	6,000
4.8	<ul style="list-style-type: none"> <li>£6k Income received for Public Health for 2012/13 as debtor invoice was cancelled.</li> <li>Year End - £6k for Public Health</li> <li>Street Cleansing - We have a salary variance of (£4.5k), which will be rectified by a virement completed in October. There are other variances to date for agency costs in the amount of £2k and fuel savings of £3k due to route reviews. We are also showing additional income of £20k due to an increase in work on the number of void properties.</li> </ul>	20,500	43,000
4.90	<ul style="list-style-type: none"> <li>Year End - Based on savings already achieved, together with workings based on historical usage, we are forecasting a £5k saving on fuel. We have also calculated a further saving of £8k on equipment purchase, barring any breakdowns. With regard to additional income, including the excess income generated to date, we are forecasting an income variance of £30k, again due to an increase in work on void properties.</li> <li>Waste Business Improvements - We are currently showing a £11k saving on salaries and £8k saving on agency fees due to a change in the market stall setup, although these savings are offset against a loss of recharge income of (£14k). We have also generated additional income to date in the amount of £18k.</li> </ul>	23,000	12,000
	<ul style="list-style-type: none"> <li>Year End - Having undertaken a full income review, we are forecasting an additional £12k income due to an increase in business. This forecast will be closely monitored for any adverse effects bad weather may have.</li> </ul>		
<b>5</b>	<b>Planning</b>	<b>89,000</b>	<b>47,000</b>

	<b>Forecasted year end variations</b>	<b>Variation To Date</b>	<b>Forecasted Yr End Variance</b>
5.1	➤ Building Inspection - £4k underspend on salaries and car allowances, £2k underspend on minor supplies and services and £6k additional building planning and inspection fees received above budget. Year End - Building Control income forecast to be £6k above budget	12,000	6,000
5.2	➤ Car Parks - Due to the delay of the Bus Station development, the Brunel Road and bus station car parks have remained open and as such have assisted in the income generation of £14k above budget. We have also increased income in season ticket sales in the amount of £38k, (which includes £32k from LCC for permits - subject to a supplementary report going to Exec Board) offset against (£2k) overspend on NNDR. Due to re-negotiation of the staffing recharge from Harborough, we are showing a £4k saving on this budget. Year End - Surplus car park income of £20k, which is subject to the implementation of the new car parking strategy, together a £44k income surplus for season tickets (with £32k of this amount subject to a supplementary report). These savings are offset against a (£2k) variance on NNDR, together with a (£3k) variance on collection contracts due to insufficient budget allocated for cash collection costs.	54,000	59,000
5.3	➤ Development Control - £9k underspend on salaries and car allowances due to vacant posts.(£9k) Overspend on advertising and relocation costs to be funded from savings in salaries, (£19k) planning fee income received below budget, £7k additional pre application fees. Year End variation to date planning income down by (£19k) and pre-application fees up by £7k. Forecasted to date income down by £13k.	(12,000)	(13,000)
5.4	➤ Economic Development - (£2k) overspend on salaries , £10k RGF project underspend on consultancy fees, £10k hired and contract services and contribution to highways agency £162k. Mira funding under budget (£195k) .The expenditure on the MIRA Project is all RGF funded and therefore forecast outturns will net to £nil	(15,000)	0
5.5	➤ Highways - £5k additional income received for street naming and numbering. Year End - forecast additional street naming and numbering income of £5k	5,000	5,000
5.6	➤ Industrial Estates - £1k Premises Insurance, £3k NNDR on vacant properties lower than anticipated this could change if units become vacant in the coming months, £2k Minor Variances Year End - £1k saving on Premises Insurance	6,000	1,000
5.7	➤ Markets - (£2k) overspend on salaries overtime and standby, underspend on reduced costs of stall set up £13k. Markets income down by (£19k) due to economic downturn and decline in new stalls. Year end the loss in market income (£19k). The year end forecasted income is being considered by SLB and report will be submitted to SLB in October to reflect the market income financial implication forecast for the year	(8,000)	(19,000)
5.8	➤ Miscellaneous Properties - £7k additional rents, (£1k) minor variances Year End - £8k additional rent	6,000	8,000
5.9	➤ Planning Policy - £4k salaries underspent for post funded from HPDG - require re-profiling, LDF reserve underspent £32k and £5k underspent on Neighbourhood to be c/fwd to 2014/15 Year End Forecast LDF reserve will be underspent by about £50k however this will be requested to be c/fwd for future spending forecasted in 2014/15	41,000	0
<b>6</b>	<b>Support Services Holding A/c</b>	<b>(14,000)</b>	<b>(6,000)</b>
6.1	➤ Communications - Year End (£3k) shared service for web support with Oadby & Wigston to finish in September	0	(3,000)
6.2	➤ Corporate Management - £17k Salaries - vacant posts, £4k Minor variances	21,000	0
6.3	➤ Council Offices - £13k variance on Hinckley Hub budgets due to delay in moving into the property, (£76k) variance in NNDR on properties, (£22k) rent on Florence House will not be received as Swanswell moved out at the end of April, £18k variance on utility costs (additional backdated invoices have also been received in October for electricity at Middlefield Lane Depot), £2k Minor Variances Year End - (£22k) rent will not be received from Swanswell as they moved out at the end of April, (£18k) additional electricity costs for Middlefield Lane Depot due to backdated invoices	(65,000)	(40,000)
6.4	➤ Finance Support - We are currently showing a salary saving of £6k. This may be used to fund agency costs over next few months. There are various other variances with a net nil impact. Year end - There are no significant variances forecasted for year end at this stage.	6,000	0
6.5	➤ IT Support- £3k E-Payments maintenance saving, £2k document management software support saving, (£7k) telephone overspend to date, £4k ICT Consultancy- refund received for work that was in dispute, £3k consultancy accrual from 12/13 - work will not be charged following dispute, £2k CRM Maintenance saving - will be required to fund other additional costs relating to the CRM maintenance, £2k Additional income from adhoc work carried out for North West Leicestershire District Council. Year End £3k E-Payments maintenance saving, £2k EDMS Saving, £2k additional Shared Service income for project work carried out for North West Leics DC, £4k ICT Consultancy- refund received and supplier will not be charging for work that was in dispute that was accrued at year end, £3k consultancy accrual for last year - work will not be charged for following dispute over work completed, £5k Minor variances, (£7k) Telephones overspend - budget spend being reviewed	9,000	12,000
6.6	➤ Legal & Admin - (£3k) Salaries overspend, (£2k) annual payment for employee Health Management support, (£1k) advertising costs, £2k scanner maintenance support saving, £1k Legal Software, £9k postage costs saving, £9k additional shared service income, £2k stationery costs saving, £2k paper costs saving due to reduced purchasing in first quarter due to move to the Hub, (£3k) reduction in legal shared services income and (£1k) Additional Legal costs.  Year End (£2k) Annual payment for employee Health Management Support- Budget request to be submitted, £2k scanner maintenance support saving, £1k Legal Software Maintenance, £10k postage costs saving due to transfer of Revenues & Benefits postage to the Partnership and more use of 2nd class postage and potential income from the shared postal service with the County Council, £9k additional legal costs income, £2k photocopier copy charges saving, £2k paper costs saving purchasing in first quarter due to move to the Hub and £1k central stationery savings	15,000	25,000
<b>Total (over)/under spend</b>		<b>338,500</b>	<b>249,000</b>
<b>Estimated Year end salary (over)/under spend</b>			<b>164,479</b>
<b>Forecasted year end saving</b>			<b>413,479</b>

