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

Date:

06 July 2018



To: Members of the Finance & Performance Scrutiny

Mr KWP Lynch (Chairman) Mr HG Williams (Vice-Chairman) Mr PS Bessant

Mrs R Camamile Mr DS Cope Mr DW MacDonald Mrs H Smith Miss DM Taylor Mr R Ward

Copy to all other Members of the Council

(other recipients for information)

Dear member,

There will be a meeting of the **FINANCE & PERFORMANCE SCRUTINY** in the De Montfort Suite - Hinckley Hub on **MONDAY**, **16 JULY 2018** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

Rebecca Owen

Democratic Services Officer

FINANCE & PERFORMANCE SCRUTINY - 16 JULY 2018

AGENDA

- 1. APOLOGIES AND SUBSTITUTIONS
- 2. <u>MINUTES OF PREVIOUS MEETING (Pages 1 4)</u>
- 3. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES

To be advised of any additional items of business which the Chairman decides by reason of special circumstances shall be taken as matters of urgency at this meeting.

4. DECLARATIONS OF INTEREST

To receive verbally from members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the agenda.

5. QUESTIONS

To hear any questions received in accordance with Council Procedure Rule 12.

6. FRONTLINE SERVICE REVIEW: NOISE & NUISANCE (Pages 5 - 12)

In response to a request at a previous meeting, members will be informed of the work of the Environmental Health (Pollution) Service relating to noise and nuisance.

7. TREASURY MANAGEMENT QUARTER 1 2018/19 (Pages 13 - 18)

To inform members of the council's treasury management activity in the first quarter of 2018/19.

8. <u>SUNDRY DEBTS QUARTER 1 2018/19</u> (Pages 19 - 22)

To inform members of the position on sundry debts as at 30 June 2018.

9. BUSINESS RATES RETENTION QUARTER 4 2017/18 (Pages 23 - 26)

To inform members of business rates performance from 1 April 2017 to 31 March 2018.

- 10. FINANCE & PERFORMANCE SCRUTINY WORK PROGRAMME (Pages 27 30)
- 11. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY

As raised under item 3.

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

FINANCE & PERFORMANCE SCRUTINY

21 MAY 2018 AT 6.30 PM

PRESENT: Mr KWP Lynch - Chairman

Mr DC Bill MBE (for Mr DS Cope), Mrs R Camamile and Miss DM Taylor

Members in attendance: Councillor Mr MA Hall

Officers in attendance: Julie Kenny, Rebecca Owen and Mark Tuff

13 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillors Cope, MacDonald, Smith, Ward and Williams with the substitution of Councillor Bill for Councillor Cope authorised in accordance with council procedure rule 10.

14 MINUTES OF PREVIOUS MEETING

It was moved by Councillor Camamile, seconded by Councillor Bill and

<u>RESOLVED</u> – the minutes of the meeting held on 29 January 2018 be confirmed and signed by the chairman.

15 DECLARATIONS OF INTEREST

No interests were declared at this stage.

16 HOUSING CONTRACTORS REPORT

In response to a request at a previous meeting, members received a report on the split in distribution of work in the housing repairs service between the in-house repairs team and contractors.

The following points were raised in response to questions:

- As part of the electrical testing programme, any serious fault identified would be addressed immediately and would not have to wait for the rewiring programme
- Where a property had been converted and the tenant left, attempts were made to match the needs of someone on the waiting list with that property. Where this was not possible, equipment would be removed and returned to the county council if appropriate
- Carbon monoxide alarms were fitted to those properties most at risk, for example those using solid fuel
- A recharge policy was in place to charge tenants for damage caused by abuse, misuse or neglect
- A definition of what constitutes an emergency repair, urgent repair, routine repair and programmed repair would be sent to members.

A member asked whether a record was kept of return visits for repairs and in response it was noted that some work on this was being undertaken with the tenant advisory panel and officers were looking at a way of monitoring it electronically. A progress report on this in six months was requested.

The cost of changing from solid fuel systems to air source heat pumps and the number awaiting conversion was queried. In response it was estimated that this was around £8,000 per property and stated that grant funding to assist with the cost was being pursued. It was requested that an update on this be provided in the aforementioned further report.

The housing repairs team was thanked for its hard work.

RESOLVED -

- (i) The report be noted and welcomed;
- (ii) The housing repairs team be thanked;
- (iii) A further report be brought in six months.

17 PERFORMANCE AND RISK END OF YEAR REPORT

Consideration was given to the end of year performance and risk management report. It was requested that those not updated due to the year end data capture process be brought to the next meeting.

