

Public Document Pack

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

Date: 09 August 2019



**Hinckley & Bosworth
Borough Council**

To: Members of the Finance & Performance Scrutiny

Mr C Ladkin (Chairman)
Mr P Williams (Vice-Chairman)
Mr JMT Collett
Mr DS Cope
Mr SM Gibbens

Mr K Morrell
Mrs LJ Mullaney
Mr MC Sheppard-Bools
Mr R Webber-Jones

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, 19 AUGUST 2019 at 6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

Rebecca Owen
Democratic Services Manager

Fire Evacuation Procedures

- On hearing the fire alarm, leave the building **at once** quickly and calmly by the nearest escape route (indicated by green signs).
- *There are two escape routes from the Council Chamber – at the side and rear. Leave via the door closest to you.*
- Proceed to **Willowbank Road car park**, accessed from Rugby Road then Willowbank Road.
- **Do not** use the lifts.
- **Do not** stop to collect belongings.

Recording of meetings

At HBBC we are open and transparent about how we make decisions. We allow recording, filming and photography at all public meetings including Council, the Executive and Planning Committee as long as doing so does not disturb or disrupt the proceedings. There may occasionally be some reports that are discussed in private session where legislation requires this to happen, but this is infrequent.

We also allow the use of social media during meetings, which helps to bring the issues discussed to a wider audience.

Members of the public, members of the press and councillors are hereby informed that, in attending the meeting, you may be captured on film. If you have a particular problem with this, please contact us so we can discuss how we may accommodate you at the meeting.

Use of mobile phones

To minimise disturbance to others attending the meeting, please switch off your phone or other mobile device or turn it onto silent or vibrate mode.

Thank you

A G E N D A

1. APOLOGIES AND SUBSTITUTIONS
2. MINUTES OF PREVIOUS MEETING (Pages 1 - 2)
3. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES
To be advised of any additional items of business which the Chairman decides by reason of special circumstances shall be taken as matters of urgency at this meeting.
4. DECLARATIONS OF INTEREST
To receive verbally from members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the agenda.**
5. QUESTIONS
To hear any questions received in accordance with Council Procedure Rule 12.
6. PERFORMANCE AND RISK MANAGEMENT FRAMEWORK 1ST QUARTER SUMMARY FOR 2019/20 (Pages 3 - 14)
To provide the 1st quarter 2019/20 outturn position for performance indicators, service improvement plans and corporate and service area risks.
7. FINANCIAL OUTTURN JUNE 2019 (Pages 15 - 34)
To present the financial outturn position as at June 2019.
8. TREASURY MANAGEMENT QUARTER 1 2019/20 (Pages 35 - 40)
To report on the Council's Treasury Management activity in the first quarter of 2019/20.
9. BUSINESS RATES AND POOLING UPDATE QUARTER 1 - 2019/20 (Pages 41 - 44)
To report on business rates performance from 1 April – 30 June 2019.
10. SUNDRY DEBTS - QUARTER 1 - 2019/2020 (Pages 45 - 50)
To report on the position on sundry debts as at 30 June 2019.
11. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY
As raised under item 3.

This page is intentionally left blank

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

FINANCE & PERFORMANCE SCRUTINY

24 JUNE 2019 AT 6.30 PM

PRESENT: Mr P Williams (Vice-Chair, in the Chair)

Mr JMT Collett, Mr SM Gibbens, Mr K Morrell, Mrs LJ Mullaney, Mr MC Sheppard-Bools and Mr R Webber-Jones

Members in attendance: Councillor Mr A Furlong

Officers in attendance: Tan Ashraf, Julie Kenny, Rebecca Owen and Ashley Wilson

39 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillors Cope and Ladkin. It was noted that Councillor Webber-Jones would be arriving late.

40 MINUTES OF PREVIOUS MEETING

It was moved by Councillor Morrell, seconded by Councillor Gibbens and

RESOLVED – the minutes of the meeting held on 25 March be confirmed and signed by the chairman.

41 DECLARATIONS OF INTEREST

No interests were declared at this stage.

42 PERFORMANCE AND RISK MANAGEMENT FRAMEWORK END OF YEAR SUMMARY FOR 2018/19

Members were provided with the end of year 2018/19 outturn position for performance indicators, service improvement plans, corporate risks and service area risks. In response to members' questions, the following points were made:

- The number of performance indicators had reduced over recent years as many were no longer mandatory and, as a result, it had become difficult to benchmark against other authorities. It was agreed that a historical report of performance indicators dropped or targets that had been amended would be included the next time this matter was reported
- Targets were generally not reduced or even maintained if they had been achieved
- The number of missed bins would be reported as a percentage in future
- Due to difficulties in recruiting a Building Control Manager, the authority had entered into a shared service with Blaby and Harborough district councils
- Nine of the 20 service improvement plan targets had not met their target date and most would be rolled over to 2019/20
- The Risk Management Strategy was due for review during 2019/20.

A member requested that, as it was difficult to avoid acronyms in such reports, a glossary be provided. It was agreed that this would be considered.

Councillor Webber-Jones entered the meeting at this juncture.

It was moved by Councillor Sheppard-Bools, seconded by Councillor Gibbens and

RESOLVED – the 2018/19 end of year position in relation to performance indicators, service improvement plans, corporate risks and service area risks be noted.

43 FINANCIAL OUTTURN 2018/2019

In presenting the draft financial outturn for 2018/19, the Head of Finance referred to the general fund balance being slightly better than the original budget forecast, with a contribution from balances of £670,437 compared to the budget position of £688,276. This was mainly due to improved business rates retention levels and a lower levy on growth than forecast. This had enabled a contribution to the business rates equalisation reserve of £189,088 compared to an expected use of that reserve of £170,605. Carry forwards and unapplied grants totalling £626,922 were also noted, along with the housing revenue account (HRA) having a slightly lower surplus of £63,205 compared to the £115,304 budget position. This was mainly caused by council tax pressure on Ambion Court which was empty.

It was moved by Councillor Webber-Jones, seconded by Councillor Morrell and

RESOLVED – the report be endorsed and RECOMMENDED to Council.

44 SUNDRY DEBTS - Q4 2018/2019

Members received the position on sundry debts as at 31 March 2019. It was noted that performance had improved from the December 2018 report. It was explained that homelessness debt wasn't vigorously followed up due to the nature of the debt, and aged debt where a payment agreement had been set up was not included in the figures for outstanding debt over 90 days.

It was moved by Councillor Morrell, seconded by Councillor Webber-Jones and

RESOLVED – the report be noted.

45 FINANCE & PERFORMANCE SCRUTINY WORK PROGRAMME

Members gave consideration to the work programme. It was moved by Councillor Gibbens, seconded by Councillor Collett and

RESOLVED – the work programme be noted.

(The Meeting closed at 7.13 pm)

CHAIRMAN



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY COMMITTEE: 19 AUGUST 2019

WARDS AFFECTED: ALL WARDS

Performance and Risk Management Framework 1st qtr summary for 2019/20

Report of Director (Corporate Services)

1. PURPOSE OF REPORT

- 1.1 To provide Finance & Performance Scrutiny members with the 1st qtr 2019/20 outturn position for:
- Performance Indicators including benchmarking where available
 - Service Improvement Plans
 - Corporate risks
 - Service area risks

2. RECOMMENDATION

- 2.1 That members:
- Note the 2019/20 1st qtr position for items listed at 1.1 above
 - Recommend any actions that should be taken to improve performance on Indicators that are not on target
 - Recommend any actions that should be taken to address Service Improvement Plans showing signs of slippage against target date(s)
 - Review risks that pose the most significant threat to the Council's objectives and priorities (red risks)

3. BACKGROUND TO THE REPORT

- 3.1 Hinckley and Bosworth Borough Council provide a wide range of services that are delivered to the community and set strategic aims that help focus on priorities in order to deliver the council's vision for Hinckley & Bosworth to be: "A Place of Opportunity"
This is achieved by managing performance in the following ways:
- On a daily basis within each section
 - On a monthly basis within each service area
 - On a quarterly basis through the council's decision-making process
 - On an annual basis through the production of the council's "Corporate Plan"
- 3.2 The Council's performance is monitored through Service Improvement Plans and includes performance indicators which are measurable. Up until 2010 indicators were a mandatory requirement set by central government. While some indicators are still reported direct to

central government there is no longer a set of national indicators that councils have to adhere to. However, in order to monitor and show how well Hinckley & Bosworth Borough is meeting priorities and objectives, the council continues to monitor locally set indicators.

3.2.1 Summary of current indicators monitored versus monitoring when reporting of indicators was mandatory:

- In 2007/08 we reported on 98 indicators (70 set by Central Gov' and 28 locally set)
- In 2011/12 we reported on 81 indicators (44 set by Central Gov' and 37 locally set)
- In 2018/19 we reported on 60 indicators (26 retained from those previously set by Central Gov' and 34 locally set)

3.3 New targets are also set for indicators every year

3.3.1 Twenty two indicators have had targets changed from 2018/19:

Description	2017/18 actual	2018/19 actual	Target 2018/19	Target 2019/20	Comments
% Employees with a Disability	6.18%	6.80%	6.50%	7%	We increased this target as final outturn was 6.8% for 2018/19. We are going to do another push with staff later this year so hopefully going to meet 7%.
% Ethnic minority employees in the workforce	5.90%	4.50%	6.00%	4.50%	Last year's target was set in line with 2017/18 actual but this proved to be a one off, so target re-set back to 4.5% (4.5% is positive compared to census stats of 3.5% BME in HBBC)
% of Invoices (local businesses) Paid on Time (Within 10 Days)	92.54%	92.78%	90.00%	91.50%	Increased in line with actual performance
Council Tax in - year collection rate	98.10%	98.10%	98.00%	98.10%	Increased in line with actual performance
NNDR in - year collection rate	98.85%	99.20%	98.00%	98.80%	Increased in line with actual performance
Processing of new claims (days)	17.64	13.77	19	17	Changed in line with actual performance in agreement with partners
Processing of Change of Circumstances (days)	7.95	5.71	9	7	Changed in line with actual performance
Food establishments in the area which are broadly compliant with food hygiene law	94%	96%	95%	96%	Increased in line with actual performance
No of justified missed bins	1,390	3,320	2,000	2,700	Proposed target represents 900 misses per service or 0.06% of all collections therefore a stretch target to improve whilst new routes continue to bed-in.
Assessment of street cleaning (%)	87.70%	87.96%	85%	86%	Increased in line with actual performance

Description	2017/18 actual	2018/19 actual	Target 2018/19	Target 2019/20	Comments
Residual household waste per household (KG)	483	485	476	500	Increased in line with actual performance
Household waste sent for reuse, recycling & composting	46%	44.00%	49%	44%	Reflection of national trend, actual performance for 2017/18 and estimated performance for 2018/19
Cost of Household Waste Collection	£25.98	£46.95	£46.95	£47.50	Changed to take account of loss of income from LCC & higher leasing charges
Hsg repairs: % of Priority 3 works completed on time	98.38%	98.05%	91.00%	91.50%	Increased in line with actual performance
Hsg repairs: % of Priority 4 works completed on time	98.69%	93.44%	91.00%	91.50%	Increased in line with actual performance
Housing Advice: preventing homelessness	79%	74%	80%	75%	This was the first year with new legislation, therefore 75% is a realistic target.
Satisfaction: Housing repairs	93.27%	94.09%	95.00%	94.50%	Decreased in line with actual performance
Repairs completed at first visit	N/A	89%	92%	88%	New PI introduced last year so target reduced in line with first years performance
People visiting town - % difference due to events run by HBBC	25.7%	31.37%	28%	29%	Increased in line with actual performance
No of empty business units & (occupancy rate) H Town Centre	5%	7%	6%	8%	Challenges around Brexit and High Street
Increase footfall at Hinckley Leisure Centre	739,288	808,279	710,000	720,000	Increased in line with actual performance
Number of participants in the GP exercise referral scheme	991	589	1000	700	Decreased due to new GP reporting format

- 3.4 Inherent in the corporate aims and outcomes are “risks” that create uncertainty. The Council recognises it has a duty to manage these risks in a structured way to help ensure delivery of priorities and to provide value for money services. The Council has a Risk Management Strategy which sets out the framework for the monitoring and management of risks.