Summary of Timing Differences in Variations

Monthly Outturn Report 1st April to 30th September 2013

Under spends/(Overspends) caused by timing differences

Corporate Management	Bank Charges Audit Fees for 2013/14 not yet received Delay in invoicing to recover LRIP costs Costs incurred by District Council Network - to be invoiced at the end of December	2,000 28,000 3,000 6,000	<b>39,000</b>
Council Tax/ NNDR	Quarter 2 contributions to be made to the Revenues & Benefits Partnership Journal for "Legal Costs Recovered" entered in October	109,000 (15,000)	<b>94,000</b>
Council Tax Support	Journal processed in October to transfer postage costs post from the Partnership to the General Fund - costs are funded by income received in the General Fund Quarter 2 contributions to be made to the Revenues & Benefits Partnership	2,000 69,000	<b>71,000</b>
General Grants	Budgets for Grants for Right to Bid & Right to Challenge to be reprofiled Grant for 2nd instalment to Citizens Advice Bureau paid in October	8,000 28,000	<b>36,000</b>
Register & Borough Elections	Income Accrual in 2012/13 for Police Crime Commissioners elections costs owed to the Council. Final claim submitted. Funds not yet received	(18,000)	<b>(18,000)</b>
Benefits Fraud	Quarter 2 contributions to be made to the Revenues & Benefits Partnership	35,000	<b>35,000</b>
DSO Housing Repairs	WIP progress awaiting completion in Orchard Cost of materials and overheads to be recharged to jobs	(283,000) (363,000)	<b>(646,000)</b>
Homelessness	Homelessness Grant income budgeted to be received in September but received in October	(5,500)	<b>(5,500)</b>
Rent Allowances	Outstanding Invoices for September Rent Allowances (Processed in October) Additional Subsidy income not yet received (Additional expenditure incurred to date) Quarter 2 Contributions to be made to the Revenues & Benefits Partnership	388,000 (38,000) 53,000	<b>403,000</b>
Children & Young People	Sure Start Centre income from LCC for first quarter yet to be received. The income and expenditure will net to zero at year end as all funding is dependant on the actual expenditure Mental Health Project funding received and awaiting project to start Positive Activities budget to be re-profiled S515 expenditure budget to be spent on projects for Children and Young People. If projects are delayed then the budget will be requested to be c/fwd s515 Activity grant income relating small projects for Children and Young People received in advance for the next three years. Budget to be reprofiled for expenditure. Any under spend will be requested for carry forward and therefore no outturn impact	(38,800) 1,500 5,000 9,000 14,800	<b>(8,500)</b>
Community Safety	Awaiting invoices from Blaby DC for cost for facilitator of "Recovery Toolkit Programme" Awaiting project invoices from ESPO, Soft Touch Arts Ltd and Baker Ross Ltd External contributions to Blaby DC to be made in October 13	6,000 3,000 6,000	<b>15,000</b>
Leisure Promotion	Delay in contributions to Hinckley Club for Young People to support the payment for HC4YP. Awaiting confirmation to release payment to third party Minor re-profiling of budgets	15,000 (4,000)	<b>11,000</b>
Parks	Awaiting utility bills for Parks Bedding materials to be purchased in the February	6,000 1,000	<b>7,000</b>
Refuse	Fuel purchased at end of month awaiting recharge for usage in October Awaiting leasing invoices due from SFS for July 13	(20,000) 14,000	<b>(6,000)</b>
Recycling	Awaiting outstanding green waste disposal invoices from J & F Pownner Ltd for Sep 13 Awaiting invoices for agency costs from Taskforce Recruitment and S&L Personnel Awaiting recycling credits from LCC for June, July & August 13 Awaiting outstanding kerbside recycling invoices from Palm Ltd for Aug & Sep 13	6,500 10,000 (45,000) 11,000	<b>(17,500)</b>
Sports Development	GP Referral first 50% funding received Contributions to other bodies for Sportivate funding not yet invoiced Physical Activity funding received to be applied for funding of an approved post Minor supplies and services re-profiling of budgets (Note: Any funding received to support sports development is likely to be spent, but if there is delay in any of the funding not spent then budget will be requested to be carried forward to 2014/15)	7,700 3,500 5,500 1,000	<b>17,700</b>

Street Cleansing	Awaiting invoices for repairs & maintenance from Specialist Fleet Services Ltd (SFS)	6,000	6,000
Car Parks	Awaiting invoices from Harborough for CPE staffing recharge, received in October Awaiting invoices for sewer and environmental works due in October	14,000 3,500	17,500
Development Control	Shared Service with Coventry City Council yet to be invoiced for Qtr 2 Awaiting invoices for Legal Fees for Barwell SUE Awaiting invoices for Legal Fees for appeals work Viability costs - awaiting invoice from Coventry City Council Hired and Contract budget to be re-profiled Minor supplies and services budgets to be re-profiled	6,700 4,000 5,800 2,000 3,000 5,000	26,500
Economic Development	Christmas Lights. Budget to be re-profiled Awaiting invoice for Portas funded project from Town Centre BID Invoice from TJMC Ltd outstanding - consultancy work (Jul, Aug, Sept) Shared services invoice for Town Centre Manager (OWBC) invoiced up to September - budget to be re-profiled	5,000 2,000 18,000 8,000	33,000
Planning Policy	Portas funding received for work to be started on Earl Shilton Town Centre Gypsy Travellers needs assessment budget will be spent as consultant is recruited to carry out the assessment. Work will be committed to start in November Consultancy Fees to be spent on Strategic Housing Market Assessment joint with other authorities and the 1st stage of work will be started around November Budget to be re-profiled for Planning Aid expenditure awaiting agreement from third parties Master Plan Growth Point expenditure budget to be spent on AAP (Area Action Plan for Earl Shilton and Barwell). Project may be delayed and budget will be requested to be c/fwd to 2014/15 Earl Shilton "Growth Point" income received but project may be delayed. Income will be requested to be c/fwd to 2014/15 and therefore no outturn impact.	4,000 4,000 6,000 5,000 9,000 17,000	45,000
Asset Management	Cleaning Contract - Invoices not yet been paid for July 13	7,000	7,000
Council Offices	Delay in receipt of invoices for cleaning at the Hinckley Hub Outstanding accrual for annual rental NNDR not yet paid for Hub following move Delay in setting up and paying of Maintenance contracts at the HUB Rent on Hub for October to December 13 payable in advance	22,000 4,000 142,000 22,000 (50,000)	140,000
Finance Support	Awaiting invoice from O&WBC for shared services provided last year - accrual b/f Awaiting invoices from Internal Audit - CW Audit	11,000 8,000	19,000
IT Support	Invoices not received from Steria for project work carried out for Blaby DC. These costs have been recharged and paid by Blaby DC Invoice not received for annual Software Maintenance for "Submit a Plan" system Invoice not raised until October for Blaby ICT Shared Service for work in September Phone recharges for September not yet processed Invoices for June, July & August for ICT Steria Contract received and paid in October for HBBC & other partners  Recharge for flexible working - To be completed during October Invoices not received from Steria for Search Engine project	14,000 2,000 (18,000) (7,000) 317,000  (5,000) 5,000	308,000
Legal/Administration	Photocopiers - Invoices for new copiers / printers - not yet received. Awaiting costs summary of new machines Library - Budget to be reprofiled following annual payment Awaiting invoice for Shared Service employee costs from Charnwood BC for the period April to July 13 Advertising - Costs incurred for Public notices. To be invoiced to customers Medical Fees and Publications recharge to service areas not yet processed for September 13	5,000 (3,000) 4,000 (1,000) (2,000)	3,000
Support Services	Support Services and Shared Revenue and Benefits element of timing difference	(197,864)	(197,864)
<b>TOTAL TIMING DIFFERENCES</b>			<b>434,336</b>



**DSO GROUND CARE SERVICES**  
**FINANCIAL POSITION AS AT 30 September 2013**

	Budget to Date £	Actual to Date £	Variance £	Variance %
Total Employee Costs	290,404	278,908	11,496	4.0%
Transport	65,941	65,989	-48	-0.1%
Supplies and Services	56,134	55,322	812	1.4%
<b>Total Costs</b>	<b>412,479</b>	<b>400,219</b>	<b>12,260</b>	<b>3.0%</b>
Total Income	-467,953	-464,303	-3,650	-0.8%
<b>Position to Date</b>	<b>-55,474</b>	<b>-64,084</b>	<b>8,610</b>	<b>15.5%</b>
Central & Administration (see detail below)	70,778	60,561	10,217	14.4%
Capital Charges	9,048	9,045	3	
<b>Net Expenditure / (Income)</b>	<b>24,352</b>	<b>5,522</b>	<b>18,830</b>	<b>77.3%</b>

<u>Central &amp; Administration Charges</u>	Budget to Date £	Actual to Date £	Variance £
Depot Recharge	11,434	10,754	680
Accountancy recharge	4,050	3,418	632
Contact Centre Recharge	15,590	10,549	5,041
Central Stationery recharge	6	3	3
Reprographic Section recharge	36	18	18
Central Postages recharge	42	35	7
Central IT Recharge	6,582	4,409	2,173
IEG Recharge	702	444	258
Chief Exec & Sec Recharge	2,760	2,341	419
Creditors Management	3,584	3,590	-6
Debtors Management	252	169	83
Cashiers Dept.	56	55	1
Communication & Promotion Recharge	8,512	8,348	164
Human Resources	11,984	11,565	419
Health & Safety	2,100	1,821	279
Performance and Scrutiny	3,088	3,042	46
	<b>70,778</b>	<b>60,561</b>	<b>10,217</b>

Capital Programme Summary  
30th Sep 2013

Description	Latest Budget	Budget to Date	Actual	Variance
<b>General Fund</b>				
Community Direction	10,644,248	1,720,480	1,235,930	484,550
Business, Contract and Streetscene Services	587,620	176,303	170,380	5,923
Corporate Direction	1,395,120	768,968	718,964	50,969
	<b>12,626,988</b>	<b>2,665,751</b>	<b>2,125,274</b>	<b>541,442</b>
<b>HRA</b>	<b>3,148,050</b>	<b>1,411,064</b>	<b>796,472</b>	<b>614,592</b>
<b>Grand Total</b>	<b>15,775,038</b>	<b>4,076,815</b>	<b>2,921,746</b>	<b>1,156,034</b>