Councillor Taylor entered the meeting at 6.56pm.

Members requested that the use of acronyms in reports be avoided.

RESOLVED – the report be noted.

18 REVENUE & CAPITAL OUTTURN END OF YEAR

Members were informed of the draft outturn for 2017/18. Some discussion ensued about the IAS19 pension adjustments, the HRA income and HRA capital programme.

RESOLVED – the report be noted.

19 TREASURY MANAGEMENT QUARTER 4 2017/18

A report on the council's treasury management activity in the fourth quarter of 2017/18 was presented.

RESOLVED – the report be noted.

20 SUNDRY DEBTS QUARTER 4 2017/18

Members were informed of the position on sundry debts as at 31 March 2018. It was noted that there were some large debts from other local authorities but much of this debt had been chased and received recently.

RESOLVED – the report be noted.

21 FINANCE & PERFORMANCE SCRUTINY WORK PROGRAMME

It was reported that a meeting date in December 2018 had been omitted from the calendar of meetings. It was agreed that this be held on 17 December.

(The Meeting closed at 7.18 pm)	
	CHAIRMAN





Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE AND PERFORMANCE

16 JULY 2018

WARDS AFFECTED: ALL WARDS

ENVIRONMENTAL HEALTH PERFORMANCE (NOISE AND NUISANCE)

Report of Director (Environment and Planning)

- 1. PURPOSE OF REPORT
- 1.1 Inform members of the work of the Environmental Health (Pollution) Service relating to Noise and Nuisance
- 2. RECOMMENDATION
- 2.1 That Committee endorse the actions of the service.
- 3. BACKGROUND TO THE REPORT

STATUTORY NUISANCE

- 3.1 The main piece of legislation dealing with statutory nuisance is Part III of the Environmental Protection Act 1990. It provides local authorities with powers to deal with complaints about nuisances. As well as dealing with existing problems, these controls also cover nuisance that is expected to occur or recur.
- 3.2 The main Statutory Nuisances that are investigated are Noise, Smoke, Light and Odour but in certain circumstances can include premises, dust, animals, accumulations and insects.
- 3.3 A statutory nuisance is commonly described as one of the above nuisances if it is materially interfering with the use and enjoyment of someone's home.
- 3.4 In 2015 The Anti-social Behaviour Crime and Policing Act introduced the Community Protection Notice (CPN). If it is ascertained that behaviour from a premises is having a continuous, detrimental effect on the community a CPN may be served. Failure to comply with such a notice is a criminal offence which can result in the issue of a £100 Fixed Penalty Notice (FPN) or prosecution.

3.5 CPN's have been used to address nuisance, primarily because it provides the power to issue FPN's which provides deterrent/punishment to those causing a nuisance without the need for costly prosecutions.

INVESTIGATION PROCEDURE

- 3.6 When individuals complain about nuisance the team has a duty to investigate and determine whether or not a statutory nuisance exists. Initially log sheets of when a complainant is being disturbed are submitted, followed by officer observations. If a nuisance does exist the service must serve an abatement notice or for noise nuisance can take another equivalent action e.g. issue a CPN if it will have the same effect as serving an abatement notice. This may require the nuisance to be stopped altogether or limited to certain times of the day. Failure to comply with an abatement notice can result in prosecution or works in default e.g. officers silencing burglar alarms or seizing noise making equipment (under a warrant from the magistrate's court). Failure to comply with a CPN will result in prosecution; works in default can only occur following a court order issued during prosecution procedures.
- 3.7 The service adopts a customer service performance indicator of 98% of services requests are responded to within 2 days of receipt.
- 3.8 In addition to taking the type of formal action described above, informal methods for dealing with complaints will always be considered first.
- 3.9 Nuisance investigations carried out by the team are often not simple interventions but involve multi-agency partnership in an attempt to reach a suitable conclusion for all parties. Often, those with vulnerable characteristics are the perpetrators of the nuisance and although those people are expected to comply with the law, in certain circumstances, dealing with a case in a different way and following the advice from our colleagues in the health service, can often reach a conclusion to the case without criminalising the individual.
- 3.10 Leicestershire authorities have committed to using the Sentinel database as the main recording system for anti-social behaviour (including nuisance) across Leicestershire.
- 3.11 The use of Sentinel is a tool for recording anti-social behaviour which allows the multi-agency resolution of cases and the protection of the community's most vulnerable. This is the main objective of HBBC's endeavour team. Environmental Health (Pollution) is fully committed to Endeavour and the use of Sentinel. The Sentinel system allows other agencies and departments e.g. Police and the Anti-social Behaviour Team of HBBC to see actions taken on cases that may require a multi-agency investigation.
- 3.12 If an investigation has been undertaken by the service and it has found no evidence to suggest a statutory nuisance exists, under Section 82 of the Environmental Protection Act 1990, an individual can complain directly to the Magistrates Court about an alleged nuisance. It is worth noting that the Court is likely to expect a complaint to have been made to the Local Authority before considering a case brought under Section 82.