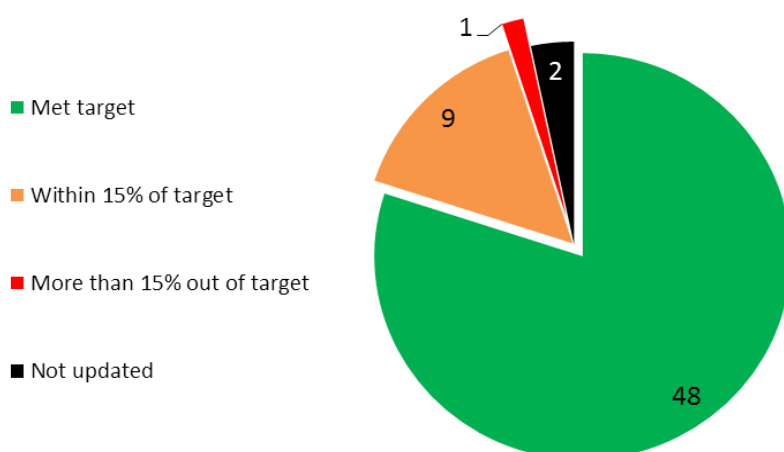
3.5 Performance and Risk Management is embedded into all the Council's business activities in a structured and consistent manner. All Service Improvement Plans which include Performance Indicators and Risks are held and managed on the Council's performance management system: TEN

4. Overall summary for the period April 2019 to June 2019

3.6 Performance indicators –
Sixty indicators covering all service areas have been monitored for performance:

- Thirty three indicators are monitored monthly
- Twenty three indicators are monitored quarterly
- Four indicators are monitored annually

3.6.1 Overall status of performance indicators



3.6.2 There are two outstanding indicator returns

Indicator	Target	Actual		Comments
Housing Advice: preventing homelessness	75%			
No households living in Temp Accommodation	1			

3.6.3 Ten indicators were not on target

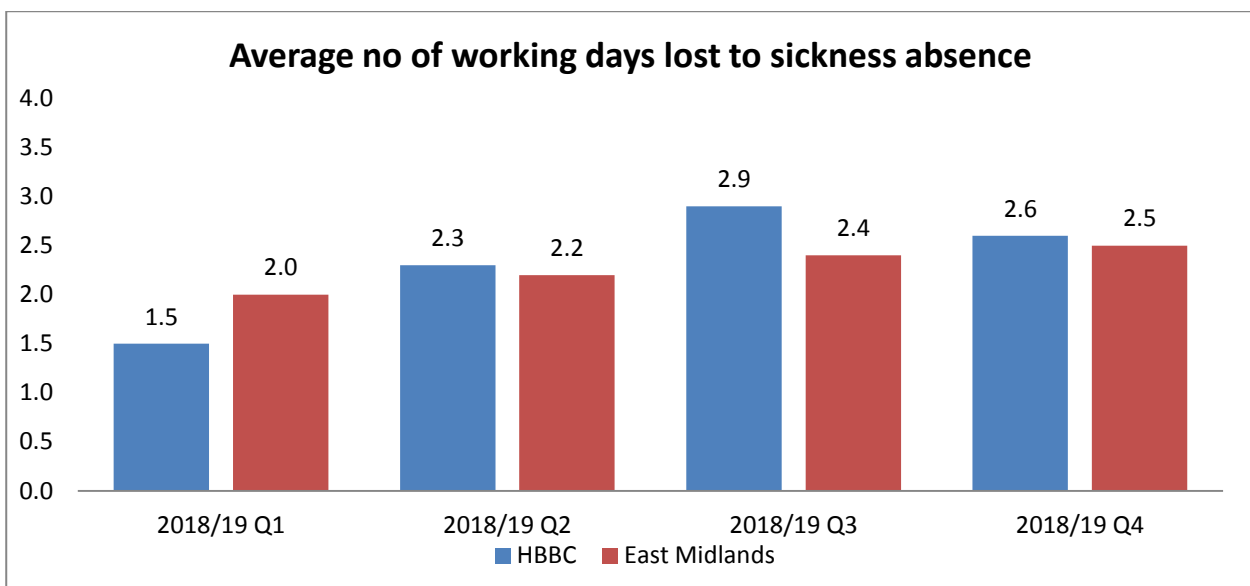
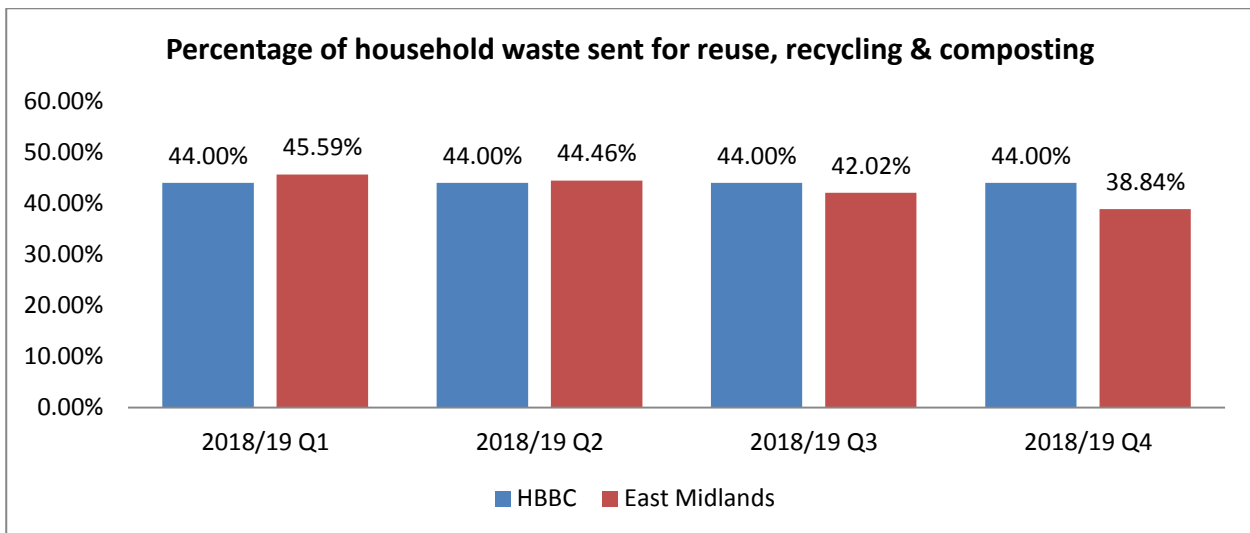
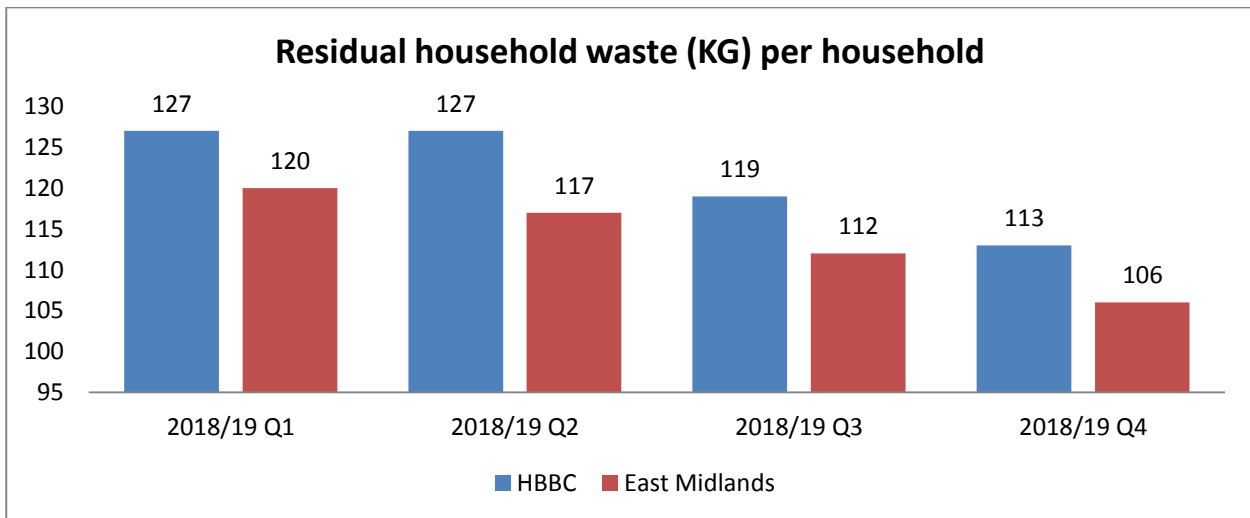
Indicator	Target	Actual		Comments
Working Days Lost due to Sickness Absence	2	2.41		Whilst short term absence is at the same level compared to this time last year, in contrast the number of days lost to long term absence has doubled. Six long term cases (out of ten) have now concluded/returned to work and it is anticipated that the second quarter should result in a reduction of absence.
Invoices paid on time	99%	96.75%		Target not met due to staff turnover and short term capacity issues. This has now been resolved
% enforcement complaints responded to within 7 working days	98%	96%		72/75: Target missed due to vacancies

Close enforcement file within 14 days where there is no breach of planning control	90%	86.96%		20/23: Target missed due to vacancies
Building Control: full plans determined & returned within 5 weeks or 2 months (ext. of Time)	99%	93.33%		28/30 Service has recently joined partnership with Blaby & 3 other councils to deliver all our Building control services & provide resilience. Service has vacancy for a Building Surveyor & as the partnership progresses, decision on recruitment will be made. Underperformance due to bedding in of the partnership & ltd resources
Grounds Maintenance sites meeting Quality criteria	89%	80%		Score is low due to high levels of inclement weather, staffing issues due to 3 vacancies and struggling to meet some gardening schedules
Average re-let time (major voids) General Needs Housing	73 days	73.7 days		Significant improvement on last year (94.7) when we were waiting on a new contractor to start. Contractor now in place which is having a positive impact. We are also using the Housemark definitions in line with other LA's in our area to determine major/minor voids and this is also having a positive impact.
Average re-let time (all voids) General Needs Housing	60 days	62.1 days		Significant improvement on last year (77) when we were waiting on a new contractor to start. Contractor now in place which is having a positive impact. We are also using the Housemark definitions in line with other LA's in our area to determine major/minor voids and this is also having a positive impact.
Housing: % Reduction year on year on outstanding debt owed to HBBC	0.63% (reduction)	-7.47%		Outstanding debt has increased by 7.47% overall. As with rent collection figures, the first quarter does not show an accurate reading due to there being no direct debit taken at the beginning of April. This will rectify over the full financial year.
Number of participants in the GP exercise referral scheme	175	133		The short fall is due to a change in the overall referral process dictated by Public Health which has moved to an online system rather than paper based to meet GDPR requirements. GP are struggling to get to grips with the new process and are therefore not referring patients as much as they did before.

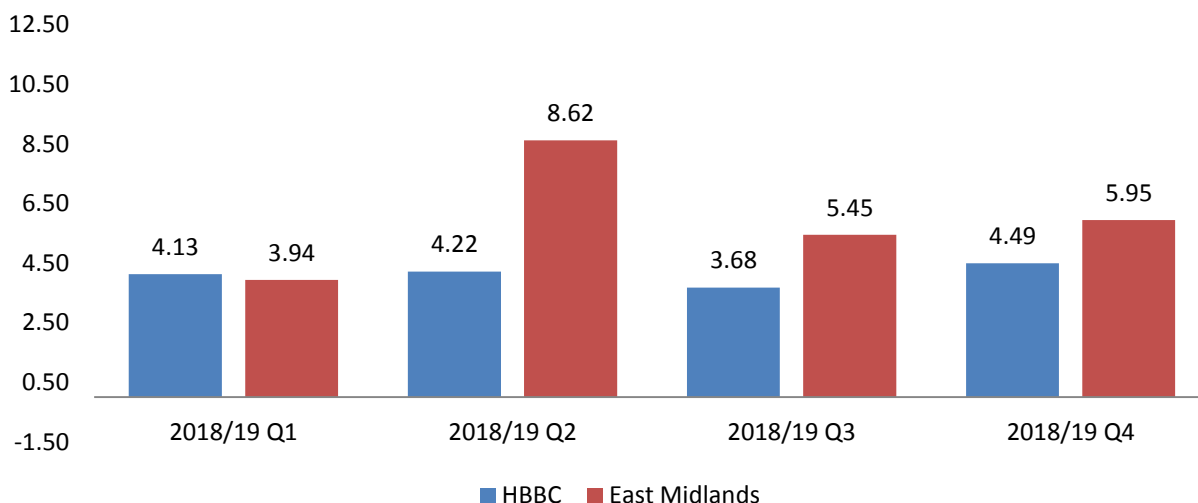
3.6.4 Two indicators performed significantly better than their set targets

Indicator	Target	Actual		Comments
Customer services: Lost calls	20%	6.9%		32,620 calls answered so far this year. Percentage of lost calls is under target and customer satisfaction remains high.
Increase footfall at Hinckley Leisure Centre	180,000	203,899		Another fantastic quarter for Hinckley Leisure Centre. Footfall and participation rates exceeding expectations.