30th Sep 2013

**Community Direction**

Description	Latest Budget	Budget to Date	Actual	Variance
Lesire Centre	2,100,000	25,000	12,892	12,108
Carlton Rural Exception Site	55,000	55,000	55,000	0
	<b>2,155,000</b>	<b>80,000</b>	<b>67,892</b>	<b>12,108</b>
Major Works Grants	130,000	50,000	15,916	34,084
Private Sector Leasing	60,000	0	0	
Disabled Facilities Grant	765,420	189,726	188,914	812
Grant to Home Improvement Agenc	37,350	0	0	0
Minor Works Grants	90,000	22,500	6,324	16,176
Green Deal Fuel Poverty	1,275,070	1,275,070	893,827	381,243
Green Deal Capital Fund	25,940	8,648	0	8,648
	<b>2,383,780</b>	<b>1,545,944</b>	<b>1,104,981</b>	<b>440,963</b>
Resurfacing Car Parks	18,240	0	0	0
RGF - Primary Substation	5,366,150	0	0	0
RGF - Site off A5	631,380	63,138	43,748	19,390
Rural Broadband	18,000	0	0	0
Borough Improvements	65,000	31,398	19,266	12,132
Shop Front Improvements Barwell	6,698	0	0	0
Goddard Building Conversion	0	0	43	(43)
	<b>6,105,468</b>	<b>94,536</b>	<b>63,057</b>	<b>31,479</b>
Grand Total	<b>10,644,248</b>	<b>1,720,480</b>	<b>1,235,930</b>	<b>484,550</b>
<b>Business, Contract and Streetscene Services</b>				
Richmond Park Play Area	137,360	88,000	88,781	(781)
Brodick Rd Woodland & Wildlife Ar	1,470	1,470	1,400	70
Burbage Common	66,210	9,455	8,031	1,424
Memorial Safety Programme	6,320	0	0	0
Parish & Community Initiatives	101,760	30,878	23,418	7,460
Blue Recycling Bin project	0	0	0	0
Recycling Containers	81,000	40,500	42,750	(2,250)
Roll on Roll Off Vehicle	6,000	6,000	6,000	0
Purchase of Fork Lift Truck	14,500	0	0	0
Refuse Collection Vehicle	75,000	0	0	0
Telescopic Handler	28,000	0	0	0
Recycling Banks	40,000	0	0	0
	<b>587,620</b>	<b>176,303</b>	<b>170,380</b>	<b>5,923</b>

12,108 £2.050m to be reprofiled to next financial year

34,084 Demand led budget. Only £67k committed to date

812 Budget to be reprofiled. Currently £294k uncommittec

0 Budget no longer required

16,176 No commitments to date. There may be a saving against this budget

381,243 Budget committed £246k to be set for re imbursements to District Couunc

30th Sep 2013  
Corporate Direction

Code	Description	Latest Budget	Budget to Date	Actual	Variance
ssd	Financial Systems	11,050	5,526	2,344	3,182
ssn	Wi Fi - Hinckley Hub	13,900	0	0	0
spv	Asset Management Enhancemer	62,620	31,324	28,403	2,921
spk	Council Office Relocation	818,680	574,450	568,619	5,831 Budget to be reprofiled
spl	Depot Relocation	114,440	88,118	87,351	767
spn	Florence House - Dilapidations		0	965	
sqc	Argent's Mead Demolition	96,970	13,578	13,340	238
srf	Hinckley Hub - Stamp Duty	165,550	0	0	0
		<b>1,283,210</b>	<b>712,996</b>	<b>701,022</b>	<b>12,939</b>
ss0	Channel Strategy	23,600	11,800	0	11,800
ssa	General Renewal -Extensions	69,000	34,512	11,813	22,699 Delay due to move to Hub.
ssx	Rolling Server Review				0
		<b>92,600</b>	<b>46,312</b>	<b>11,813</b>	<b>34,499</b>
suJ	Transformation	3,110	1,556	4,329	(2,773) Overall project overspend of £1k due to additional back scanning
sun	Mobile Web	16,200	8,104	1,800	6,304
		<b>19,310</b>	<b>9,660</b>	<b>6,129</b>	<b>3,531</b>
		<b>1,395,120</b>	<b>768,968</b>	<b>718,964</b>	<b>50,969</b>

30th Sep 2013  
HRA

Code	Description	Latest Budget	Budget to Date	Actual	Variance
saa	Adaptation Of Dwellings	288,000	144,056	99,396	44,660
sae	Major Void Enhancements	780,000	390,158	276,019	114,139
saf	Programmed Enhancements	320,000	160,092	49,732	110,360
sah	Electrical Testing/Upgrading	320,000	160,062	115,931	44,131
sai	Windows : Single to Double Glazing	20,000	10,002	4,580	5,422
sak	Re-Roofing	63,000	31,514	3,760	27,754
sbh	Kitchen Upgrades	560,890	280,554	153,837	126,717
sbx	Low maintenance doors	32,000	16,004	11,828	4,176
sbw	Boiler replacement	350,160	175,144	36,775	138,369
sum	Housing Repairs Software System	37,210	0	0	0
	Housing Repairs	2,771,260	1,367,586	751,858	615,728
sap	Orchard System Upgrade	103,820	43,478	44,614	-1,136
saq	HRA Contingencies	252,970	0	0	0
san	Tenant Led Community Projects	20,000	0	0	0
<b>Total</b>		<b>3,148,050</b>	<b>1,411,064</b>	<b>796,472</b>	<b>614,592</b>

£187k already committed  
If the number of voids continue at October level the anticipated adverse variance will be c£17k.  
The number of voids and the costs for voids are being closely monitored

Budget committed  
Project to be completed in the next financial year

Housing Revenue Account

	2013/14 BUDGET to Sept 13 £	2012/13 ACTUAL to Sept 13 £	VARIANCE to Sept 13 £	TIMING	VARIANCE Excl TIMING	2013/14 LATEST ESTIMATE £	F'CASTED OUTTURN	F'CASTED VARIATION TO YEAR END	REF
<b>SUMMARY HOUSING REVENUE ACCOUNT</b>									
<b>INCOME</b>									
Dwelling Rents	(6,115,300)	(6,063,832)	(51,468)		(51,468)	(12,230,600)	(12,230,600)		
Non Dwelling Rents (garages & land)	(42,902)	(42,215)	(687)		(687)	(75,890)	(75,890)		
Contributions to Expenditure	(8,172)	(8,172)	-		-	(16,340)	(16,340)		
	<b>(6,166,374)</b>	<b>(6,114,219)</b>	<b>(52,155)</b>	-	<b>(52,155)</b>	<b>(12,322,830)</b>	<b>(12,322,830)</b>		
<b>EXPENDITURE</b>									
Supervision & Management (General)	748,860	698,383	50,477	46,000	4,477	1,790,520	1,787,520	3,000	2
Supervision & Management (Special)	273,392	133,219	140,173	106,000	34,173	643,235	597,235	46,000	3
Contribution to Housing Repairs A/C	1,516,604	1,515,996	608		608	3,032,000	3,032,000		
Depreciation (Item 8 Debit)	1,484,348	1,483,755	593		593	2,967,510	2,967,510		
Capital Charges : Debt Management	8,622	1,573	7,049		7,049	17,240	17,240		
Increase in Provision for Bad Debts	-	-	-		-	110,500	110,500		
Interest on Borrowing	-	-	-		-	2,118,370	2,118,370		
	<b>4,031,826</b>	<b>3,832,926</b>	<b>198,900</b>	<b>152,000</b>	<b>46,900</b>	<b>10,679,375</b>	<b>10,630,375</b>	<b>49,000</b>	
<b>Net (Income)/Cost of Services</b>	<b>(2,134,548)</b>	<b>(2,281,292)</b>	<b>146,744</b>		<b>(5,256)</b>	<b>(1,643,455)</b>	<b>(1,692,455)</b>		
Transfer from Major Repairs Reserve	(425,560)	(425,388)	(172)		(172)	(850,780)	(850,780)		
Interest Receivable	-	-	-		-	(10,850)	(10,850)		
IAS19 Adjustment	-	-	-		-	(20,650)	(20,650)		
Accumulated Absences	-	20,459	(20,459)		(20,459)	-	-		
<b>Net Operating (Income)/Cost</b>	<b>(2,560,108)</b>	<b>(2,686,221)</b>	<b>126,113</b>	-	<b>(25,887)</b>	<b>(2,525,735)</b>	<b>(2,574,735)</b>		
<b>CONTRIBUTIONS</b>									
Contribution to Piper Alarm Reserve	-	-	-		-	10,400	10,400		
Contribution to Pension Reserve	-	-	-		-	42,030	42,030		
Contribution to Repayment Reserve	-	-	-		-	1,796,893	1,796,893		
Transfer to Regeneration Reserve	-	-	-		-	1,900,000	1,900,000		
<b>(Surplus) / Deficit</b>	<b>(2,560,108)</b>	<b>(2,686,221)</b>	<b>126,113</b>	-	<b>(25,887)</b>	<b>1,223,588</b>	<b>1,174,588</b>		

	TIMING	VARIANCE	VARIANCE AT YEAR END	REF
	£000's	£000's	£000's	
<b>Explanations for Variances</b>				
<b>Income</b>				
Decreased rental income at this time is due to an increase in voids rate from last month. In previous month to date, the void rate was 1.58%, whereas this month it is 2.2%. Taking into consideration that the voids rate is subject to fluctuation and may rise again in the coming months due to the impact of Welfare Reform no income variation is forecasted	-	(51)	-	1
<b>Expenditure</b>				
See next page for Supervision and Management variances	46	4	3	2
See next page for Supervision and Management variances	106	34	46	3
	<b>152</b>	<b>(13)</b>	<b>49</b>	