NOISE NUISANCE

3.13 Neighbour noise is a major source of disturbance to many people and can have a significant impact on quality of life and the local environment. This noise can cause disturbance to those living nearby when it becomes intrusive and interferes or disrupts them as they go about their normal activities in their home.

- 3.14 Excessive noise can seriously harm human health and interfere with people's daily activities at school, at work, at home and during leisure time. It can disturb sleep, cause cardiovascular and psychophysiological effects, reduce performance and provoke annoyance responses and changes in social behaviour.
- 3.15 It is inevitable that we all make noise to some extent as we go about our daily activities, but consideration is the key to making sure our noise does not disturb others.
- 3.16 It would appear that tolerance and respect within the community is declining and customers in greater numbers are looking to the Council for assistance rather than speaking directly to their neighbours and resolving issues themselves as has historically been the case. Cases are also becoming more complicated requiring greater officer intervention to achieve desired outcomes.
- 3.17 At this point it is important to note that not all noise made by a neighbour that can be heard within a neighbouring property is going to be one that can be investigated by the team. Normal domestic noise like hoovering and lawn mowing, although noisy, are part and parcel of domestic living (unless the activities are being undertaken at unreasonable times). Other activities such as closing doors, running up stairs and talking may be audible next door but again are reasonable behaviour and so unless there is an element of unreasonableness to the activities e.g. repetitive banging of doors or prolonged periods of raised voices, there is very little the team can do. Residents living in attached properties need to accept that they will hear their neighbours from time to time. It is when this becomes excessive or abnormal that the service can get involved.

NOISE MONITORING AND THE NOISE APP

- 3.18 During the course of a noise investigation, evidence can be gathered by officer observations or by installing a noise monitor within the complainant's property. The noise monitor is operated by the complainant who turns it on when they are being disturbed. The noise monitor records both the audio and the decibel level of the noise.
- 3.19 In addition, the Service has signed up to the NoiseApp, a mobile phone noise recording system that allows complainants to record, upload and send noise recordings to the Service for review. The NoiseApp is a worthwhile evidence collection tool especially where the noise occurs out of office hours or is intermittent. It is not an advanced recording system and so would be used to support a case rather than determine the need for enforcement action which would usually only occur following officer observations or noise monitoring.
- 3.20 The Service operates a 24/7 out of hour's callout service for those cases that have resulted in a notice being served. This allows officers to gather evidence and pursue prosecution as required.

FIGURES

3.21

	17/18	16/17	15/16	14/15	13/14	12/13
Noise - Alarms	27	27	23	38	27	29
Noise - Animals	13	10	15	11	14	23

Noise - DIY	10	7	10	12	8	2
Noise - Dogs	180	212	162	183	185	158
Noise - Fireworks	0	1	1	6	2	2
Noise – Low Frequency	4	3	1	2	2	3
Noise - Machinery	28	27	20	14	19	27
Noise - Music	109	148	135	151	153	146
Noise - Other	47	49	17	33	41	43
Noise - Party	9	17	23	14	12	6
Noise – PA System	2	4	1	0	1	13
Noise - People	121	130	115	86	98	73
Noise - Plant	8	13	22	15	17	4
Noise - Vehicle Repairs	5	10	3	1	7	2
Noise - TV	18	5	16	9	13	16
Noise - Vehicles	13	33	25	23	15	22
Bonfire - Commercial	25	20	25	25	25	16
Bonfire - Domestic	68	83	83	70	67	35
Light	11	15	14	12	16	11
Odour - Agriculture	5	7	4	7	4	2
Odour - Commercial	6	11	13	16	13	12
Odour - Domestic	6	14	15	15	25	25
Odour - Other	26	24	12	19	11	11
Smoke - Agriculture	0	0	1	0	0	0
Smoke - Commercial	4	3	2	5	8	3
Smoke - Domestic	15	14	4	21	8	19
Total	760	887	762	788	791	703

^{3.22} The above demonstrates that the number of service requests for noise and nuisance has remained steady over the last 6 financial years; with a leap between 2012/12 and 2013/14 and a significant increase in 2016/17. In total, there has been an 8%

- increase in noise and nuisance complaints between 2012/13 and 2017/18; however, it is clear to see that the numbers do fluctuate from year to year.
- 3.23 Of note from the table above is the significant increase of 66% of noise-people complaints. These complaints would usually be regarding shouting and arguing within the home. Also, there has been a 94% increase in bonfire-domestic complaints.
- 3.24 A recent study (April 2017), compiled by Cirrus Research showed that HBBC ranks as the sixth highest authority in the East Midlands for noise complaints recorded based on population.