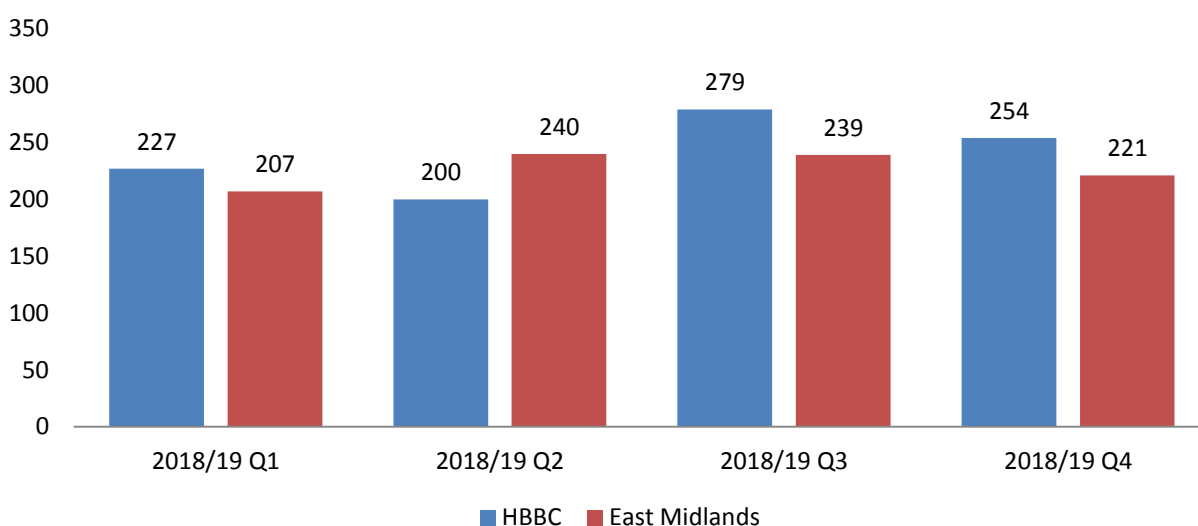
- 3.7 Benchmarking – As part of an East Midlands Performance Benchmark group initiative there are currently six indicators which can be compared against other district councils in the East Midlands. Please note that the returns are provisional figures entered by councils onto the LG (Local government)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



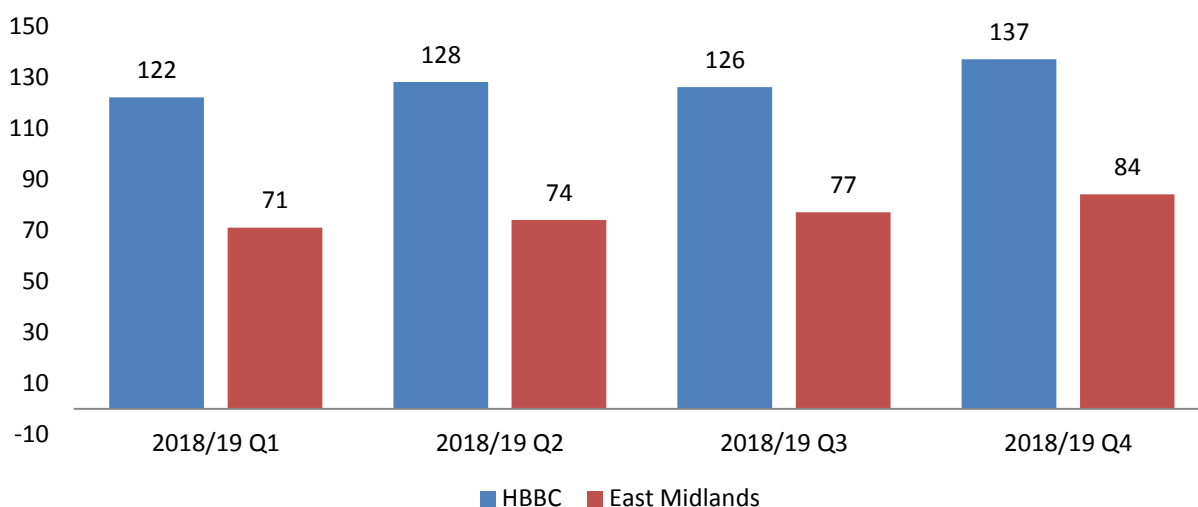
No of formal complaints received per 10,000 population



No of fly tipping incidents



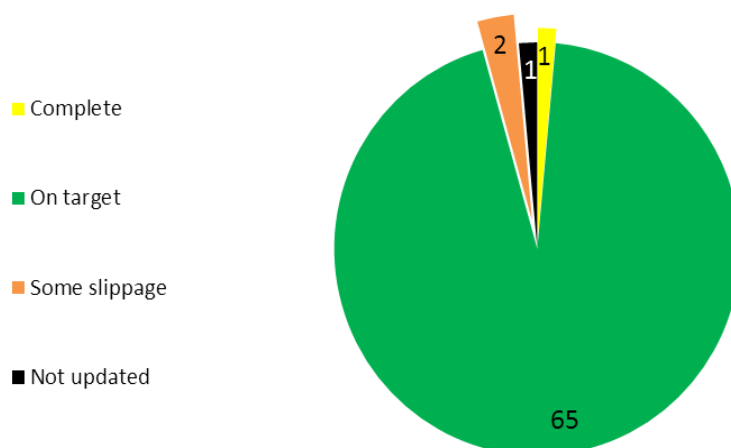
No of unique website visitors as % of total population



3.8 Service Improvements Plans –
254 Service Improvement Plans (across all council services) have been set for 2019/20

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

3.8.1 Of the 254 Service Improvement Plans, 69 have been categorized as having a Corporate Impact:



3.8.2 There is one “Corporate Impact” plan with no update on progress

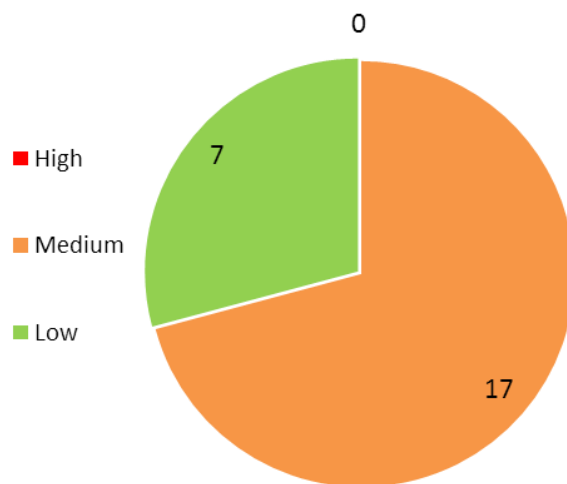
Service area	Description	Progress	Target date/s
Street-scene	Write new green space delivery plan 2020 - 2025		March 2020

3.8.3 Two “Corporate Impact” plans are behind on set target dates

Service area	Description	Progress	Target date/s
Street-scene	Maintain level of recycling performance. Target 45% (32,000 garden waste subscribers, promote additional materials in blue bin)	2019/20 Quarter 1 performance is not currently available (performance is always reported 2 months in arrears through Waste Data Flow). End of year performance (unaudited) for 2018/19 shows a reduction in overall performance of 1.7% due to a reduction in dry recycling and compostable waste as a result of the dry Spring and Summer in 2018/19 and an increase in residual waste per household.	March 2020
Street-scene	Deliver council motion to reduce use of single use plastics	Q1 - no progress due to other priorities. On-going publicity for plastic film being recycled by residents which was introduced in March 19	March 2020

3.9 Corporate risks –
There are currently twenty four risks on the corporate risk register

3.9.1 Overall status of Corporate/Strategic risks:



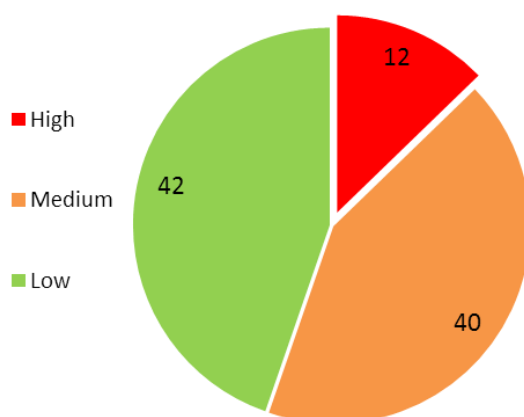
3.9.4 Five Corporate/Strategic risks have changed net risk levels

Risk	From	To	Reason for change
S.14 - Dealing with numerous Public Enquiries (Planning)	3	5	Appeal performance continues to be positive overall. Number of appeals lost on appeal reducing. Monthly reporting of appeals and regular reports to planning committee. Few lost on appeal.
S.37 - Non delivery of capital projects which are interdependent	8		Risk can be removed from register as capital programme has reduced.
S.50 GDPR compliance	7	6	Online training course for managers completed. Risk level reduced
S.11 - Failure to successfully deliver the Medium Term Financial Strategy	7	5	4 year MTFS approved annually by members. Risk level reduced
S.15 - Failure to successfully adopt and deliver the Local Development Scheme (LDS)	4	5	The LDS is regularly reviewed and Members have received briefing on the need to deliver against the LDS as part of the 5YHLS training..

3.10 Service area risks –

There are currently ninety four service risks across all service area registers

3.10.1 Overall status of service area risks



3.10.3 Twelve service area risks pose the most significant (high) threat

Risk		Review commentary	Last review
ICT: RIT.17 - Technology	9	Extension to MS SQL support and maintenance acquired as SSL failed to implement migrations as planned in 2018. SSL revised approach proposal submitted at over 100K and this has been rejected. LICTP seeking alternative support from partners to take control of this work as per RIT 18	July 2019
ICT: RIT.18 - Gov requirements	7	Whilst Secure Mail is an example of where this work has been completed on time. Results of ICT Health check support concerns that have been raised repeatedly with SSL in regular SWG meeting concerning regular updates and patching. Remedial action plan has been produced and SSL are implementing.	July 2019
ICT: RM ICT 002: Rate of change of technology & infrastructure	9	[May 2019] SSL staffing concerns continue - engineer / security lead changes	July 2019
ICT: RM ICT 004: Single person dependencies	9	[May 2019] SSL staffing concerns continue - engineer / security lead changes	July 2019
Planning: DLS.19 - Recruitment & retention of staff	8	Job market remains highly competitive with distinct lack of skilled and available planners which makes recruitment extremely difficult. Measures are in place to try to retain staff through the career grade and training opportunities. A review of current recruitment issues to include benchmarking is currently underway.	July 2019
Planning: DLS.42 - Meet the need of Gypsy and Travellers	8	Q1 G&T Needs Assessment forms part of the new Local Development Scheme published in December 2018. Assessment has been prioritised as part of LDS for delivery 2019/20 and the consultant to carry out the study has now been appointed. The work is nearing completion.	July 2019
DLS.44 - Five year housing land supply	8	Q1. The council do not currently have a 5 year housing land supply. All Members have received training and further briefing to this effect. SLT and officers are working closely with Members to plan a positive way forward to address this.	July 2019
Planning: DLS.47 - Reputation of Building Control Service	8	Q4 Volume of work retained by HBBC shows signs of falling year on year. Being competitive on price and service can mitigate this though usage/income is affected by many reasons with some out of the team's control, e.g. national policy. The team continues to work hard to market the service to customers with the Technician playing a key role in marketing and allowing the Building Control Officers to make best use of skills and resources.	July 2019
Planning: DLS.48 - Loss of work to Approved Inspectors	9	Q1 Recently joined partnership with Blaby is intended to provide resilience and also to access parts of the market with users across the whole partnership area. The team continue to provide a prompt reactive value for money service and promote the service.	July 2019
Planning: DLS.49 Recruitment and retention of Building Control Staff	7	The Planning Manager (Major Projects) is still providing some day to day support management and staffing issues and also supporting the team. Through the new partnership arrangement extra staff resources are to be made available to provide resilience plus the training of staff including apprenticeships is offered.	July 2019
DLS.51 Housing Delivery test	8	Q1 MHCLG published the Housing Delivery Test results in February 2019 and the Council has delivered 141% of it's housing requirement between 1st April 2015 to 31st March 2018. HBBC will continue to work on delivering new homes to ensure it does not fail the HDT when it is next published November 2019	July 2019

3.9.3 Three service area risks have changed net risk levels

Risk	From	To	Reason for change
Cultural Services: CLS.08 - Hinckley Market stalls	5	3	Trading conditions remain challenging. Traders are retiring and some are choosing to trade on other markets where costs have been significantly reduced. Investment into new look stalls and supporting infra-structure completed in Q1 Improved H&S access at the Jubilee as one of the market skids has been de-commissioned.
Housing: HCS.81 - HRA Investment Strategy	3		Risk removed as it is on the corporate risk register (S.40)
ICT: RIT.21 - Uniform GIS layers incorrect	8	5	[Mar 2019] Fresh installation completed by ESRI supplier - production stage / expected to be available 1st June - risk rating revised to 5

3.9.4 One service area risk has been added

Risk		Comments
Env Health: EVS -46 Corporate Health and Safety and Fire Prevention provision	5	Corporate Action Plan drafted and being monitored by SLT. Examination of potential for consultant to support depot being investigated.