	2013/14 BUDGET to Sept 13 £	2012/13 ACTUAL to Sept 13 £	VARIANCE to Sept 13 £	TIMING	VARIANCE Excl TIMING	2013/14 LATEST ESTIMATE £	F'CASTED OUTTURN	F'CASTED VARIATION TO YEAR END	REF
<b>SUPERVISION &amp; MANAGEMENT (GENERAL)</b>									
Employees	308,056	297,318	10,738	-	10,738	631,790	618,790	13,000	2.1
Premises Related Expenditure	71,860	145,969	(74,109)	(62,000)	(12,109)	89,480	99,480	(10,000)	2.2
Transport Related Expenditure	9,604	9,500	104	-	104	19,200	19,200	-	
Supplies & Services	33,262	47,556	(14,294)	(9,000)	(5,294)	219,998	219,998	-	2.3
Central & Administrative Expenses	343,330	226,051	117,279	117,000	279	884,380	884,380	-	2.4
<b>Gross Expenditure</b>	<b>766,112</b>	<b>726,394</b>	<b>39,718</b>	<b>46,000</b>	<b>(6,282)</b>	<b>1,844,848</b>	<b>1,841,848</b>	<b>3,000</b>	
<b>Revenue Income</b>	<b>(17,252)</b>	<b>(28,011)</b>	<b>10,759</b>	<b>-</b>	<b>10,759</b>	<b>(54,328)</b>	<b>(54,328)</b>	<b>-</b>	
<b>Net Expenditure to HRA</b>	<b>748,860</b>	<b>698,383</b>	<b>50,477</b>	<b>46,000</b>	<b>4,477</b>	<b>1,790,520</b>	<b>1,787,520</b>	<b>3,000</b>	
<b>SUPERVISION &amp; MANAGEMENT (SPECIAL)</b>									
Employees	296,017	255,235	40,782	-	40,782	616,110	575,110	41,000	3.1
Premises Related Expenditure	206,122	148,447	57,675	55,000	2,675	398,490	393,490	5,000	3.2
Transport Related Expenditure	5,650	5,523	127	-	127	11,260	11,260	-	
Supplies & Services	39,157	30,993	8,164	-	8,164	168,385	168,385	-	
Central & Administrative Expenses	66,264	55,142	11,122	11,000	122	132,250	132,250	-	3.3
<b>Gross Expenditure</b>	<b>613,210</b>	<b>495,340</b>	<b>117,870</b>	<b>66,000</b>	<b>51,870</b>	<b>1,326,495</b>	<b>1,280,495</b>	<b>46,000</b>	
Revenue Income	(312,850)	(335,157)	22,307	40,000	(17,693)	(629,340)	(629,340)	-	3.4
Recharges	(26,968)	(26,964)	(4)	-	(4)	(53,920)	(53,920)	-	
<b>Total Income</b>	<b>(339,818)</b>	<b>(362,121)</b>	<b>22,303</b>	<b>40,000</b>	<b>(17,697)</b>	<b>(683,260)</b>	<b>(683,260)</b>	<b>-</b>	
<b>Net Expenditure to HRA</b>	<b>273,392</b>	<b>133,219</b>	<b>140,173</b>	<b>106,000</b>	<b>34,173</b>	<b>643,235</b>	<b>597,235</b>	<b>46,000</b>	

Explanations for Variances	TIMING £000's	VARIANCE £000's	VARIANCE AT YEAR END	REF
<b>SUPERVISION &amp; MANAGEMENT (GENERAL)</b>				
<b>Employees</b>				
Vacant posts and Holiday Pay accounting adjustment reversal.		11	13	2.1
<b>Premises Related Expenditure</b>				
At the beginning of the financial year, the Authority prepay Council Tax on all empty/void properties. During the year, as these houses become occupied, and payments are made, they are offset against this liability. Due to Welfare Reform changes to council tax, we are forecasting a budget pressure of £10k for which a supplementary budget will be requested.	(62)	-12	(10)	2.2
<b>Supplies &amp; Services</b>				
Orchard invoice paid for the year	-9	-5	-	2.3
<b>Central &amp; Admin Expenses</b>				
All central & admin recharge budgets are evenly profiled over the financial year. At this point, all charges relating to council offices etc have not been allocated, but are due to be completed in October. Therefore while current recharges are under budget they will even themselves over the course of the year. Also the IT recharges are lower due delays in processing Steria invoices	117	0	-	2.4
<b>Revenue Income</b>				
Additional Contribution from LCC		10		
	<b>46</b>	<b>4</b>	<b>3</b>	
<b>SUPERVISION &amp; MANAGEMENT (SPECIAL)</b>				
<b>Employees</b>				
Vacant posts and Holiday Pay accounting adjustment reversal.		41	41	3.1
<b>Premises Related Expenditure</b>				
Awaiting outstanding utility bills. Having reviewed the current spend to date and due to uncertainty of future usage and demand, we are currently forecasting a £10k saving on utilities based on historical usage.	55	3	5	3.2
<b>Central &amp; Admin Expenses</b>				
All central & admin recharge budgets are evenly profiled over the financial year. At this point, all charges relating to council offices etc have not been allocated, but are due to be completed in October. Therefore while current recharges are under budget they will even themselves over the course of the year.	11	8	-	3.3
<b>Revenue Income</b>				
Timing difference due to September payment received in advance of budget	40	-18	-	
Additional income from LCC supporting people grant which has been verified with LCC				3.4
A supplementary income & expenditure budget will be prepared to bring the budget back in line with actual income				
	<b>106</b>	<b>34</b>	<b>46</b>	

Housing Revenue Account

HOUSING REPAIRS ACCOUNT	2013/14 BUDGET to Sept 13 £	2012/13 ACTUAL to Sept 13 £	VARIANCE to Sept 13 £	TIMING	VARIANCE Excl TIMING	2013/14 LATEST ESTIMATE £	F'CASTED OUTTURN	F'CASTED VARIATION TO YEAR END	REF
<b>Administration</b>									
Employee Costs	145,600	96,374	49,226	-	49,226	309,060	259,060	50,000	2.1
Transport Related Expenditure	4,072	1,715	2,357	-	2,357	8,140	8,140	-	
Supplies & Services	53,515	51,507	2,008		2,008	143,340	143,340	-	
Central Administrative Expenses	141,676	76,949	64,727	64,727	-	283,220	283,220	-	2.3
<b>Total Housing Repairs Administration</b>	<b>344,863</b>	<b>226,545</b>	<b>118,318</b>	<b>64,727</b>	<b>53,590</b>	<b>744,820</b>	<b>693,760</b>	<b>50,000</b>	
<b>Programmed Repairs</b> (“Major Works” e.g. Central Heating Service)	<b>217,902</b>	<b>188,767</b>	<b>29,135</b>	<b>28,000</b>	1,135	555,410	555,410	-	2.4
<b>Responsive Repairs</b>	<b>516,835</b>	<b>271,161</b>	<b>245,674</b>	<b>245,674</b>	-	1,048,655	1,048,655	-	2.5
<b>GROSS EXPENDITURE</b>	<b>1,079,600</b>	<b>686,473</b>	<b>393,127</b>	<b>338,401</b>	<b>54,726</b>	<b>2,358,885</b>	<b>2,297,825</b>	<b>50,000</b>	
Contribution from HRA	(1,516,604)	(1,516,426)	178	-	178	(3,032,000)	(3,032,000)	-	
Interest on Cash Balances	-	-	-	-	-	(2,480)	(2,480)	-	
Interest on Borrowing	-	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	-	
IAS19 Adjustment	-	-	-	-	-	(4,950)	(4,950)	-	
Accumulated Absences	-	-	-	-	-	-	-	-	
<b>TOTAL INCOME</b>	<b>(1,516,604)</b>	<b>(1,516,426)</b>	<b>178</b>	<b>-</b>	<b>178</b>	<b>(3,039,430)</b>	<b>(3,039,430)</b>	<b>-</b>	
Contribution to HRA Reserves	-	-	-	-	-	693,578	693,578	-	
Opt in Cont to Pension Reserve	-	-	-	-	-	3,200	3,200	-	
<b>NET EXPENDITURE / (INCOME)</b>	<b>(437,004)</b>	<b>(829,953)</b>	<b>393,305</b>	<b>338,401</b>	<b>54,904</b>	<b>16,233</b>	<b>(44,827)</b>	<b>50,000</b>	

Check to Budget Book Net Expenditure

Explanations for Variances	TIMING £000's	VARIANCE £000's	VARIANCE AT YEAR END £000's	REF
<b>Employee Costs</b>				
iea employee costs . £49k Savings due to vacancies		49	38	2.1
<b>Central &amp; Administrative Expenses</b>				
All central & admin recharge budgets are evenly profiled over the financial year. Therefore while current recharges are under budget they will even themselves over the course of the financial year.	64			2.3
<b>Programmed Repairs</b>				
External Painting works to be processed in October	28			2.4
<b>Responsive Repairs</b>				
works in progress awaiting completion in Orchard	52			2.5
allocation of overheads	110			
budget to be reprofiled	82			
	<b>336</b>	<b>49</b>	<b>38</b>	



FINANCE, AUDIT AND PERFORMANCE COMMITTEE – 06 JAN 2013

REPORT OF THE CHIEF OFFICER FOR CORPORATE GOVERNANCE & CUSTOMER ENGAGEMENT

RE: RISK MANAGEMENT FRAMEWORK

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**1. PURPOSE OF REPORT**

- 1.1 To provide the Council's year to date position (2013/14) on:
- Corporate Risks
  - Operational (Service Improvement Planning) Risks

**2. RECOMMENDATION**

That the committee:

- (i) Note Corporate and Service area risks with a net risk level status of 7,8 or 9 (red - significant impact or likelihood of failure to mitigate the risk)