ENFORCEMENT

- 3.25 1 noise prosecution was taken in 2017/18. A noisy neighbour, who continued to disturb fellow residents in a block of flats despite official warnings to stop, was fined £1,100 by Leicester magistrates.
- 3.26 The court was told that the noises included hammering, the use of power tools, loud music, shouting and singing both in the evenings and late at night. The noise would often occur on the landing of a block of flats and, as a consequence, affected many residents.
- 3.27 Informal efforts by the service to control the noise failed and so noise monitoring equipment was installed in a neighbouring property. This showed that the noise was having a continuous and detrimental effect on residents. As a consequence, a Community Protection Warning was served which was soon breached and a CPN was served in April 2017. The notice was breached several times and so the council decided to prosecute the offender.
- 3.28 The service carries out on average about 1 prosecution each year as the majority of the time informal interventions are enough or if not formal notices remedy the situation.
- 3.29 25 enforcement notices were served in 2017/18.

Noise Abatement Notice – 15 Community Protection Notice – 10

3.30 13 enforcement notices were served in 16/17; this is a 92% increase and is owing to the increased use of CPN's.

Noise Abatement Notice – 11 Community Protection Notice – 2

3.31 All officers within the team have undertaken mediation training. This promotes the use of more informal measures to ensure compliance with environmental legislation.

THE TEAM

- 3.32 The service is provided through 1 Senior Environmental Health Officer, 1 Environmental Health Officer, 2 Technical Officers, 1 Technical Assistant and 1 part time Dog Warden.
- 3.33 Environmental Health Officers are graduates in Environmental Health and also hold the Institute of Acoustics Diploma in Noise Control; as does one of the Technical Officers. The other Technical Officer and Technical Assistant have completed the

Institute of Acoustics Certificate of Competency in Environmental Noise Measurement. All officers have many years experience of investigating noise and nuisance complaints and receive regular continuing professional development training as required.

LEICESTERSHIRE BEST PRACTICE GROUP

- 3.34 The Senior Environmental Health Officer of the service currently holds the post of the Chair of the Leicestershire Environmental Protection Best Practice Group. The group is represented by officers of all Environmental Protection/Pollution teams from Local Authorities in Leicestershire. The intention of the group is to share and promote best practice on environmental protection matters throughout Leicestershire.
- 4. <u>EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES</u>
- 4.1 The report can be taken in open session.
- 5. FINANCIAL IMPLICATIONS [AG]
- 5.1 None arising from this report.
- 6. LEGAL IMPLICATIONS [AR]
- 6.1 Contained within the body of this report.
- 7. CORPORATE PLAN IMPLICATIONS
- 7.1 The noise and nuisance service will help contribute towards the Councils priority ambitions helping people to stay 'healthy, active and protected from harm'. As can be seen from the above, noise especially can have significant impact upon health.
- 8. CONSULTATION
- 8.1 None
- 9. RISK IMPLICATIONS
- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks					
Risk Description Mitigating actions Owner					
Reputation from negative press	Ensure positive messages	Simon			
coverage of local campaigns	emphasised in campaigns	Smith			
Reputation from negative press	Ensure enforcement carried	Simon			

coverage from enforcement	out competently and proportionately and in accordance with Enforcement Policies	Smith
Knowledge and skills of staff	Ensure adequate training given to enforcement staff	Simon Smith
Adequate staff to deal with enquiries/enforcement activities	Ensure appropriate staff resources available to deal with demands of service	Simon Smith
Legal compliance	Ensure actions in compliance with Central Government Policy	Simon Smith

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 No implications as noise and nuisance investigation and enforcement is carried out consistently across the whole Borough.