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

4.1 This report is to be heard in open session.

5. FINANCIAL IMPLICATIONS (IB)

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

6. LEGAL IMPLICATIONS (AR)

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

7. CORPORATE PLAN IMPLICATIONS

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

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

8. CONSULTATION

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

9. RISK IMPLICATIONS

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 This report summarizes all risks, strategic and operational (SIP) and therefore considers the risk implications with regards to the Corporate Plan.
10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS
- 10.1 Equality and Rural implications are considered as part of the implementation of the Corporate Plan 2017 - 21.
11. CORPORATE IMPLICATIONS
- 11.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications
 - Voluntary Sector

Background papers: Ten reports

Contact Officer: Cal Bellavia, ext. 5795

Executive Member: Councillor SL Bray



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY

19 August 2019

WARDS AFFECTED: ALL WARDS

FINANCIAL OUTTURN JUNE 2019

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 Present the financial outturn position as at June 2019.

2. RECOMMENDATION

- 2.1 The report is noted.


3. BACKGROUND TO THE REPORT

- 3.1 The financial reports attached to this report are based on the Original budget taken to Council in February 2019 and take into account budget movements for the first three months.
- 3.2 Attached to this report are the monthly outturn reports including the following information for the period ending June 2019:
- General Fund budget monitoring summary
 - General Fund detailed variance analysis
 - Capital Programme outturn by scheme

General Fund

- 3.3 When the budget was approved by Council in February 2019 it was anticipated that £155,528 would be transferred to General Fund balances and a net £74,481 transferred to earmarked reserves. Since that date, the budget has been increased by £33,169 representing supplementary budgets that have been approved in line with financial procedures rules. As at the end of June 2019, the forecast is for the General

Fund cost to increase by an additional £71,000. This means an estimated £51,359 will be transferred from balances compared against the budgeted position of £155,528. The position as at June 2019 compared to the original budget is summarised below:

	Budgeted	Forecast	Movement	Direction
Contribution to General Fund Balances	£155,528	51,359	£104,169	

- 3.4 The table below shows summarise the movements between Original Budget and the estimated outturn position as at the end of June 2019.

	Outturn variances £000	Explanation
Additional budgets	(33)	To take into account latest contractual commitments
Forecast Outturn Movement	(86)	Estimated forecast variance from services (see general fund attachments)
External Interest	15	Reduction in borrowing costs and additional investment income
Change in Outturn	(104)	Additional amount to be taken from General Fund balances

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

	Outturn variances £000	Explanation
Development Control	(100)	Reduction in planning income due to fewer number of large applications

Capital

- 3.6 £904,745 has been spent on capital schemes to the end of June 2019 against a budget for that period of £2,467,633. The current budget for the year is £17,574,084. The forecast expenditure is £17,389,084 which represents an underspend of £185,000. The major service variations in excess of £50,000 have been summarised as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Disabled Facilities Grants	70	Demand Led. Based on latest commitment it is estimated that there will be an underspend.
Parish & Community Initiative Fund	90	Lower than budgeted level of bids

Housing Revenue Account

- 3.7 As at June 2019 it is anticipated that the HRA outturn will be a surplus of £162,510 compared against a forecast deficit of £19,490. Major variances are explained below:-

		Outturn variances £000	Explanation
Rents		65	Additional income due to lower than anticipated dwelling sales and additional hostel rents...
Employee savings	Costs	101	Estimated savings in severance budget and savings on vacant posts.

- 3.8 The Housing Repairs Account is currently forecasted to spend £2,335 which is an underspend of £20,000. This is due an estimated underspend in the responsive repairs budget.

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

- 4.1 Report taken in open session.

5. FINANCIAL IMPLICATIONS [IB]

- 5.1 Contained in the body of the report

6. LEGAL IMPLICATIONS [FA]

- 6.1 None

7. CORPORATE PLAN IMPLICATIONS

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

8. CONSULTATION

- 8.1 No direct consultation

9. RISK IMPLICATIONS

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

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 There are no direct implications arising from this report

11. CORPORATE IMPLICATIONS

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

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

Background papers: Civica reports

Contact Officer: Ilyas Bham Accountancy Manager.

Executive Member: Cllr K Lynch



Hinckley & Bosworth Borough Council

Monthly Outturn Reports

For the period April 2019 to June 2019

CONTENTS

PAGE

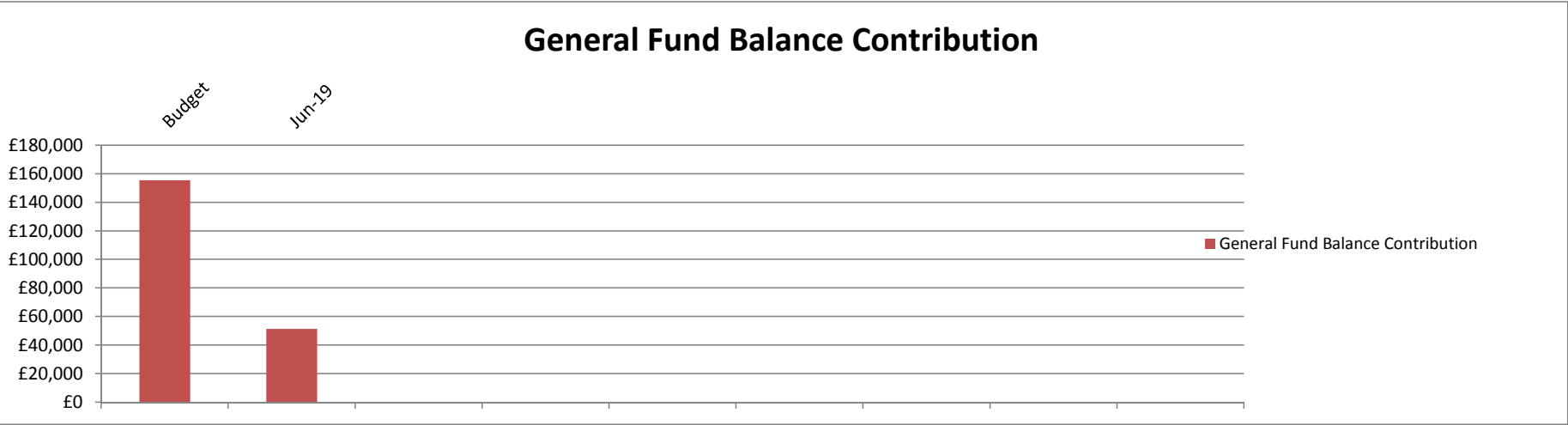
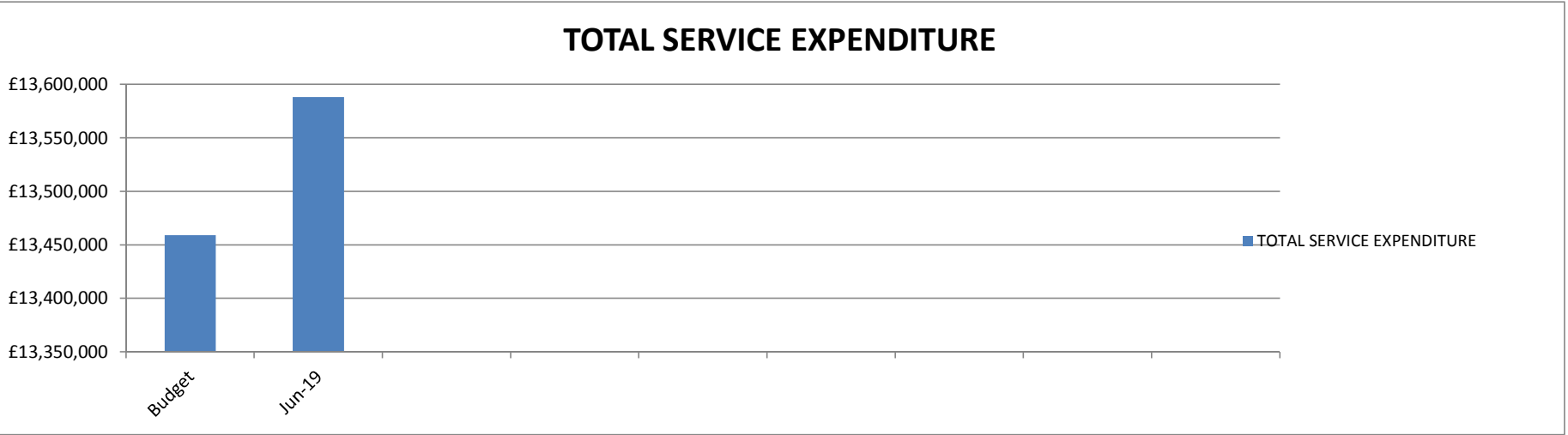
1-8	General Fund
9 -12	Capital Programme
13 -15	HRA

June 2019 Budget Monitoring Summary 2019/20

Service	Budget as per Feb 19 budget Book	Supplementary Budgets/virements approved to date	Latest Budget used for Monitoring ledger	recharges	Budget per Monitoring Report	Estimated Outturn Variations	Estimated Outturn
Community Services	2,472,390	9,280	2,481,670	(895,360)	1,586,310	26,000	2,507,670
Corporate Services	3,172,110	12,640	3,184,750	(807,370)	2,377,380	5,000	3,189,750
Support Services	131,295	2,650	133,945	3,756,050	3,889,995	(26,000)	107,945
Environment & Planning	7,683,345	22,279	7,705,624	(2,053,320)	5,652,304	81,000	7,786,624
Revised Pay Structure	0	(3,680)	(3,680)	0	(3,680)	0	(3,680)
TOTAL SERVICE EXPENDITURE	13,459,140	43,169	13,502,309	0	13,502,309	86,000	13,588,309
Special Expenses	(627,770)		(627,770)	0	(627,770)		(627,770)
Capital Accounting	(1,934,120)		(1,934,120)	0	(1,934,120)		(1,934,120)
External Interest - Net	185,360		185,360	0	185,360	(15,000)	170,360
IAS 19 Adjustment	(331,470)		(331,470)	0	(331,470)		(331,470)
Transfer to Pension Reserve	3,880		3,880	0	3,880		3,880
Transfer to Reserves	1,577,880	(10,000)	1,567,880	0	1,567,880		1,567,880
Transfer to/(from) unapplied grants	(158,000)		(158,000)	0	(158,000)		(158,000)
Use of Reserves	(1,503,399)		(1,503,399)	0	(1,503,399)		(1,503,399)
BUDGET REQUIREMENT	10,671,501	33,169	10,704,670	0	10,704,670	71,000	10,775,670
Financing					1,441,023		
Council Tax	4,364,758		4,364,758	0	4,364,758		4,364,758
National Non-Domestic Rate	4,433,258		4,433,258	0	4,433,258		4,433,258
New Homes Bonus	2,271,759		2,271,759	0	2,271,759		2,271,759
Collection Fund Surplus	(242,746)		(242,746)	0	(242,746)		(242,746)
TOTAL RESOURCES (HBBC BUDGET)	10,827,029	0	10,827,029	0	10,827,029	0	10,827,029
Movement in General Fund Balances	155,528	(33,169)	122,359	0	122,359	(71,000)	51,359
Special Expenses							
Expenditure	627,770	0	627,770	0	627,770	0	627,770
Council Tax Income	731,961	0	731,961	0	731,961	0	731,961
Movement in Special Expenses Balances	104,191	0	104,191	0	104,191	0	104,191
Special Expenses to /(from) Reserves	(76)	0	(76)	0	(76)	0	(76)
Special Expenses mvt in Balances	104,267	0	104,267	0	104,267	0	104,267
BUDGET REQUIREMENT	731,961	0	731,961	0	731,961	0	731,961
Total Movement in Balances	259,795	(33,169)	226,626	0	854,320	(71,000)	783,320
NBR	11,558,990	33,169	11,436,631	0	11,436,631	71,000	11,507,631