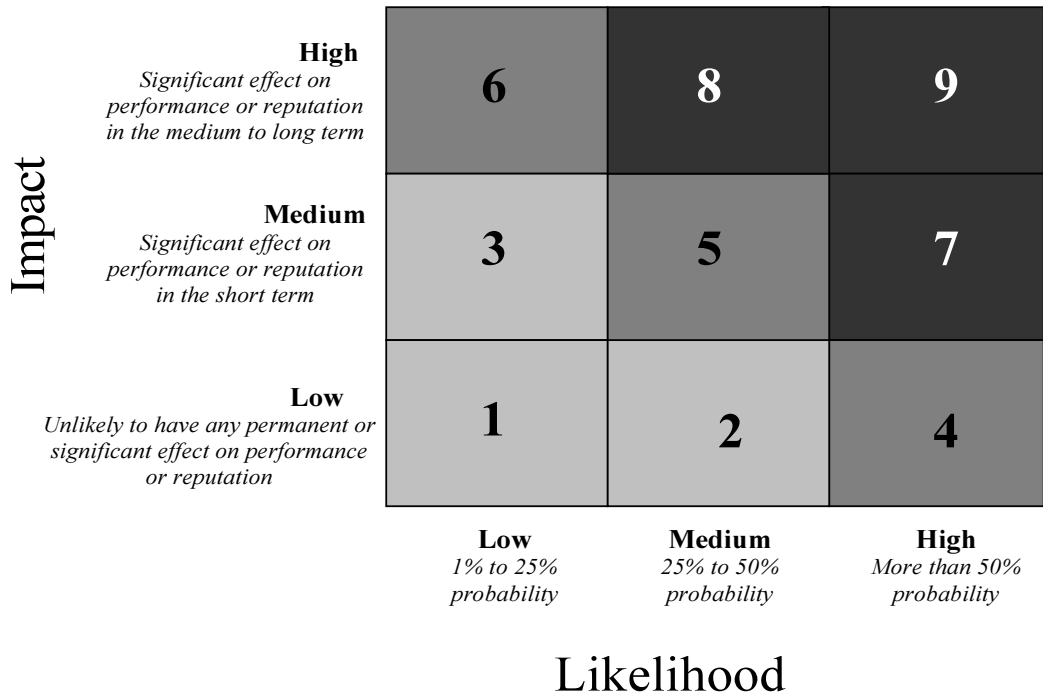
**3. BACKGROUND TO THE REPORT**

- 3.1 The Council reports quarterly on progress against its Performance Management Framework and Risk Management.
- 3.2 This report considers the latest status of corporate and service area (SIP) risks with regard to the Corporate Plan Strategic aims.

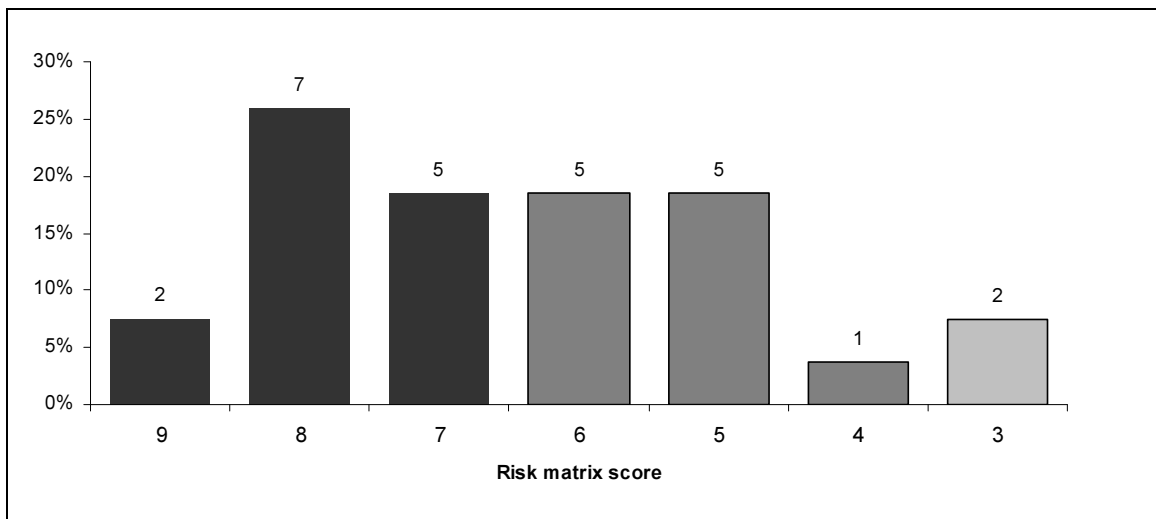
**4. Risk scoring**

- 4.1 Risks are scored according to how likely it is that they will happen and the level of impact on the council if they did happen. The following matrix is used for scoring risks:

Black = red  
Dark grey = amber  
Light grey = green

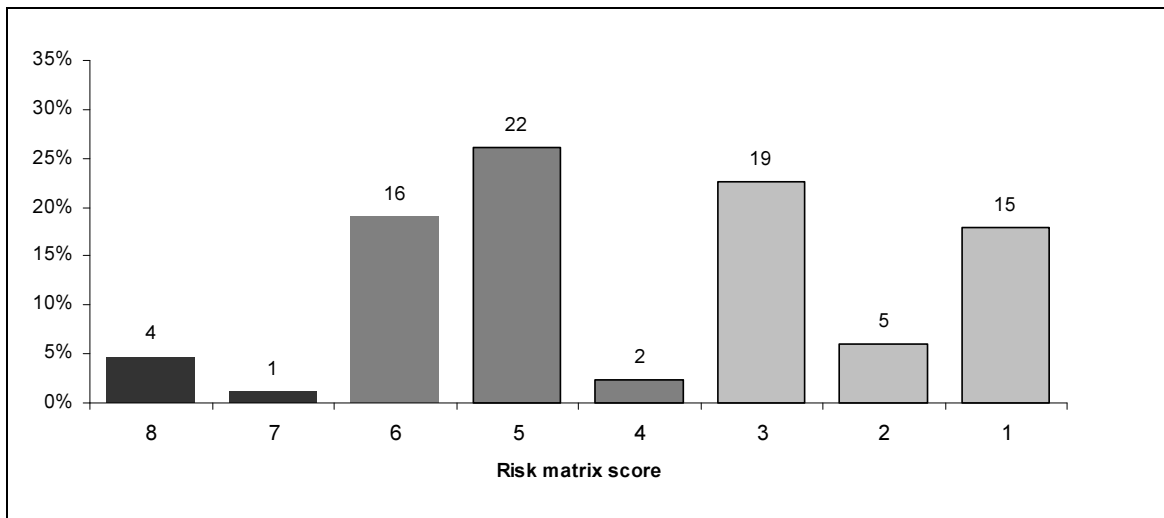


4.2 Corporate Risk register as at: 16 Dec 2013



Details of red (score of 7 or higher) corporate risks are provided at appendix 1

## 4.2 Service area (SIP) Risk register as at: 16 Dec 2013



Details of red (score of 7 or higher) service area risks are provided at appendix 2

## 6. **DATA QUALITY MANAGEMENT**

- 6.1 The performance information provided is in compliance with the council's data quality management strategy:  
"ensure that data is managed to the highest quality"

When providing risk information data owners agree that they are managing data quality in accordance with the Data Quality Management Policy. In addition, the Corporate Performance service provides a 'help desk' facility and scrutinise risk reviews for compliance.

## 7. **FINANCIAL IMPLICATIONS [DB]**

None arising directly from this report

## 8. **LEGAL IMPLICATIONS [AB]**

None arising directly from this report

## 9. **CORPORATE PLAN IMPLICATIONS**

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

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

10. **CONSULTATION**

Each Service Manager has contributed information to the report and the risk management information is available on the Intranet via the TEN system

11. **RISK IMPLICATIONS**

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

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

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

Equality and Rural implications are considered as part of the implementation of the Corporate Plan. The Corporate Plan 2013-16 priorities are informed by a borough wide consultation exercise completed in summer 2011.

13. **CORPORATE IMPLICATIONS**

- None

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Background papers:- None

Contact Officer: Cal Bellavia ☎5795

Executive Member: Councillor Ms BM Witherford

Appendix 1 - Details of red (score of 7 or higher)

Risk	Risk failure leads to:	Net Risk Level	Review commentary	Risk Owner
S.01 - Failure to focus on priorities and initiatives	Underperformance and no corporate direction	8: Likelihood (medium) - Impact (high)	Arrangements for transfer of JobCentre Plus Employees well advanced, with full transfer scheduled for 4 November. Very positive progress continues with Crescent (Bus Station) development, with full engagement from Sainsburys and visit from the corporate funding bodies to HBBC. Leisure Centre tender process well-advanced and on target for selection of preferred provider scheduled for Council meeting in January 2014. Now concentrating on the wider car parking impacts/implications and means of mitigation in respect of town centre.	Steve Atkinson
S.04 - Damage to Reputation/adverse publicity	Lack of Stakeholder confidence, High staff turnover, low morale, inability to recruit, lack of confidence in our ability from our partners	8: Likelihood (medium) - Impact (high)	Crescent (Bus Station) progressing positively. Mallory Park now in Administration, with discussions expected at some point on potential new operator. Wider public now more effectively aware of the real background. Concentration on car parking in Hinckley town centre will be the major focus for ensuring reputation of Council.	Steve Atkinson
S.06 - Failure to implement the Town Centre Plan	lack of member support, private sector investment interest, public sector funding, public support, planning permission for the development and Lack of progress on Town Centre regeneration	9: Likelihood (high) - Impact (high)	Reserve matter application now submitted and due for determination in December. CPO general vesting order process has commenced and occupiers notified 17 October. Wilson Bowden/Barratt Board have signed off funding agreement. Revised Development Agreement fully drafted and due for sign off by end October. Arrangements in hand for joint procurement of commercial agents to commence joint marketing of the Crescent scheme, including the Cinema block from early 2014. Sainsburys fully engaged in inputting into the detailed design and have recently supported positive press release committing to scheme start in March 2014. Project Board arrangements remain in place with regular meetings scheduled to oversee progress and delivery of the scheme.	Bill Cullen