11. CORPORATE IMPLICATIONS

- 11.1 By submitting this report, the report author has taken the following into account:
 - Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications
 - Voluntary Sector

Background papers: None

Contact Officer: Simon Smith (Senior Environmental Health Officer) 01455 255769

Executive Member: Councillor K Morrell



Hinckley & Bosworth Borough Council

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FINANCE & PERFORMANCE COMMITTEE

16 July 2018

WARDS AFFECTED: All Wards

TREASURY MANAGEMENT QUARTER 1 2018/19

Report of Head of Finance

- PURPOSE OF REPORT
- 1.1 To inform the Committee of the Council's Treasury Management activity in the first quarter of 2018/19.
- 2. RECOMMENDATION
- 2.1 That the Committee note the report.
- 3. BACKGROUND TO THE REPORT
- 3.1 At its meeting on 22 February 2018 Council approved the Council's Treasury Management Policy for the year 2018/19 and delegated the oversight of the execution of the Policy to this Committee.

This report sets out the Treasury Management activities in 2018/19 and shows that they are in line with the limits set out in the Policy.

Treasury Management covers two main areas:-

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

3.2 <u>Economic Background</u>

During the quarter ended 30 June 2018:

- 1. In quarter 1, the economy show signs of regaining momentum after the slowdown.
- 2. Employment growth rose strongly but wage growth softened.

- 3. Consumer price inflation eased further.
- 4. The MPC struck a more hawkish tone at its June meeting.
- 5. Public sector borrowing undershot the OBR's forecasts.
- 6. Progress on Brexit negotiations stalled.
- 7. Equity markets were buffeted by increased global trade tensions.

The latest forecasts are detailed in the table below:

	Q2	Q3	Q4	Q1	Q2
	2019	2019	2019	2020	2020
Bank Rate	0.50%	0.75%	0.75%	0.75%	1.00%
5yr PWLB rate	2.00%	2.00%	2.10%	2.20%	2.30%
10yr PWLB rate	2.40%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.80%	2.90%	3.00%	3.10%	3.20%
50yr PWLB rate	2.50%	2.60%	2.70%	2.80%	2.90%

3.3 Investment Activity

The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time, ensuring adequate liquidity, with the investment return being the final objective. If required, officers implement an operational strategy which tightens the controls already in place in the approved investment strategy. The Council's investment criterion was approved by Council in February 2018.

Funds for investment come from the following Sources

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

Depending on the flow of cash (difference between income receipts and payments) the bank balance will vary. Where there is a surplus balance monies are invested. When there is a need for cash, investments are called in to ensure funds are not overdrawn. As at 30th June 2018, the Council held the following investments totalling £22,110,175 and are summarised below:-

Counterparty	Investment Date	Maturity Date	Amount	Interest Rate
Coventry BS	08/06/2018	11/07/2018	£1,900,000	0.4000
National Counties BS	01/04/2018	28/09/2018	£1,000,000	0.7300
National Counties BS	22/06/2018	28/09/2018	£1,000,000	0.6200
Cumberland BS	03/04/2018	03/10/2018	£1,400,000	0.7500
Monmouthshire BS	03/04/2018	03/10/2018	£3,000,000	0.7000

Skipton BS	03/04/2018	03/10/2018	£3000,000	0.7000
Furness BS	01/04/2018	05/10/2018	£1,000,000	0.8500
Furness BS	01/04/2018	05/10/2018	£1,000,000	0.8500
Furness BS	01/04/2018	15/10/2018	£1,000,000	0.8500
Hinckley & Rugby BS	25/04/2018	25/10/2018	£2,000,000	0.7600
Coventry BS	08/05/2018	08/11/2018	£1,000,000	0.7100
Coventry BS	01/06/2018	03/12/2018	£3,009,000	0.6700
Hsbc Bank Call A/C	29/06/2018	02/07/2018	£1,801,175	0.3300
Total			£22,110,175	

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

Details of the weighted average investment to June 2018 are shown in the table below together with the average overnight, 7 day and 1 month London Inter Bank Bid (LIBID) as a bench mark to the rates received by the Council. The Council received a rate of return that is comparable with the returns available in the market. Additionally, the weighted average period is within the maximum set of 0.5 years. Average investments returns are higher than the comparable inter bank rate (a return of 0.68% compared against 0.38%).

Period	Weighted Average invested	Average period (days)	HBBC Average Return	7 Days LIBID	1 Month LIBID
Apr to Jun					
18	£9,247,041	25	0.6797	0.3613	0.3839

3.4 Borrowing Activities

Long term borrowing to finance Capital Expenditure

Excluding the HRA self financing element, the Council has a Capital Financing Requirement of £38.3m for the current year which arises from previous decisions to incur Capital Expenditure that was not financed immediately by internal resources e.g. Capital Receipts or Grants giving rise to the need to borrow to finance the expenditure. This borrowing requirement can either be met by long or short term external borrowing or by internal borrowing i.e. using the cash behind the authority's balances and reserves and foregoing investment income. At the present time the interest payable on long term borrowing is significantly greater than the returns the Council could expect on its investments and therefore the Council has adopted a policy of being "under-borrowed" by £30m with only £8.3m of long term loans on its books.