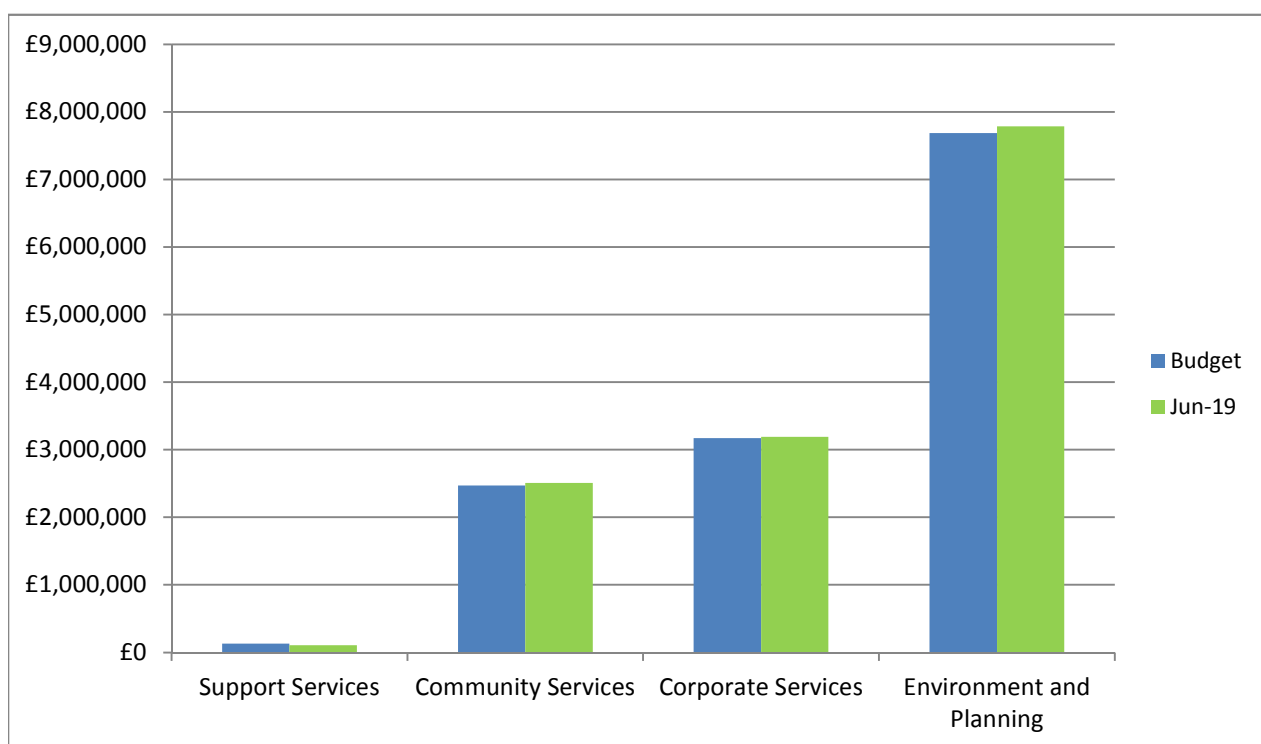
	Budget	Jun-19
TOTAL SERVICE EXPENDITURE	£13,459,140	£13,588,309
	Budget	Jun-19
General Fund Balance Contribution	£155,528	£51,359

Page 21



June 2019 Main changes in outturn

	Budget	Jun-19
Support Services	£131,295	£107,945
Community Services	£2,472,390	£2,507,670
Corporate Services	£3,172,110	£3,189,750
Environment and Planning	£7,683,345	£7,786,624
Revised Pay Structure		-£3,680
General Fund Balance Contribution	£13,459,140	£13,588,309



List of Supplementary Budgets Approved to June

Narrative	Amount	Community Services	Corporate Services	Environment and Planning	Support Services
Creative Communities match funding contribution for developping on-line tool	2,000	2,000			
Consultant fees for property disposal - Funded from Asset Management Reserve	10,000		10,000		
Finance Accountancy - Additional agency Budget for Finance	10,000				10,000
Computer Support -Consultancy costs for IT due to long term absence	12,000				12,000
Salaries - Job Evaluation of Assistant Green Spaces Officer	2,600			2,600	
Licencing - taxis - Purchase of internal and External MOGO Plates	500			500	
Salaries -Technical Assistant Pollution	1,113			1,113	
Salaries -Dog Warden	300			300	
Pest Control - Purchase of Equipment	146			146	
Environmental Health - ICT Equipment 3 additional workstations for office moves	1,120			1,120	
Salaries - Supplementary to cover cost of agreed career progression	3,170			3,170	
Health and Safety - Replenishment of first aid kits for Hub and Jubilee	220			220	
Total Budget Movement to June	43,169	2,000	10,000	9,169	22,000

General Fund Service Area 2019/20 Monthly Outturn to June 19

		Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2019/20	Forecast Outturn	Forecast Variation to Year End	Ref
cm01	Community Services	DSO Housing Repairs	(178,417)	(102,951)	(75,466)	(75,000)	(466)	(807,880)	(807,880)	
cm02		Contribution to Housing Rev Ac	0	0	0	0	0	22,230	22,230	
cm04		Forest Road Garages	(1,388)	(1,834)	446		446	(5,550)	(5,550)	
cm05		Homelessness	(108,776)	(111,550)	2,774		2,774	23,930	23,930	
cm07		Housing Strategy	292	331	(39)		(39)	2,280	2,280	
cm08		Private Sector Housing	3,492	1,064	2,428		2,428	422,680	422,680	
cm09		Children and Young People	4,499	1,841	2,658		2,658	19,270	19,270	
cm10		CCTV	31,993	36,251	(4,258)	(4,000)	(258)	119,310	119,310	
cm11		Community Safety	33,194	26,251	6,943		6,943	39,360	39,360	1.1
cm12		Creative Communities	9,626	9,401	225		225	22,710	22,710	
cm13		Leisure Centre	(59,403)	(58,469)	(934)		(934)	(568,080)	(568,080)	
cm14		Leisure Promotion	8,238	7,919	319		319	42,640	42,640	
cm15		Sports Development	19,591	5,980	13,611	17,000	(3,389)	(25,010)	(25,010)	
cm16		Highways Miscellaneous	15,155	14,544	611		611	57,470	57,470	
cm17		Markets	11,077	14,939	(3,862)		(3,862)	(17,860)	(2,860)	(15,000) 1.2
cm18		Community Services Salaries	560,125	558,791	1,334		1,334	2,238,810	2,249,810	(11,000) 1.3
	Community Services		349,298	402,508	(53,210)	(62,000)	8,790	1,586,310	1,612,310	(26,000)
cp01	Corporate Services	Corporate Management	222,387	158,576	63,811	33,000	30,811	979,990	944,990	35,000 2.1
cp02		Corporate Management (Civic)	6,163	6,990	(827)		(827)	21,070	21,070	
cp03		Council Tax / NNDR	59,436	90,310	(30,874)	(18,000)	(12,874)	309,120	297,120	12,000 2.2
cp04		Council Tax Support	(48,097)	(66,054)	17,957		17,957	324,430	306,430	18,000 2.3
cp05		General Grants	22,300	22,310	(10)		(10)	892,200	892,200	
cp06		Register and Borough Elections	30,677	29,950	727		727	172,240	192,240	(20,000) 2.4
cp07		Benefits Fraud and Rent Allowances	(112,453)	60,507	(172,960)	(152,000)	(20,960)	(109,850)	(102,850)	(7,000) 2.5
cp08		Public Conveniences	3,041	8,271	(5,230)		(5,230)	17,640	22,640	(5,000) 2.6
cp09		Industrial Estates	(113,612)	(102,530)	(11,082)	(3,000)	(8,082)	(599,230)	(599,230)	
cp10		Misc Property	68,649	181,157	(112,508)	(113,000)	492	(549,050)	(549,050)	
		Corporate Services Salaries	229,887	245,945	(16,058)		(16,058)	918,820	956,820	(38,000) 2.8
	Corporate Services		368,378	635,432	(267,054)	(253,000)	(14,054)	2,377,380	2,382,380	(5,000)
cp11	Support Services	Asset Management	19,504	29,304	(9,800)	(10,000)	200	123,460	123,460	
cp12		Communications & Promotion	14,983	11,064	3,919		3,919	60,460	60,460	
cp13		Council Offices	346,942	344,944	1,998		1,998	1,291,830	1,291,830	
cp14		Finance Support	64,840	41,324	23,516	18,000	5,516	187,670	181,670	6,000 3.1
cp16		I.T. Support	307,164	120,321	186,843	185,000	1,843	893,190	893,190	
cp17		Legal /Administration	8,089	(5,757)	13,846	14,000	(154)	26,040	34,040	(8,000) 3.2
cp18		Performance & Scrutiny	1,267	294	973		973	6,030	6,030	

General Fund Service Area 2019/20 Monthly Outturn to June 19

			Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2019/20	Forecast Outturn	Forecast Variation to Year End	Ref
cp19		Corporate Support Team	31,593	33,088	(1,495)		(1,495)	126,365	126,365		
cp20		Human Resources	37,996	33,815	4,181		4,181	159,350	159,350		
cp21		Committee Services	5,233	3,498	1,735		1,735	21,800	21,800		
cp22		Customer Contact Centre	14,188	16,785	(2,597)		(2,597)	41,230	41,230		
		Support Services Salaries	560,238	550,069	10,169		10,169	2,239,190	2,211,190	28,000	3.3
		HRA element of Support Services	(322,075)	(298,527)	(23,548)		(23,548)	(1,286,620)	(1,286,620)		3.4
		Support Services	1,089,962	880,222	209,740	207,000	2,740	3,889,995	3,863,995	26,000	
ep01	Environment & Planning	Emergency Planning	7,535	84	7,451	7,000	451	30,240	30,240		
ep02		Local Land Charges	9,234	(6,495)	15,729	16,000	(271)	24,420	24,420		
ep03		DSO Grounds Maintenance	(141,140)	(157,054)	15,914	15,000	914	(724,900)	(724,900)		
ep04		Allotments	(777)	(1,403)	626		626	4,980	4,980		
ep05		Cemeteries	30,858	26,348	4,510		4,510	123,420	123,420		
ep06		Countryside Management	32,412	34,008	(1,596)		(1,596)	92,590	92,590		
ep07		Dog Warden Service	6,042	2,821	3,221		3,221	22,460	22,460		
ep08		Environmental Health	10,690	133	10,557	11,000	(443)	48,360	48,360		
ep09		Land Drainage	10,241	8,425	1,816		1,816	40,940	40,940		
ep10		Licences	(27,587)	(27,353)	(234)		(234)	(108,910)	(108,910)		
ep11		Parks	134,155	115,947	18,208	13,000	5,208	597,530	592,530	5,000	4.1
ep12		Pest Control	11,037	10,669	368		368	41,966	41,966		
ep13		Recycling	(468,759)	(662,968)	194,209	190,000	4,209	306,460	296,460	10,000	4.2
ep14		Refuse Collection	76,180	(7,546)	83,726	78,000	5,726	461,010	443,010	18,000	4.3
cp15		Health & Safety	738	642	96		96	4,140	4,140		
ep15		Street Cleansing	13,071	43,293	(30,222)	(21,000)	(9,222)	48,720	44,720	4,000	4.4
ep16		Waste Business Improvements	(749)	(14,102)	13,353	9,000	4,353	(30,360)	(30,360)		
ep17		Building Inspection	(43,501)	(30,052)	(13,449)		(13,449)	(174,120)	(144,120)	(30,000)	4.5
ep18		Car Parks	34,703	17,292	17,411	10,000	7,411	(346,010)	(354,010)	8,000	4.6
ep19		Community Planning	32,526	29,966	2,560		2,560	172,730	172,730		
ep20		Development Control	(214,064)	(118,101)	(95,963)	(9,000)	(86,963)	(848,445)	(748,445)	(100,000)	4.7
ep21		Economic Development	10,442	16,931	(6,489)	3,000	(9,489)	90,890	96,890	(6,000)	4.8
ep23		Planning Policy	69,275	89,840	(20,565)	(20,000)	(565)	386,740	386,740		
		Environment and Planning Salaries	1,347,928	1,331,306	16,622		16,622	5,387,453	5,377,453	10,000	4.9
		Environment & Planning	940,490	702,631	237,859	302,000	(64,141)	5,652,304	5,733,304	(81,000)	
		Revised Pay Structure						(3,680)	(3,680)		
		Position as at June 2019	2,748,128	2,620,793	127,335	194,000	(66,665)	13,502,309	13,588,309	(86,000)	