Risk	Risk failure leads to:	Net Risk Level	Review commentary	Risk Owner
S.15 - Failure to successfully adopt and deliver the LDF leads to:	Penalties from govt, loss of Planning Delivery Grant, uncontrollable development pressure,, unsustainable development, no clear spatial strategy, loss of employment/housing opportunities, impact on environment	8: Likelihood (medium) - Impact (high)	Revised LDS programme will be reported to December Council. Key evidence bases for renewable energy and G&T adopted by Executive in the last quarter. Dialogue is underway with relevant Ward Members regarding housing allocations DPD. Discussions commenced with Leicestershire authorities regarding potential for shared arrangements for preparing local plans and evidence based documents in the future. Internal strategic finance meetings commenced to review potential financial implications for the future Local Plan.	Bill Cullen
S.19 - Failure to improve sickness absence	Causes reduced capacity leading to failure/inability to deliver services/objectives efficiently	7: Likelihood (high) - Impact (medium)	Some longstanding cases now addressed, either by retirement or effective returns to work. Major cases being discussed with the Chief Executive. Level remains higher than at same point in 2012/13 and trend is increasing. Results from November will show if recent actions are effective of if we need to take different steps.	Steve Atkinson
S.29 - Loss of contract for Supporting People funded services	Possible reduction/change in provider of support for vulnerable people, damage to reputation of loss of contract/control and impact on staff resources	8: Likelihood (medium) - Impact (high)	Procurement commenced. PPQ passed. Decision to be taken whether to tender for the housing related support services. Work underway to establish what level of service could continue on the schemes, given a large proportion of tenants won't be eligible for the new support service.	Sharon Stacey
S.33 - MIRA RGF Fund	Impact on development of MIRA on the A5	9: Likelihood (high) - Impact (high)	Issues over Pinch Point Funding now resolved which reduces the risk to programme. Issues over sign off of the funding retention arising from the Pinch Point scheme have been escalated to Ministerial level to secure decision on the recommended retention of funds arising from Pinch Point impact to allow the scheme to remain on programme for delivery	Bill Cullen

Risk	Risk failure leads to:	Net Risk Level	Review commentary	Risk Owner
S.34 - Safeguarding of vulnerable adults, children & young people	Death or serious injury of a child, young and/or vulnerable adult	8: Likelihood (medium) - Impact (high)	Development of the new Bronze, Silver and Gold training packages is underway. Delivery to commence 2014.56 number of referrals made from April 2013 - Sept 2013. Compared to previous time last year we received 65 referrals . 14% Decrease.	Simon D. Jones
S.35 - Ash die back disease	Loss of all ash trees on HBBC property, impact on tree revenue budgets, parks and open spaces, housing land, and other land assets. May affect collection of green waste (leaves from ash trees may not be able to be composted). Detrimental effect on the biodiversity of Burbage Common and Woods SSSI	7: Likelihood (high) - Impact (medium)	Q2 - cases now confirmed within Leicestershire. Still no cases in the Borough, and no change in guidance from DEFRA	Caroline Roffey
S.36 - Variances to Housing Repairs Account	Risk of additional expenditure	8: Likelihood (medium) - Impact (high)	Operational controls are in place to minimize additional expenditure. Reconciliations are taking place on a regular basis and weekly budget monitoring is now taking place. An improvement plan for the service has been developed and is being implemented.	Julie Kenny
S.37 - Non delivery of capital projects which are interdependent	Issues to Town Centre plan and Leisure Centre Plans (S.06 and S.25)	7: Likelihood (high) - Impact (medium)	Bus Station and Leisure Centre projects & associated Capital financing. Full report taken to Council in July 2013 to outline financial implications and financing required to ensure both schemes. Associated required authorised limits agreed at this meeting to ensure borrowing can take place to finance schemes going forward. Further progress now made. Impact assessment done as part of evaluation of the funding of the revised Bus Station Development agreement. This impact assessment on the dependant funding of the Leisure Centre was included in the report that went to Full Council & Scrutiny Commission. Now more than likely that both these key schemes will come forward in 2014/15.	Sanjiv Kohli

Risk	Risk failure leads to:	Net Risk Level	Review commentary	Risk Owner
S.38 - Land Charges fees	Legal proceedings	7: Likelihood (high) - Impact (medium)	Proceedings remain stayed, pending information of potential loss of all the claimants being calculated. Bevan Brittan continue to negotiate a potential settlement. The process currently delayed by a case before the First Tier Tribunal which is seeking to determine what reasonable costs may be reasonably charged by a Council in responding to request under the Environmental Information Regulations. It is expected that this case will be referred to the European Court.	Adam Bottomley
S.39 - Mallory Park - legal action	May result in high legal costs. Possible damages from injunction if not successful. Reputational loss due to criticism over councils handling of the issue	7: Likelihood (high) - Impact (medium)	Prosecution successful and fined £2500 and £23,300 costs. MPML into voluntary Administration. Discussions continuing re future operation at circuit. Now moved to Reputation Risk rather than financial. If new operations start up and nuisance caused new notice will be required and financial risk on defending notice may occur. Health & Safety prosecution continuing - pre trial hearing 7 November. Own cost liability therefore reduced risk to 7. reputation risk.	Rob Parkinson
S.40 - HRA Investment Strategy	Non delivery of affordable housing, impact on housing stock and reputational risk	8: Likelihood (medium) - Impact (high)	Mitigation action in place: HRA Investment plan officer working group overseeing work streams linked to the plan, including affordable housing delivery, ECO funding, investment in stock and service improvements	Sharon Stacey



Appendix 2 - Details of red (score of 7 or higher)

Risk	Risk failure leads to:	Net Risk Level	Review comments	Last review	Owner
DLS.27 - Deliver the Local Development Framework.	Loss of 5 year land supply	8: Likelihood (medium) - Impact (high)	<p>If the LDF is not delivered it is likely that the current 5 year housing land supply will be lost and it will be necessary to work in a partial local policy vacuum, which will result in development by appeal; growth in unsuitable locations and on unsuitable sites. The Earl Shilton and Barwell Area Action Plan has been submitted to the Secretary of State for Examination in Public and then subsequent adoption by the Council. The Site Allocations and Development Management Policies DPD is due to go to Council in January 2014 for approval to consult and then submit to the Secretary of State.</p>	Dec 13/14	Sally A Smith
DLS.42 - Meet the need of Gypsy and Travellers in the borough	Illegal incursions and as the five year supply would not be met there would be a presumption in favour of development which would result in less likely success defending at appeal.	8: Likelihood (medium) - Impact (high)	<p>A Gypsy and Traveller Accommodation Needs Assessment has been completed to identify the need within the borough upto 2027. Following this assessment, and to mitigate the risk the Council has employed a consultants to facilitate planning applications from existing gypsies and travellers who are residents of the borough on existing sites either by intensification or extensions. Additional sites are being explored as a number of existing sites which were identified as having potential for intensification or extension are unlikely to be deliverable, however work is still on-going on these sites. The Council has adopted a new timetable for the production of a Gypsy and Traveller Allocations DPD which is due to start in the new year.</p>	Dec 13/14	Sally A Smith Tracy Miller

Risk	Risk failure leads to:	Net Risk Level	Review comments	Last review	Owner
HCS.75 - PCC implementation	Reduced funding	7: Likelihood (high) - Impact (medium)	Bids submitted for funding for the 6 months to March 2014. Comments made on draft PCC Commissioning Intentions and full engagement with the PCC office regarding next bidding round. Formal merger request for Hinckley and Bosworth/Blaby been submitted to the PCC office. Still likely to be a reduction in funding in comparison to combined former ABG/BCU funding.	Dec 13/14	Sharon Stacey
HCS.79 - Private sector housing scheme	Investigation of establishment of scheme is dependant on draw down of grant	8: Likelihood (medium) - Impact (high)	PSL scheme approved by council. First property lease signed. Need to identify tenant for the property, and subsequent properties to ensure rental stream.	Dec 13/14	Rosemary Leach
SS.33 - Budget cuts at LCC	resulting in reduced funding / increased charges for refuse and recycling collection services	8: Likelihood (medium) - Impact (high)	LCC consultation underway September 2013. Ensure any proposals are robustly discussed at Leicestershire Waste Partnership and Environment Board. Strategic Joint working being explored for waste management across Leicestershire	Sep 13/14	Caroline Roffey



**LOCATIONALISATION OF COUNCIL TAX SUPPORT AND  
BUSINESS RATE RETENTION – QUARTER 2 2013/2104 REPORT  
OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)**

**WARDS AFFECTED: ALL WARDS**

**1. PURPOSE OF REPORT**

To inform the committee of the performance of Local Council Tax Support and Business Rates Retention schemes for the second quarter of 2013/2014.