Additionally, as part of the Self Financing HRA Settlement £67.652m has been borrowed from PWLB. Repayment options have been discussed with members and were presented to the Executive on 13th March 2012. Repayments for principal amounts for these loans will commence in March 2020. The loan will be repaid in equal instalments of £2.9414m over 23 yrs.

3.5 Short Term Borrowing

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

4. <u>EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES</u>

- 4.1 Report to be taken in open session.
- 5. FINANCIAL IMPLICATIONS [IB]
- 5.1 Any variations to budgets resulting from borrowing investing activities are reported within the Outturn position.
- 6. LEGAL IMPLICATIONS [MR]
- 6.1 There are no legal implications arising directly from this report.
- 7. CORPORATE PLAN IMPLICATIONS
- 7.1 This report supports the following Corporate Aims
 - Thriving Economy
- 8. CONSULTATION
- 8.1 None
- 9. RISK IMPLICATIONS
- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks					
Risk Description	Mitigating actions	Owner			
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	1	A.Wilson			

- 10. KNOWING YOUR COMMUNITY EQUALITY AND RURAL IMPLICATIONS
- 10.1 None

11. <u>CORPORATE IMPLICATIONS</u>

- 11.1 By submitting this report, the report author has taken the following into account:
 - Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications

- Voluntary Sector

Background papers: Civica Reports

Link Reports

Contact Officer: Ilyas Bham, Accountancy Manager x5924

Executive Member: Councillor C Ladkin



Agenda Item 8



Hinckley & Bosworth Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY 16 JULY 2018

WARDS AFFECTED: ALL WARDS

SUNDRY DEBTS - Q1 2018/2019

Report of Head of Finance (Section 151 Officer)

- 1. PURPOSE OF REPORT
- 1.1 To inform members of the position on sundry debts as at 30th June 2018.
- 2. RECOMMENDATION
- 2.1 That the committee note the current aged debt position for sundry debts.
- 3. BACKGROUND TO THE REPORT
- 3.1 As at 30th June 2018 there were sundry debts with a value of £1,625,296. This balance can be broken down by age as follows:

Credits and Refunds and	Not Yet Due	< 30 Days	30 - 59 Days	60 - 89 Days	90 - 119 Days	> 120 Days	Total Debt
£	£	£	£	£	£	£	£
-17,735	11,540	834,533	59,488	234,213	146,782	356,475	1,625,296

3.2 The Council has a KPI for Debt over 90 days old as a percentage of aged debt, not exceeding 25%. The performance for the end of March 2018 was 23.03 percent. The current percentage is 18.10 percent, this is after amendment for items that are known to be covered by agreement, council policy or are to be written off. The total number of invoices over 90 days is 1004, with an average value of £992.86.

	£	Description
Total debt	1,625,287	
	-143,083	Homelessness
	-24,521	Installment Plans
	1,457,683	(A)
Over 90 days	431,515	

	-143,083	Homelessness
	-24,521	Installment Plans
	263,911	(B)
Performance	18.10%	Over 90 days/Total debt (amended) B/A
Target	25%	

- 3.3 In order to ensure that the Council adopts a prudent approach to accounting for debt that might not be due, a "provision for doubtful debts" is made against the year end balance. The value of this provision for 2017/18 is £59,010.
- The split of the current debt position over 90 days by type of debt is detailed below. The largest element is for "Estates" debts (28.53%, £144k). Action is being taken to recover the debts where possible. Homelessness Bonds have increased marginally by 0.19%. The provision of these bonds is funded by the Council's Homelessness Prevention Grant which is provided by the MHCLG annually. Whilst efforts are made to recover these amounts through ongoing contact with tenants by housing and revenues and benefits officers, legal action is not generally taken in these cases. This is on the basis that it is unlikely that the debtor will also be able to pay the additional charges levied and also to uphold the "sentiment" of the Council's Anti-Poverty Strategy.