Summary of Timing Differences
Under spends/(Overspends) caused by timing differences
Monthly Outturn Report 1st April 2019 to 30th June 2019

		£	£
DSO Housing Repairs	Painting budget to be reprofiled	(29,000)	
	Work in Progress	(74,000)	
	Awaiting material invoices	36,000	
	Vehicle leasing budget to be reprofiled	(8,000)	(75,000)
CCTV	Invoice to be raised for BID Contribution to CCTV Maintenance for 2018-19	(4,000)	(4,000)
Sports Development	Contribution to be made for Sports and Economic Growth post	8,000	
	Awaiting invoices in respect of facilities framework	9,000	17,000
Corporate Management	Outstanding 2018/19 payment for pension scheme costs	21,000	
	2018/19 Grant Audit Fees outstanding	3,000	
	Outstanding 2018/19 payment for LLEP	8,000	
	Other minor variances	1,000	33,000
Council Tax/ NNDR	Income to be received in July to cover costs incurred in June	(18,000)	(18,000)
Rent Allowances	Grant Audit Fees re 2018/19	13,000	
	Repayment of Discretionary Housing Payments re 2018/19	17,000	
	Additional benefit costs. Associated income for any additional costs will be set aside at year end	(182,000)	(152,000)
Industrial Estates	Back dated Rent due on Industrial Unit	(3,000)	(3,000)
Miscellaneous Properties	Hub Rental Income invoiced processed in July	(42,000)	
	Hub Service Charge Income invoice processed in July	(83,000)	
	Awaiting cleaning contract invoices for April & May - Re Hub and Atkins	12,000	(113,000)
Asset Management	Awaiting cleaning contract invoices for April & May - re: Jubilee and Station Rd toilets	4,000	
	Office move cost to be covered from 2018/19 processed in July	(14,000)	(10,000)
Finance Support	Awaiting audit invoice for quarter one	11,000	
	Awaiting agency invoices	5,000	
	Awaiting Allpay (customer payments system) invoices	2,000	18,000
Legal	Library cost awaiting invoices	4,000	
	Agency salary & wages invoices awaited	4,000	
	Legal fees awaiting invoices	3,000	
	Legal cost recovered	3,000	14,000
ICT Support	Steria Costs for April & May invoice not yet received	178,000	
	Outstanding Accruals relating to the cost of disaster recovery and software Licences	11,000	
	Other minor variances	(4,000)	185,000
D.S.O Grounds	Fuel - April to June processed in July	3,000	
	Materials budget to be reprofiled	6,000	
	Agency Budget to be reprofiled	6,000	15,000
Parks	Awaiting invoice for play area	8,000	
	Materials to be invoiced	5,000	13,000
Recycling	Agency cost to be transferred to refuse	58,000	
	Repairs & Maintenance budget to be reprofiled	15,000	
	Fuel - April to June not charged	17,000	
	Leasing budget to be reprofiled	100,000	190,000
Refuse	Awaiting agency costs journal from recycling	(35,000)	
	Awaiting repairs invoices	5,000	
	Fuel - April to June not charged	3,000	
	Leasing budget to be reprofiled	57,000	
	Insurance waiting for invoice.	(11,000)	
	Awaiting invoice for quarter 1 waste charges	9,000	
	Trade Waste budget to be reprofiled	39,000	
	Bulky waste costs to be charged to Street Cleansing	11,000	78,000
Local Land Charges	Hired and contracted services invoices awaited	16,000	16,000
Emergency Plan	Contribution to the other bodies - budget to be reprofiled	7,000	7,000
Environmental Health	Registration fees income - budget to be reprofiled	11,000	11,000
Street Cleaning	Bulky Waste Items additional income from bin contracts	(10,000)	
	Awaiting Bulky waste charges	(11,000)	(21,000)
Waste Business Improvements	Awaiting agency invoices	9,000	9,000
Car parks	Equipment Purchase budget to be reprofiled	5,000	
	Equipment Maintenance budget to be reprofiled	5,000	10,000
Development Control	Awaiting viability planning invoice	4,000	
	Legal Fees budget to be reprofiled	9,000	
	Appeals relating to Crabtree Farm & Cadeby Hall to be met from Provision	(22,000)	(9,000)
Economic Development	Income received in advance from Traders for Feast Hinckley	3,000	3,000
Planning Policy	Sheepy NDP funding not yet received from MHCLG	(20,000)	(20,000)
TOTAL TIMING DIFFERENCES		194,000	194,000

	Outturn Explanations April 2019 to June 2019 Key : () = overspend		
	Forecasted year end variations	Variation To Date £000's	Forecast Year End £000's
1	Community Services	7	(26)
1.1	Community Safety Community Houses minor projects underspends to date Other minor variations	3 4	0 0
1.2	Markets Reduction in market income predicted		(15)
1.3	Directorate Salary Variation primarily due to vacancy factor		(11)
2	Corporate Services	(14)	(5)
2.1	Corporate Management Members allowances underspend mainly due to new allowances being effective May 19 however 12 month budget entered. Also budgeted for 6 Executive Members but there are only 5 Income Received from MHCLG re EU Exit Other minor variations	8 20 3	10 20 5
2.2	Council Tax/ NNDR Additional software costs Reduced contribution to the Revenues & Benefits Partnership Other minor variations	(9) (4)	(9) 21
2.3	Council Tax Support Reduced contribution to the Revenues & Benefits Partnership Income for the Verify Earnings and Pension Alerts service 2019-20 Other minor variations	17 1	13 5
2.4	Elections Additional costs that cannot be claimed back from the electoral Commission or Parishes		(20)
2.5	Benefits Fraud and Rent Allowances Reduced contribution to the Revenues & Benefits Partnership Reduction in Housing Benefit Subsidy Income, Reduction in Income from Benefits Overpayments due to Universal Credit Other minor variations	(4) (21) 4	10 (17)
2.6	Public Conveniences NNDR paid on Public Toilets but not budgeted for	(5)	(5)
2.7	Industrial Estates Rental Income lower due to rent delay in reviews and empty units	(8)	
2.8	Directorate Salary Variation primarily due to vacancy factor	(16)	(38)
3	Support Services	(7)	26
3.1	Finance Support 2018/19 Audit fees lower than amount set aside	6	6
3.2	Legal Services Agency cover to fund capacity issues and vacant posts Estimated additional fees from reviews of commercial leases		(20) 12
3.3	Directorate Salary Variation - Net saving primarily due to legal vacancies	10	28
3.4	HRA Element of Support Services - Support Service variations	(23)	0
4	Environment and Planning	(79)	(81)
4.1	Parks Other minor variations	5	5
4.2	Recycling Other minor variations	4	10
4.3	Refuse Repairs & Maintenance underspent, estimated additional Trade Waste Income Other minor variations	8 0 (2)	8 10 0
4.4	Street Cleansing Additional agency cover due to sickness Additional variations income expected by year end	(9)	(6) 10
4.5	Building Inspection Income shortfall	(13)	(30)
4.6	Car Parks Additional pay and display income	7	8
4.7	Development Control Income shortfall due to fewer larger planning applications Additional consultancy cost to cover vacant posts - to be funded from salary savings Other minor variations	(68) (23) 4	(100) 0 0
4.8	Economic Development Backdated NNDR costs re: promotional events storage unit (previously classified as an empty unit) Other minor variations	(5) (4)	(6) 0
4.9	Directorate Salary Variation - Saving primary due to planning vacancies partly offset by vacancy factor	17	10
Forecasted (overspend) saving		(93)	(86)

Capital Programme Summary
30th June 2019

Description	Latest Budget £	Budget to Date £	Actual £	Variance to date £
General Fund				
Corporate and Support Services	3,558,550	76,337	31,607	44,730
Environment and Planning	1,639,994	382,494	13,327	369,167
Community Services	1,257,680	314,667	65,813	248,854
	6,456,224	773,498	110,747	662,751
HRA	11,117,860	1,694,135	793,999	900,136
Grand Total	17,574,084	2,467,633	904,746	1,562,887

Capital Expenditure
30th June 2019

Description	Latest Budget £	Budget to Date £	Actual £	Variance £	Forecast year End	Ref No
Corporate Services						
Asset Management Enhancement Works	50,000	12,510	10,754	1,756		
Council Office Relocation	0	0	(3,642)	3,642		
General Renewal -Extensions	15,000	3,750	0	3,750		
Home Connections - IT Systems	40,000	0	0	0		
Rolling Server Review	31,000	7,755	2,928	4,827		
New Scanners	0	0	1,034	(1,034)		
Making Tax Digital	12,000	3,000	0	3,000		
Security Infrastructure	26,000	4,729	0	4,729		
New Crematorium	3,217,350	16,087	12,246	3,841		
Data Centre	0	0	(1,718)	1,718		
Server/Network Hardware Replacements	24,000	6,003	5,373	630		
Citrix Upgrade	65,000	0	0	0		
Telephony Upgrade	48,200	0	(17,340)	17,340		1
Jubilee Building Works	30,000	22,503	21,972	531		
	3,558,550	76,337	31,607	44,730	0	
Environment & Planning						
Memorial Safety Programme	5,570	1,394	0	1,394		
Clarendon Park	154,962	38,769	0	38,769		2
Queens Park	0	0	(118)	118		
The Greens	150,480	37,650	0	37,650		3
Recycling Containers	117,552	29,409	496	28,913		4
Incab System (Tracker System)	14,000	3,501	0	3,501		
Atkins 2 New Office Spaces	0	0	144	(144)		
REACLEAR Vehicle Safety System	0	0	(3,220)	3,220		
Parks : Major Works	30,000	7,506	11,965	(4,459)		
Parish & Community Initiatives	275,000	30,000	7,205	22,795	90,000	5
Hinckley Community Initiative Fund -HCIF	10,000	2,502	0	2,502		
Developing Communities Fund	400,000	100,080	2,915	97,166		6
Hinckley Community Development Fund	150,000	37,530	0	37,530		7
Environmental Improvements	50,000	12,510	1,603	10,907	10,000	8
Resurfacing Car Parks	75,000	18,762	(2,447)	21,209		9
Earl Shilton Shop Fronts	20,000	5,004	0	5,004		
Replacement DAT Equipment	14,649	14,649	14,785	(136)		
Earl Shilton Toilets	50,000	12,510	0	12,510		10
Granville Road Play Improvements	2,113	529	0	529		
Waterside Open Space (SEA)	50,000	12,510	0	12,510		11
Waterside Play Area	70,668	17,679	0	17,679		12
Lancaster Road Pedestrian Crossing	0	0	(20,000)	20,000		13
	1,639,994	382,494	13,327	369,167	100,000	
Community Services						
Leisure Centre	0	0	(15,430)	15,430		14
Major Works Grants	160,000	40,032	2,804	37,228	10,000	15
Disabled Facilities Grant	642,680	160,797	41,576	119,221	70,000	16
Minor Works Grants	40,000	10,008	0	10,008	5,000	17
Fuel Poverty Capital Fund	0	0	4,710	(4,710)		
Green Deal Capital Fund	0	0	5,995	(5,995)		
Private Sector Housing Enforcement	100,000	25,020	38	24,983		18
CCTV	0	0	3,776	(3,776)		
Hinckley Market infrastructureproject	45,000	11,256	9,643	1,613		
Bosworth 1485 Sculpture Trail project	270,000	67,554	12,700	54,854		19
	1,257,680	314,667	65,813	248,854	85,000	