**2. RECOMMENDATION**

That the committee notes the contents of the report

**3. BACKGROUND TO THE REPORT**

**Local Council Tax Support Scheme**

- 3.1 From 1<sup>st</sup> April 2013, the Council Tax Benefit system has been replaced by a system of Council Tax support which is determined locally by each Council. From this date, all individuals previously in receipt of Council Tax Benefit (excluding pensioners) are required to pay an element of the liability based on a “scheme” agreed by the local billing Authority.
- 3.2 The scheme for Hinckley and Bosworth Borough Council was agreed by Council in January 2013 and is broadly based on the introduction of a 91.5% cap on benefits. This means all individuals in this position are required to pay 8.5% of their Council Tax liability from 1<sup>st</sup> April 2013.
- 3.3 The result of the abolition of Council Tax Benefit has meant a gap in funding for all public sector bodies who are financed in part by Council Tax. For this Council the loss was estimated for 2013/2014 as £664,414. Of this amount, 10.5% (£69,763) is directly attributable to Hinckley and Bosworth Borough Council with the remainder shared between the precepting authorities
- 3.4 Details of performance on this “new” debt is detailed below. Taking into account the value of recovery fees added to outstanding debt, the recovery rate for new debt is 50.37%. This is compared to a 58.74% recovery rate for all Council Tax for this period (note: this is a cumulative recovery rate). Based on these figures, the average debt for the 1,418 new customers is £74.69 (before costs).

Pay method	Cases	Amount due	Costs added (recovery)	Total Due	Amount paid	Balance	Recovery
Cash	1,138	£84,037.70	£25,809.00	£109,846.70	£54,198.77	£55,647.93	
Direct Debit	280	£21,868.20	£2,448.00	£24,316.20	£13,372.64	£10,943.56	
<b>Total</b>	<b>1,418</b>	<b>£105,905.90</b>	<b>£28,257.00</b>	<b>£134,162.90</b>	<b>£67,571.41</b>	<b>£66,591.49</b>	<b>50.37%</b>

## Business Rates Retention Scheme

- 3.5 Before 1<sup>st</sup> April 2013, business rates were collected by local authorities from businesses, before being paid into a central pool to be redistributed as part of grant funding. From 2013/14, billing authorities pay over 50% of collected business rates to government. The remaining 50% is split between the billing authority (80%) and the precepting authorities (20%).
- 3.6 Following these payments, the retained business rates of billing authorities are subject to a tariff set out in the respective Local Government Finance Settlement. Any growth in business rates over the set baseline will be subject to a “levy” payment of 50%, with the remaining half retained by the host Council. Correspondingly, if a Council loses 7.5% of their set threshold, a “safety net” payment will be triggered to compensate for the loss.
- 3.7 Performance on Business Rates for this Council as at 30<sup>th</sup> September 2013 is presented below and compared to the budgeted figures submitted to government within the NNDR1 form. This Council as at this date was forecasting to collect £0.085million less in Business Rates in 2013/2014 than budgeted. This is primarily due to the results of appeals against charges being successful.

<u>Based on NNDR1</u>			<u>Latest Forecast - Sept 2013</u>			<u>Mvt</u>
Rates	Levy	Safety	Rates	Levy	Safety	Rates
Forecast		Net	Forecast		Net	Forecast
2013/14	2013/14	2013/14	2013/14	2013/14	2013/14	2013/14
£m	£m	£m	£m	£m	£m	£m
10.892	0.000	0.000	10.808	0.000	0.000	-0.085

- 3.8 The reforms also allow local authorities to form pools for the purposes of business rate retention. Practically, pooling means that any levy payments (50% of growth) are made into a local pool rather than paid to central government. Correspondingly, losses will be funded from the pool.
- 3.9 10 Leicestershire local authorities including all the District and Borough Councils, the City and County and Fire Authority have committed to participating in a Leicester and Leicestershire business rates pool from 1<sup>st</sup> April 2013. Performance of the billing members of the pool is detailed below. Based on the budget information provided, the pool was forecasting to have a balance of £0.685million as at 31<sup>st</sup> March 2014. As at 30<sup>th</sup> September 2013, this forecast has reduced to £0.147million. This is because a number of Councils have seen reductions in Business Rates due following the convergence of schools to Academy status. In these cases, the school is eligible for charitable relief under Business Rate rules and therefore less levy is collected.

<u>Based on NNDR1</u>			<u>Latest 2013/14 Forecast</u>			<u>Mvt</u>
Rates	Levy	Safety	Rates	Levy	Safety	Rates
Forecast		Net	Forecast		Net	Forecast
£m	£m	£m	£m	£m	£m	£m

Blaby	15.537	0.154	0.000	15.788	0.280	0.000	0.251
Charnwood	17.342	0.063	0.000	16.870	0.000	0.064	-0.472
Harborough	14.207	0.596	0.000	14.374	0.680	0.000	0.167
Hinckley & Bosworth	10.892	0.000	0.000	10.808	0.000	0.000	-0.085
Melton	5.124	0.079	0.000	5.044	0.038	0.000	-0.081
NW Leicestershire	18.044	0.000	0.100	17.545	0.000	0.599	-0.499
Oadby & Wigston	4.519	0.000	0.107	4.439	0.000	0.188	-0.080
Total Districts	85.666	0.892	0.207	84.867	0.998	0.851	-0.799
<b>Net gain/(loss)</b>			<u>0.685</u>			<u>0.147</u>	<u>-0.538</u>

- 3.10 Based on the legal agreement for the pool, any surpluses at year end will be transferred to the Leicestershire and Leicester Local Enterprise Partnership (LLEP) for distribution back to the local area.

#### Looking forward - 2014/2015

- 3.11 Following approval from Council on 3<sup>rd</sup> December 2013, the LCTS cap for 2014/2015 will be reduced to a 88%% cap on benefits. This means all individuals previously in receipt of Council Tax benefit will be required to pay 12% of their Council Tax liability from 1<sup>st</sup> April 2014.
- 3.12 At the time of writing this report, the position on Business Rates retention from 2014/2015 was largely unknown pending announcement of the Local Government Finance Settlement and accounting guidance. Following these announcements, members of the Leicestershire Business Rates pool will have 28 days to decide on whether pooling arrangements will continue for 2014/2015. A verbal update on both areas will be provided at this meeting.

#### 4. FINANCIAL IMPLICATIONS (KP)

Contained in the body of the report.

#### 5. LEGAL IMPLICATIONS (AB)

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

#### 6. CORPORATE PLAN IMPLICATIONS

The Council's governance arrangements are robust

#### 7. CONSULTATION

A consultation exercise was performed in the summer of 2013 to inform decisions made on the 2014/2015 Local Council Tax Support Scheme. Results of this process were reported to Council on 3<sup>rd</sup> December 2013.

All members of the Business Rates Pool will be consulted in decisions made on its future operation from 2014/2015.

#### 8. RISK IMPLICATIONS

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

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

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

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

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

None

10. **CORPORATE IMPLICATIONS**

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

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

Background Papers: Revenues and Benefits Monitoring Reports

Author: Sanjiv Kohli, Deputy Chief Executive (Corporate Direction) ext 5607  
Katherine Plummer, Head of Finance ext 5609

Executive Member: Cllr KWP Lynch



**SUNDRY DEBTS UPDATE REPORT**

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

**WARDS AFFECTED: ALL WARDS**

**1. PURPOSE OF REPORT**

1.1 To inform members of the position on sundry debts as at 30<sup>th</sup> November 2013. As agreed with members at the meeting held on 16<sup>th</sup> September, this information will be provided to this Committee at each meeting.

**2. RECOMMENDATION**

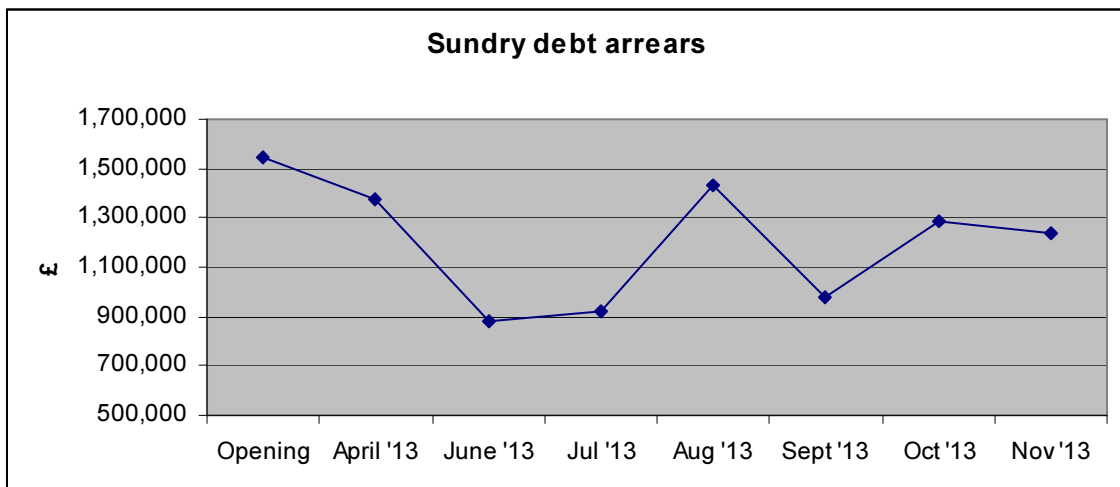
2.1 That the committee note the current aged debt position for sundry debts