Sum of Total Outstanding over 90 days	2017/18 – Q3	2017/18 – Q4	2018/19 Q1	Q4 to Q1 Mvt	Mvt %
Building Control	£1,159.06	£1,102.75	£1,102.75	£0.00	0.00%
Environmental Health	£6,917.77	£6,663.60	£6,483.60	-£180.00	-2.70%
Estates	£172,266.80	£109,793.11	£143,571.67	£33,778.56	30.77%
Green Spaces	£839.90	£679.90	£917.87	£237.97	35.00%
Grounds Maintenance	£2,236.06	£2,238.06	£3,763.13	£1,525.07	68.14%
Homeless	£141,901.31	£142,805.61	£143,083.11	£277.50	0.19%
Housing	£48,405.67	£56,935.30	£59,555.84	£2,620.54	4.60%
Markets	£5,560.29	£5,249.80	£7,103.76	£1,853.96	35.31%
Other	£88,298.29	£12,712.44	£3,432.75	-£9,279.69	-73.00%
Refuse/ Recycling	£13,629.67	£12,248.66	£26,857.18	£14,608.52	119.27%
Other LA	£2,414.01	£225,318.28	£77,830.29	-£147,487.99	-65.46%
Licensing	£732.56	£320.00	£500.00	£180.00	56.25%

Pest Control		£411.14	£100.42	-£310.72	-75.58%
Planning	£1,299.00	£0.00	£7,505.99	£7,505.99	
Housing Repairs			£10,938.67	£10,938.67	
Finance			£9,372.52	£9,372.52	
Waste Services			£1,128.00	£1,128.00	
	£485,660.39	£576,478.65	£503,247.55	-£73,231.10	-12.70%

4. <u>EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION</u> PROCEDURE RULES

- 4.1 Report is taken in an open session.
- 5. FINANCIAL IMPLICATIONS AW
- 5.1 Contained within the body of the report.
- 6. LEGAL IMPLICATIONS MR
- 6.1 The legal implications are contained within the report
- 7. CORPORATE PLAN IMPLICATIONS
- 7.1 Sundry Debts contributes to delivery of all Corporate Plan objectives.
- 8. CONSULTATION
- 8.1 None
- 9. RISK IMPLICATIONS
- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

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

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

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

11. CORPORATE IMPLICATIONS

- 11.1 By submitting this report, the report author has taken the following into account:
 - Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications

- Voluntary Sector

Background papers: Civica Reports

Contact Officer: Ashley Wilson, Head of Finance, Ext 5609

Executive Member: Councillor C Ladkin



FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY 16 JULY 2018

WARDS AFFECTED: All Wards

BUSINESS RATES AND POOLING UPDATE QUARTER 4 - 2017/18

Report of Head of Finance

- PURPOSE OF REPORT
- 1.1 To inform the committee of business rates performance from 1 April 31 March 2018 and to provide an update on pooling arrangements for 2017/2018.
- 2. <u>RECOMMENDATION</u>
- 2.1 That the committee notes the contents of the report.
- 3. BACKGROUND TO THE REPORT
- 3.1 Before 1st April 2013, business rates were collected by local authorities from businesses, before being paid into a central pool to be redistributed as part of grant funding. From 2013/14, billing authorities paid over 50% of collected business rates to government. The remaining 50% is split between the billing authority (80%) and the precepting authorities (20%).
- 3.2 Following these payments, the retained business rates of billing authorities are subject to a tariff set out in the respective Local Government Finance Settlement. Any growth in business rates over the set baseline will be subject to a "levy" payment of 50%, with the remaining half retained by the host Council. Correspondingly, if a Council loses 7.5% of their set threshold, a "safety net" payment will be triggered to compensate for the loss.
- 3.3 The Council received £1,192,225 of "section 31 grant" income. With £0.3m of this being a late adjustment to funding not notified to the Council until April 2018.

3.4 The budgeted business rates performance for this council, along with the forecast as at March 2018 is summarised below. The forecast position is not expected to change, but is subject to audit which is not concluded until the end of July 2018.

	Rates Forecast 2017/18	S31 Relief	Tariffs	Retained Rates Income	Funding Baseline	Total Growth	Levy & Retain Growth	M∨t
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
NNDR1	12,622	729	-9,063	4,288	2,427	1,861	931	
Jun-17	12,673	752	-9,063	4,362	2,427	1,935	968	37
Sep-17	12,467	720	-9,063	4,124	2,427	1,697	849	-30
Dec-17	12,365	855	-9,063	4,157	2,427	1,730	865	-73
NNDR3 Mar – 18	12,526	1,192	-9,063	4,655	2,427	2,228	1114	249

- 3.4.1 The above table shows that as at 31st March 2018, the council had £1,114,000 of retained growth for 2017/2018, which has been set aside in the Business Rates Equalisation Reserve.
- 3.5 Although this is a positive position, it is important to acknowledge the volatility of business rates which can be impacted negatively by many factors including:
 - Companies going out of business or moving from the area
 - Empty properties The redevelopment of the town centre for instances may have an impact on the rates for the council whilst development takes place
 - Awards of reliefs; most significantly charitable reliefs for schools which are awarded Academy status
 - Results of appeals lodged by businesses against their liabilities

Pooling

3.5.1 The Council continues to be member of the Leicestershire pool for 2017/18, this enables funds that are normally paid to central government to be retained and used by the LLEP locally. The table below summarises the history of the pool and amounts retained with the 2018/19 forecast.