Capital Programme Variances				
Ref No	Description	Explanation of Variance	Variance to date	y/e Variance
	<u>Corporate Services</u>			
1	Telephony Upgrade	Awaiting prior year invoice for telephony replacement	17,340	
	<u>Environment & Planning</u>			
2	Clarendon Park	Budget should be completed in financial year. Design dependant on external funding	38,769	90,000
3	The Greens	Negotiations being held with developer with regard to final scheme design	37,650	
4	Recycling Containers	Budget to be reprofiled	28,913	
5	Parish & Community Initiatives	Awaiting evidence of works before payments are released. Based on bids & commitments expenditure forecast is £185	30,000	
6	Developing Communities Fund	Phase 2 bids currently being considered. Budget to be reprofiled	97,166	
7	Hinckley Community Development Fund	Project bidding criteria still to be finalised. Budget to be reprofiled	37,530	10,000
8	Environmental Improvements	A total of £40k have been approved. Slightly potential underspend based on approved schemes	10,907	
9	Car Park Improvements	£25k committed for Church Walk is subject to a Heritage Lottery funding bid being successful. Balance committed for new car park machines	21,209	
10	Earl Shilton Toilets	Budget to be reprofiled	12,510	
11	Waterside Open Space (SEA)	Land still awaiting adoption.	12,510	
12	Waterside Play Area	Project will commence once land is adopted	17,679	
13	Lancaster Road Pedestrian Crossing	Pedestrian crossing completed in 2018/19 - awaiting invoice from LCC	20,000	
	<u>Community Services</u>			
14	Leisure Centre	Awaiting invoice for prior yr expenditure	15,430	10,000
15	Major Works Grants	Potential slight underspend. £50k contractual commitment to be paid in the next 2 months	37,228	
16	Disabled Facilities Grant	Increase in number of referrals following changes to the criteria and the referral process by LCC	119,221	70,000
17	Minor Works Grants	Possible underspend based on current level of demand.	10,008	5,000
18	Private Sector Housing Enforcement	Enforcement action taken as and when required.	24,983	
19	Bosworth 1485 Sculpture Trail project	Accountable body currently in process of finalising match funding for project. Once funding is confirmed Council funds will be released.	54,854	

30th June 2019
HRA Capital Programme

	Latest Budget	Budget to date	Actuals	Variance	Forecast year End variation £
Adaptation Of HRA Dwellings-Social Serv	429,970	107,577	52,302	55,275	
Major Voids	675,500	169,008	88,381	80,627	
Programmed Enhancements	308,206	129,362	34,802	94,560	
Electrical Upgrades/Rewires	753,480	188,520	94,459	94,061	
Windows : Single to Double Glazing	167,440	41,889	24,028	17,861	
Re-Roofing	951,220	237,990	214,867	23,123	
Insulation and Wraps	208,844	0	0	0	
Kitchen Upgrades	700,260	175,200	32,523	142,677	
Boiler Replacement	1,285,400	321,603	216,305	105,298	
Low Maintenance Doors	43,710	10,935	4,318	6,617	
Shower Replacement Programme	70,500	17,637	447	17,190	
Sheltered Scheme Enhancements	82,000	20,514	(7,820)	28,334	
Enhancement Works - Bathroom Upgrades	500,190	125,145	(1,620)	126,765	
Fire Risk Assessments	404,060	40,406	2,306	38,100	
Affordable Housing	100,000	25,020	648	24,372	
Martinshaw Lane	0	0	(15,754)	15,754	
Middlefield Lane	1,200,000	0	0	0	
Ambion Court	3,133,630	70,507	49,741	20,766	
Legionella	51,250	12,822	4,066	8,756	
Piper Alarm Upgrade	52,200	0	0	0	
Total	11,117,860	1,694,135	793,999	900,136	

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

Budget committed

Budget committed

Budget Committed

Housing Revenue Account

Key : () = overspend

	2019/20 LATEST ESTIMATE	2019/20 BUDGET to June	2019/20 ACTUAL to June	VARIANCE to June	TIMING	VARIANCE Excl TIMING	F'CASTED OUTTURN	F'CASTED VARIATION YEAR END	REF
	£	£	£	£	£	£	£	£	
SUMMARY HRA									
INCOME									
Dwelling Rents	(12,482,740)	(3,104,458)	(3,122,708)	18,250		18,250	(12,547,740)	65,000	1
Non Dwelling Rents (garages & land)	(86,570)	(31,281)	(29,226)	(2,055)		(2,055)	(86,570)		
Contributions to Expenditure	(17,020)	-	-	-	-	-	(17,020)	-	
	(12,586,330)	(3,135,739)	(3,151,934)	16,195	-	16,195	(12,651,330)	65,000	
EXPENDITURE									
Supervision & Management (General)	2,212,030	605,743	581,418	24,325	18,000	6,325	2,075,030	137,000	2
Supervision & Management (Special)	594,050	179,732	145,882	33,850	18,000	15,850	614,050	(20,000)	3
Lump Sum LCC pension contribution	48,350	12,096	12,088	8	-	8	48,350	-	
Contribution to Housing Repairs A/C	3,192,165	-	-	-	-	-	3,192,165	-	
Depreciation (Item 8 Debit)	2,753,340	-	-	-	-	-	2,753,340	-	
Capital Charges : Debt Management	1,920	482	577	(95)	-	(95)	1,920	-	
Increase in Provision for Bad Debts	220,000	-	-	-	-	-	220,000	-	
Interest on Borrowing	2,087,400	-	-	-	-	-	2,087,400	-	
	11,109,255	798,053	739,964	58,089	36,000	22,089	10,992,255	117,000	
Net (Income)/Cost of Services	(1,477,075)	(2,337,686)	(2,411,970)	74,284	36,000	38,284	(1,659,075)	182,000	
Interest Receivable	(60,000)	-	-	-	-	-	(60,000)	-	
IAS19 Adjustment	(45,630)	-	-	-	-	-	(45,630)	-	
Net Operating (Income)/Cost	(1,582,705)	(2,337,686)	(2,411,970)	74,284	36,000	38,284	(1,764,705)	182,000	
CONTRIBUTIONS									
Contribution to Piper Alarm Reserve	10,400	-	-	-	-	-	10,400	-	
Contribution to Pension Reserve	3,520	-	-	-	-	-	3,520	-	
Transfer to Major Reserves	256,108	-	-	-	-	-	256,108	-	
Transfer to Regeneration Reserve	1,332,167	-	-	-	-	-	1,332,167	-	
(Surplus) / Deficit	19,490	(2,337,686)	(2,411,970)	74,284	36,000	38,284	(162,510)	182,000	

	LATEST ESTIMATE	BUDGET to June	ACTUAL to June	VARIANCE to June	TIMING	VARIANCE Excl TIMING	F'CASTED OUTTURN	VARIATION YEAR END	REF
	£	£	£	£	£	£	£	£	
SUPERVISION & MANAGEMENT (GENERAL)									
Employees	1,062,210	259,803	225,088	34,715	7,000	27,715	961,210	101,000	2.1
Premises Related Expenditure	103,880	49,888	88,270	(38,382)	-	(38,382)	97,880	6,000	2.2
Transport Related Expenditure	15,000	3,750	4,136	(386)	-	(386)	15,000	-	
Supplies & Services	230,780	89,378	97,223	(7,845)	(5,000)	(2,845)	230,780	-	
Central & Administrative Expenses	843,620	211,069	190,789	20,280	16,000	4,280	843,620	-	2.4
Gross Expenditure	2,255,490	613,888	605,506	8,382	18,000	(9,618)	2,148,490	107,000	
Total Income	(43,460)	(8,145)	(24,088)	15,943		15,943	(73,460)	30,000	2.5
Net Expenditure to HRA	2,212,030	605,743	581,418	24,325	18,000	6,325	2,075,030	137,000	
SUPERVISION & MANAGEMENT (SPECIAL)									
Employees	610,350	149,286	156,609	(7,323)	9,000	(16,323)	650,350	(40,000)	3.1
Premises Related Expenditure	390,250	96,340	81,243	15,097	9,000	6,097	390,250	-	3.2
Transport Related Expenditure	15,390	3,863	3,549	314	-	314	15,390	-	
Supplies & Services	143,990	58,161	39,938	18,223	-	18,223	143,990	-	3.3
Central & Administrative Expenses	107,400	27,028	25,835	1,193	-	1,193	107,400	-	
Gross Expenditure	1,267,380	334,678	307,174	27,504	18,000	9,504	1,307,380	(40,000)	
Revenue Income	(619,410)	(154,946)	(161,293)	6,347	-	6,347	(639,410)	20,000	3.4
Recharges	(53,920)	-	-	-	-	-	(53,920)	-	
Total Income	(673,330)	(154,946)	(161,293)	6,347	-	6,347	(693,330)	20,000	
Net Expenditure to HRA	594,050	179,732	145,882	33,850	18,000	15,850	614,050	(20,000)	

	Outturn Explanations April 2019 to June 2019 Key : () = overspend			
	Forecasted year end variations	Timing	Variation To Date	Forecast Year End
		£000's	£000's	£000's
	HOUSING REVENUE ACCOUNT		18	65
1	Rents - additional rent income due to fewer dwelling sales to date & additional hostel rent		18	65
2	SUPERVISION & MANAGEMENT (GENERAL)	18	6	137
2.1	Employees: £7k Holiday Pay/Flexi to be processed at year end Severance Pay savings Salary underspend due to vacant posts Staffing Restructure underspend	7 7	28 19 8 1	101 75 20 6
2.2	Premises Related Expenditure: Council Tax overspend, although awaiting possible refund for Ambion Court charges Discretionary Housing Payment savings Premises Insurance Savings		(38) (39) 1	6 (10) 15 1
2.3	Supplies & Services: Orchard Maintenance costs April 2020 - June 2020 paid in advance	(5) (5)		
2.4	Central & Administrative Expenses: Outstanding invoices relating to main IT contract	16 16		
2.5	Revenue Income: Additional Council Tax Refunds Additional Legal Costs recovered		16 10 6	30 20 10
3	SUPERVISION & MANAGEMENT (SPECIAL)	18	14	(20)
3.1	Employees: £9k Holiday Pay/Flexi to be processed at year end Salary overspend due to fully staffed service Overtime overspend	9 9	(16) (12) (4)	(40) (26) (14)
3.2	Premises Related Expenditure: £3k outstanding cleaning costs for May & June plus £2k outstanding accrual for window vents Centurion Court Outstanding water charges April-June Electricity Underspend Other minor variations	9 5 4	6 4 2	
3.3	Supplies & Services: Piper alarm system underspend Equipment purchase/maintenance underspend Other minor variations		18 14 2 2	
3.4	Revenue Income: Additional Lifeline income Other minor variations		6 5 1	20 20

HOUSING REPAIRS ACCOUNT	2019/20 LATEST BUDGET £	2019/20 BUDGET to June £	2019/20 ACTUAL to June £	VARIANCE to June £	TIMING £	VARIANCE Excl TIMING £	F'CASTED OUTTURN £	F'CASTED VARIATION YEAR END £	REF
Administration									
Employee Costs	375,100	91,622	90,389	1,233		1,233	375,100		
Transport Related Expenditure	13,720	3,432	5,965	(2,533)		(2,533)	13,720		
Supplies & Services	175,910	45,261	52,920	(7,659)	(7,000)	(659)	175,910		1
Central Administrative Expenses	313,100	78,334	76,537	1,797		1,797	313,100		
Total Housing Repairs Administration	877,830	218,649	225,811	(7,162)	(7,000)	(162)	877,830	-	
Programmed Repairs	663,460	165,786	103,973	61,813	61,000	813	663,460		2
Responsive Repairs	1,236,050	307,839	186,986	120,853	68,000	52,853	1,216,050	20,000	3
GROSS EXPENDITURE	2,777,340	692,274	516,770	175,504	122,000	53,504	2,757,340	20,000	
Contribution from HRA	(3,192,165)	0	0	0		0	(3,192,165)	-	
Other Income	(2,000)	(1,502)	(3,366)	1,864		1,864	(2,000)	-	
Accumulated Absences/ IAS 19	(20,840)	0	0	0		0	(20,840)	-	
TOTAL INCOME	(3,215,005)	(1,502)	(3,366)	1,864	0	1,864	(3,215,005)	-	
Contribution to HRA Reserves	460,000	0	0	0		0	460,000		
NET EXPENDITURE	22,335	690,772	513,404	177,368	122,000	55,368	2,335	20,000	
Variances	TIMING £000's	VARIANCE £000's	Outturn						
1 Legionella budget to be reprofiled	8,000								
Software costs paid in advance	(25,000)								
control centre budget to be reprofiled	10,000								
	(7,000)	-	-						
2 external painting budget to be reprofiled	20,000								
central heating awaiting June invoices	21,000								
central heating budget to be reprofiled	20,000								
	61,000	-	-						
3 Awaiting authorisation of completed works (WIP)	68,000								
Underspend due to demand nature of works		68,000	20,000						
	68,000	68,000	20,000						
Total	122,000	68,000	20,000						



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY

19 August 2019

WARDS AFFECTED: ALL WARDS

TREASURY MANAGEMENT QUARTER 1 2019/20

Report of the Head of Finance (Section 151 Officer)

1. PURPOSE OF REPORT

- 1.1 To inform the Committee of the Council's Treasury Management activity in the first quarter of 2019/20.