**3. BACKGROUND TO THE REPORT**

3.1 As 30<sup>th</sup> November 2013 there were 2072 sundry debt invoices outstanding with a value of £1,240,097 (an average balance of £599). This balance can be broken down by age as follows:

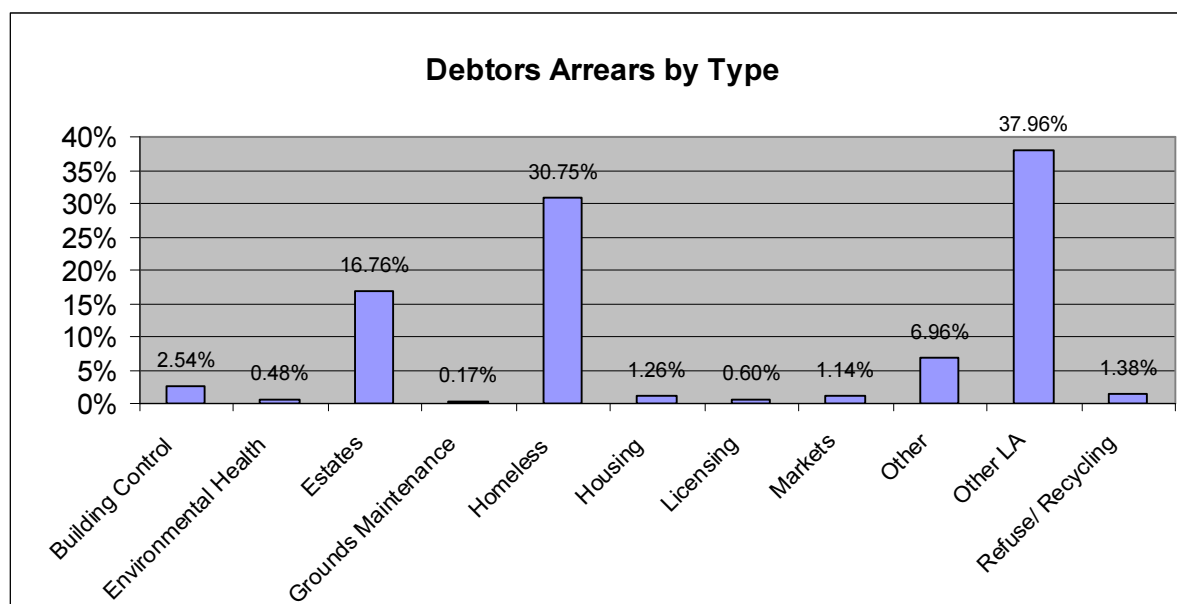
Credits & Refunds	Not Yet Due	< 30 Days	30 - 59 Days	60 - 89 Days	90 - 119 Days	> 120 Days	Total Debt
£	£	£	£	£	£	£	£
-902	22,341	462,486	260,019	85,547	49,467	361,138	1,240,097

3.2 The value of aged debt has been mapped month on month during 2013/2014 for information. Whilst the debt has increased since September 2013, this can mainly be attributed to issuing of quarterly invoices for services at the start of October and therefore impacts invoices <30 days.



NB Information was not gathered during May 2013 due to changes in team structure and training.

- 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 2012/2013 was £77,766
- 3.4 The split of the current debt position by types of debt are detailed below. As indicated below, 37.96% of the debt relates to monies due from other Local Authorities. This is mainly in relation to the provision of ICT services through the Steria contract which are paid on a periodic basis. Members should be aware that over £100,000 of this debt has been cleared since 1<sup>st</sup> December 2013.



4. **FINANCIAL IMPLICATIONS (KP)**

Raised in the body of the report.

5. **LEGAL IMPLICATIONS (AB)**

Debt recovery action will generally be raised as a small claim in the civil courts. Under the Limitation Act 1980 the Council must bring action to recover an aged debt by within six years of the date payment became due.

6. **CORPORATE PLAN IMPLICATIONS**

Sundry Debts contributes to delivery of all Corporate Plan objectives.

7. **CONSULTATION**

None.

8. **RISK IMPLICATIONS**

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

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



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

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

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

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

10. **CORPORATE IMPLICATIONS**

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

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

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Background papers: Civica Reports

Contact Officer: Katherine Plummer, Head of Finance. Ex 5609

Executive Member: Councillor Keith Lynch

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## FINANCE, AUDIT AND PERFORMANCE COMMITTEE – 6 JANUARY 2014

### COUNCIL TENANT RECHARGE POLICY

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

#### WARDS AFFECTED: ALL WARDS

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#### 1. PURPOSE OF REPORT

- 1.1 To brief Members on the development of a Recharge Policy for council tenants.

#### 2. RECOMMENDATION

- 2.1 Finance, Audit and Performance Committee note the contents of the report.

#### 3. BACKGROUND TO THE REPORT

- 3.1 Officers are currently developing a Recharge policy, which will sit alongside a revised Tenancy Agreement.
- 3.2 The Recharge policy will relate to both former tenants/licensees (in the form of void property recharges) and current tenant/licensees (in the form of repair recharges). It will provide a consistent and transparent approach to recharging with the aim of encouraging good tenant/licencee behaviour and to ensure tenants/licencees take responsibility for their own actions.
- 3.3 Where the council undertakes to carry out a repair that has become necessary as a result of damage caused willfully or through accident or neglect by a tenant/licencee or a member of their family or visitor to their property, the cost of the repair would be regarded as a rechargeable cost.
- 3.4 The policy will cover the following (please note this isn't an exhaustive list):
- Repairs undertaken in an emergency on behalf of the tenant/licencee e.g. lock replacement due to the fault of the tenant such as lost keys.
  - Repairs needed due to damage or neglect caused by the tenant/licencee (including untidy gardens).
  - Repairs for which the tenant/licencee is responsible that the council carries out. This will apply in circumstances such as where there are health and safety concerns and to prevent further damage, for example to carry out corrective work after the tenant/licencee has carried out poor quality or potentially dangerous alterations e.g. rewiring.
  - Repairs to void properties that are necessary because of damage, neglect or poor workmanship by the former tenant/licencee.
  - Repairs caused by malicious damage which has not been reported to the police.
- 3.5 Exceptions to the policy will be considered and written into the policy, including whether a tenant has been a victim of crime and has a crime number to cover the repair issue/damage, whether the tenant's vulnerability makes it unreasonable for them to pay and where a tenant has died and there are insufficient funds in his/her estate to pay the recharge costs.

3.6 Affordable payment plans where necessary will be put in place to ensure undue hardship isn't placed on tenants.

3.7 The policy will be developed further over coming months, with a view to implementation from April 2014 with the new Tenancy Agreement. The policy will be developed with input from tenants and full consultation with all tenants on the Tenancy Agreement and Recharge policy will be undertaken.

#### 4. FINANCIAL IMPLICATIONS (KP)

4.1 The financial implications of the tenancy policy will be confirmed upon completion of the document and agreement of the charges. Any charges that are introduced will be based on the schedule of rates used for housing repairs, a review of which is currently being undertaken and inform the policy.

4.2 Any income received as a result of the recharge will be transferred to the Housing Repairs account as part of the HRA to be utilised for future use.

4.3 The cost of administering the scheme is thought to be minimal but will require some element of support service recharge from the debtors function.

#### 5. LEGAL IMPLICATIONS (AB)

5.1 The policy will need to sit alongside the tenancy conditions, which will actually give effect to the policy. The policy itself will not lend the landlord additional powers to those contained in the tenancy conditions.

5.2 Paragraph 3.3 makes reference to "accident". This section of the policy (and tenancy conditions) will need to be drafted in accordance with our insurance policy, so that a conflict does not arise.

#### 6. CORPORATE PLAN IMPLICATIONS

6.1 This report supports the following Corporate Plan aims:

- Supporting individuals

#### 7. CONSULTATION

7.1 Consultation will take place with all tenants on the Recharge Policy.

#### 8. RISK IMPLICATIONS

8.1 None.

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

#### 10. CORPORATE IMPLICATIONS

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

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

Background papers:

Contact Officer: Sharon Stacey, Chief Officer (Housing, Community Safety and Partnerships), ext 5636

Executive Member: Michael Mullaney, Executive Member for Housing and Community Safety

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# Agenda Item 13

## FAP work programme 2013/14

Date of Meeting	Reports to be considered
6 January 2014	Audit Block Report (CW Audit) Draft Capital programme 2013/14 to 2016/17 2 <sup>nd</sup> Quarter Budget Monitoring 2013/2014 Risk Management Report Update on Localisation of Council Tax Support and Business Rates Retention Sundry debts update Tenant recharge policy Hinckley Club for Young People
17 February 2014	Draft Budget proposals 2014/15 (General Fund and HRA) Capital Programme 2013/14 to 2016/17 Prudential Indicators and Treasury Policy report 2013/14 to 2016/17 Performance Management Framework Annual External Audit Plan 2012/13 (PwC)
31 March 2014	Audit Block Report (CW Audit) 3 <sup>rd</sup> Quarter Budget Monitoring 2013/2014 3 <sup>rd</sup> Quarter Treasury Management Report 2013/2014 Performance Management Framework Annual Grants Certification Report (PwC) Draft Internal Audit Plan 2014/15 (CW Audit) Update on Localisation of Council Tax Support and Business Rates Retention
12 May 2013	Internal Audit Annual Report 2013/14 (CW Audit)

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