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

^{** 2018/19} forecast as at Dec 2017.

3.5.2 There are changes planned to the business rates retention scheme due to proposals by government for the implementation of 100% business rates retention by local authorities. As part of these changes, it is now expected that a 75% retention rate will

be introduced in by 2020/21. This will have implications for LLEP funding from the pool as the current funding is based on 50% retention, which would means funding available to the LEPP may fall to 25%. Central Government has not yet published details of the change in retention rates and its impacts on councils and their partners. The final proposed details are not expected to be available until December 2019.

- 3.5.3 The Government proposals for business rates retention will have some similarities with the existing system. For example, there will continue to be a level of redistribution between authorities similar to the current system of tariffs and top-ups. The current expectation is that the baseline reset that is coupled to the 75% retention rate may adversely affect district councils that have enjoyed higher growth levels, which is the case for HBBC.
- 4. <u>EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES</u>
- 4.1 Report to be taken in open session
- 5. FINANCIAL IMPLICATIONS (AW)
- 5.1 Contained in the body of the report.
- 6. <u>LEGAL IMPLICATIONS (MR)</u>
- 6.1 Section 59A of the Local Government Finance Act 1988 allows local authorities to pool business rates. The pooling between the Leicestershire Council's will be governed by a legal agreement between the parties
- 7. CORPORATE PLAN IMPLICATIONS
- 7.1 To ensure the Council's governance arrangements are robust
- 8. CONSULTATION
- 8.1 All members of the Business Rates Pool were included in decisions made on its operation for 2017/18.
- 9. RISK IMPLICATIONS
- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

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

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

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

11. CORPORATE IMPLICATIONS

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

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

Background Papers: Revenues and Benefits Monitoring Reports Author: Ashley Wilson, Head of Finance Ext 5609

Executive Member: Cllr C Ladkin.



Overview and Scrutiny Work Programme 2018-2019

MAY 2018

FINANCE & PERFORMANCE SCRUTINY

Date	Issue	Reason	Outcomes	Lead Officer	Supports corporate aims
16 July 2018	Frontline service review: Environmental Health (noise & nuisance)	Request of previous meeting	Monitor performance	S Smith	1, 2
	Business rates retention quarter 4 2017/18	Monitor levels of retention and pooling arrangements	Ensure appropriate arrangements and value for money	Ashley Wilson	3
	Aged debts quarter 1 2018/19	Monitor levels of debt	Ensure recovery processes are robust	Ashley Wilson	3
	Treasury management quarter 1 2018/19	Inform of treasury management activity	Ensure compliance with policy	Ashley Wilson	3
10 September 2018	Revenue & capital outturn quarter 1 2018/19	Monitor budgets and capital programme	Ensure effective use of resources	Ashley Wilson	3
	Performance & risk quarter 1 2018/19	To monitor performance in-year	Identify improvements	Cal Bellavia	All
	Business rates retention quarter 1 2018/19	Monitor levels of retention and pooling arrangements	Ensure appropriate arrangements and value for money	Ashley Wilson	3
	Frontline service review – housing	Programme of frontline service reviews	Monitor performance	S Stacey	1
5 November 2018	Revenue & capital outturn quarter 2 2018/19	Monitor budgets and capital programme	Ensure effective use of resources	Ashley Wilson	All
	Aged debts quarter 2 2018/19	Monitor levels of debt	Ensure recovery processes are robust	Ashley Wilson	3
	Business rates retention quarter 2 2018/19	Monitor levels of retention and pooling arrangements	Ensure appropriate arrangements and value for money	Ashley Wilson	3
	Frontline service review – Planning	Programme of frontline service reviews	Monitor performance	N Smith	2
	Budget strategy	Regular report	Inform members of process and timelines	A Wilson	3

Date	Issue	Reason	Outcomes	Lead Officer	Supports corporate aims
January 2019	Leisure Centre performance	Annual review	Ensure performance and value for money	S Jones	All
March 2019					

To programme

Standard of housing in the borough (SC)

Key to corporate aims 1 – People 2 – Places

- 3 Prosperity

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