2. RECOMMENDATION

- 2.1 That the Committee note the report.

3. BACKGROUND TO THE REPORT

- 3.1 At its meeting on 21st February 2019 Council approved the Council's Treasury Management Policy for the year 2019/20 and delegated the oversight of the execution of the Policy to this Committee.

This report sets out the Treasury Management activities in 2019/20 and shows that they are in line with the limits set out in the Policy.

Treasury Management covers two main areas:-

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

3.2 Economic Background

During the quarter ended 30 June 2019:

1. Brexit was delayed until 31st October 2019.
2. GDP rose by a solid 0.5% q/q in Q1, but contracted at the start of Q2.
3. The fundamentals that determine consumer spending remained healthy.
4. Inflation fluctuated around the Bank of England's 2% target.
5. There was a widespread fall in investors' global interest rate expectations.

The latest forecasts are detailed in the table below:

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Bank Rate	0.75%	1.00%	1.00%	1.00%	1.25%
5yr PWLB rate	1.50%	1.60%	1.70%	1.80%	1.90%
10yr PWLB rate	1.80%	1.90%	2.00%	2.10%	2.20%
25yr PWLB rate	2.40%	2.50%	2.60%	2.70%	2.80%
50yr PWLB rate	2.30%	2.40%	2.50%	2.60%	2.70%

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 2019.

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 30 June 2019, the Council held the following investments totalling £25,326,000 and are summarised below:

Counterparty	Investment Date	Maturity Date	Amount	Interest Rate
National Counties BS	01/04/2019	30/09/2019	£3,000,000	1.1000
Monmouthshire BS	01/04/2019	01/10/2019	£3,000,000	1.0300
Newcastle BS	03/04/2019	03/10/2019	£3,000,000	1.0500
Furness BS	05/06/2019	05/12/2019	£3,000,000	1.1000
Newcastle BS	01/04/2019	01/10/2019	£2,000,000	1.0500
Nottinghamshire BS	10/06/2019	10/09/2019	£2,000,000	0.8500
Nottinghamshire BS	10/06/2019	10/12/2019	£2,000,000	1.0500
HSBC Bank	28/06/2019	01/07/2019	£1,926,000	0.4300
National Counties BS	01/04/2019	01/10/2019	£1,500,000	1.1000
Cumberland BS	03/04/2019	03/10/2019	£1,400,000	1.1000
Coventry BS	03/04/2019	03/10/2019	£1,000,000	0.9200
Nottinghamshire BS	13/06/2019	13/12/2019	£1,000,000	1.0500
National Counties BS	01/04/2019	01/10/2019	£500,000	1.1000
Total			£25,326,000	

Details of investments held from April 2019 to June 2019 are available on request.

Details of the weighted average investment to June 2019 are shown in the table below together with the Industry Average, London Inter Bank Bid (LIBID) as a benchmark. 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 0.99% compared against 0.60%). Typical one month fixed deposit with UK banks and Building Societies range between 0.53% and 0.69%.

Period	Weighted Average invested	Average period (days)	HBBC Average Return	7 Days LIBID	1 Month LIBID	3 Month LIBID	6 Month LIBID
Apr to June	£13,070,426	29	0.9924	0.5479	0.6037	0.6787	0.7800

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, with the first repayment on 28th March 2020.

3.5 Short Term Borrowing

There were 2 borrowing transactions to fund short term working capital. The total borrowing was £3m and was re-paid back in 7 days.

Total short term borrowing Apr -June 2019	£3,000,000
Borrowings outstanding 30 th Jun 2019	NIL
Average period borrowing	7 days
Weighted average interest on borrowings	0.7%

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

4.1 Report to be taken in open session.

5. FINANCIAL IMPLICATIONS [IB]

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

6. LEGAL IMPLICATIONS [MR]

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

7. CORPORATE PLAN IMPLICATIONS

7.1 This report supports the following Corporate Aims

- Thriving Economy

8. CONSULTATION

8.1 None

9. RISK IMPLICATIONS

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

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

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

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	Budgets are scrutinised on an ongoing to ensure assumptions are robust and reflect financial performance and sufficient levels of reverses and balances are maintained to ensure resilience	A.Wilson

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 None

11. CORPORATE IMPLICATIONS

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

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

Background papers: Civica Reports
Link Reports

Contact Officer: Ilyas Bham, Accountancy Manager x5924
Executive Member: Councillor K Lynch

This page is intentionally left blank



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY

19 August 2019

WARDS AFFECTED: ALL WARDS

BUSINESS RATES AND POOLING UPDATE QUARTER 1 - 2019/20

Report of Head of Finance

1. PURPOSE OF REPORT

1.1 To inform the committee of business rates performance from 1 April – 30 June 2019.

2. RECOMMENDATION

2.1 That the committee notes the contents of the report.

3. BACKGROUND TO THE REPORT

3.1 Under the 2019/20 pilot scheme Hinckley and Bosworth BC as a billing authorities pay 25% of collected business rates to government. The remaining 75% is split between the billing authority (37.5%) and the precepting authorities (37.5%). This will give a one off increase of £0.5m to the Council.

3.2 Following these payments, the retained business rates of billing authorities are subject to a tariff set out in the respective Local Government Finance Settlement. Any growth in business rates over the set baseline will be subject to a “levy” payment of 50%, with the remaining half retained by the host Council. Correspondingly, if a Council loses 7.5% of their set threshold, a “safety net” payment will be triggered to compensate for the loss.

3.3 The Council will receive £1,482,085 of “section 31 grant” income. The allocated grant was based on the level of reliefs that were forecast to be granted in 2019/2020 in the submitted business rates budget form (the NNDR1). The actual grant that can be “banked” as retained rates will be determined based on the actual reliefs awarded by

31st March 2020. Therefore in order to be prudent, this income has been placed into the Business Rates reserve pending until this level is known.

- 3.4 The budgeted business rates performance for this council, along with the forecast as at March 2020 is summarised below.

<i>Table 1</i>	NNDR1 Rates Forecast 2019/20	Jun-19
	£'000	£'000
NNDR collected (net of reliefs)	33,024	33,093
Less:		
Central Government share	(8,256)	(8,273)
County Council share	(12,054)	(12,079)
Fire Authority Share	(330)	(331)
HBBC notional share	12,384	12,410
S31 Grant compensation	1,482	1,482
Total before tariff	13,866	13,892
Tariff charged on HBBC	(8,654)	(8,654)
Levy charged on growth 50%	(1,286)	(1,299)
Retained income total	3,926	3,939
The retained income is made up of:		
Baseline funding	2,641	2,641
Total growth	2,571	2,597
Less 50% Levy	(1,286)	(1,299)
Total	3,926	3,939
Movement- Gain/(loss)	0	13

- 3.5 The above table shows that as at 30th June 2019, the council is forecasting £1,299,000 of retained growth for 2019/2020, which will help support the general fund position.

- 3.6 Although this is a positive position, it is important to acknowledge the volatility of business rates which can be impacted negatively by many factors including:
- Companies going out of business or moving from the area
 - Empty properties – The redevelopment of the town centre for instances may have an impact on the rates for the council whilst development takes place
 - Awards of reliefs; most significantly charitable reliefs for schools which are awarded Academy status
 - Results of appeals lodged by businesses against their liabilities

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

- 4.1 Report to be taken in open session

5. FINANCIAL IMPLICATIONS (AW)

5.1 Contained in the body of the report.

6. LEGAL IMPLICATIONS (MR)

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

7. CORPORATE PLAN IMPLICATIONS

7.1 To ensure the Council's governance arrangements are robust

8. CONSULTATION

8.1 All members of the Business Rates Pool were included in decisions made on its operation for 2019/20.

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:

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 K Lynch

This page is intentionally left blank



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY

19 August 2019

WARDS AFFECTED: ALL WARDS

FINANCE AND PERFORMANCE COMMITTEE- SUNDRY DEBTS – Q1 2019/2020

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 2019.

2. RECOMMENDATION

- 2.1 That the committee note the current aged debt position for sundry debts.
- 2.2 That the committee note that a report will follow at the next meeting on the action being taken on recovery of estates debt.

3. BACKGROUND TO THE REPORT

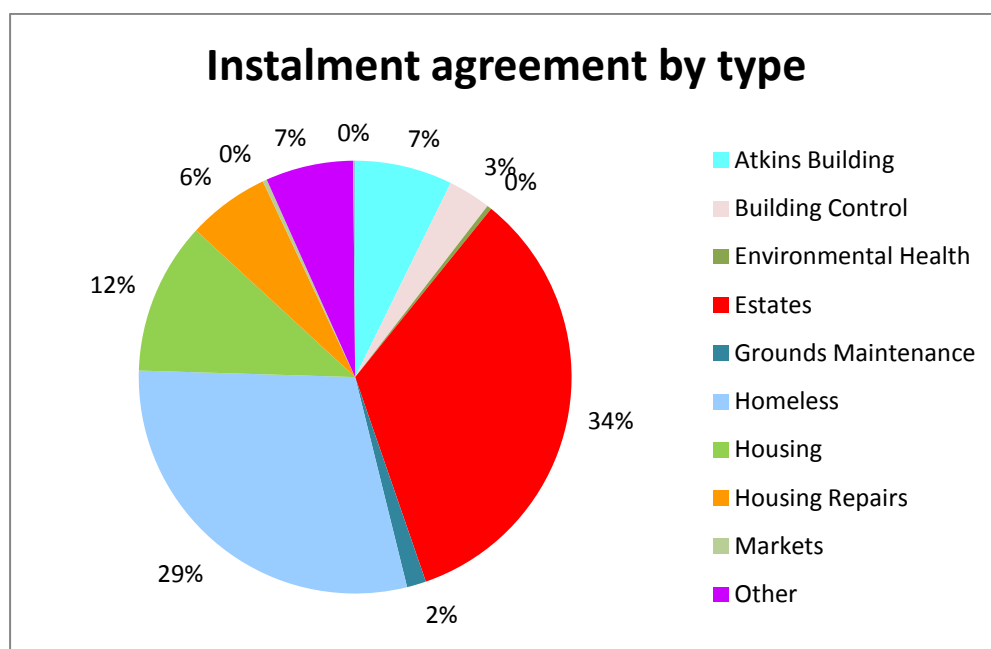
- 3.1 As at 30th June 2019 the overall sundry debt was £1,773,217. Compared against the value as at 31st March, this is an increase of £293,974. The current balance can be broken down by age as follows:

Description	Amount
Credits, Refunds and Payments	-£19,380
Not Yet Due	£231,546
< 30 Days	£860,121
30 - 59 Days	£160,099
60 - 89 Days	£25,839
90 - 119 Days	£33,079
> 120 Days	£481,913
Total Debt	£1,773,217

- 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 2019 was 16.18 percent. The current percentage is 18.8 percent, this is after amendment for items that are known to be covered by agreement, council policy or are to be written off. The total number of invoices over 90 days is 1,053, with an average value of £391.63.

	£	Description
Total debt	1,773,217	
	-152,687	Homelessness
	-70,233	Installment Plans
	1,547,068	(A)
Over 90 days	514,992	
	-152,687	Homelessness
	-70,233	Installment Plans
	288,843	(B)
Performance	18.84%	Over 90 days/Total debt (amended) B/A
Target	25%	

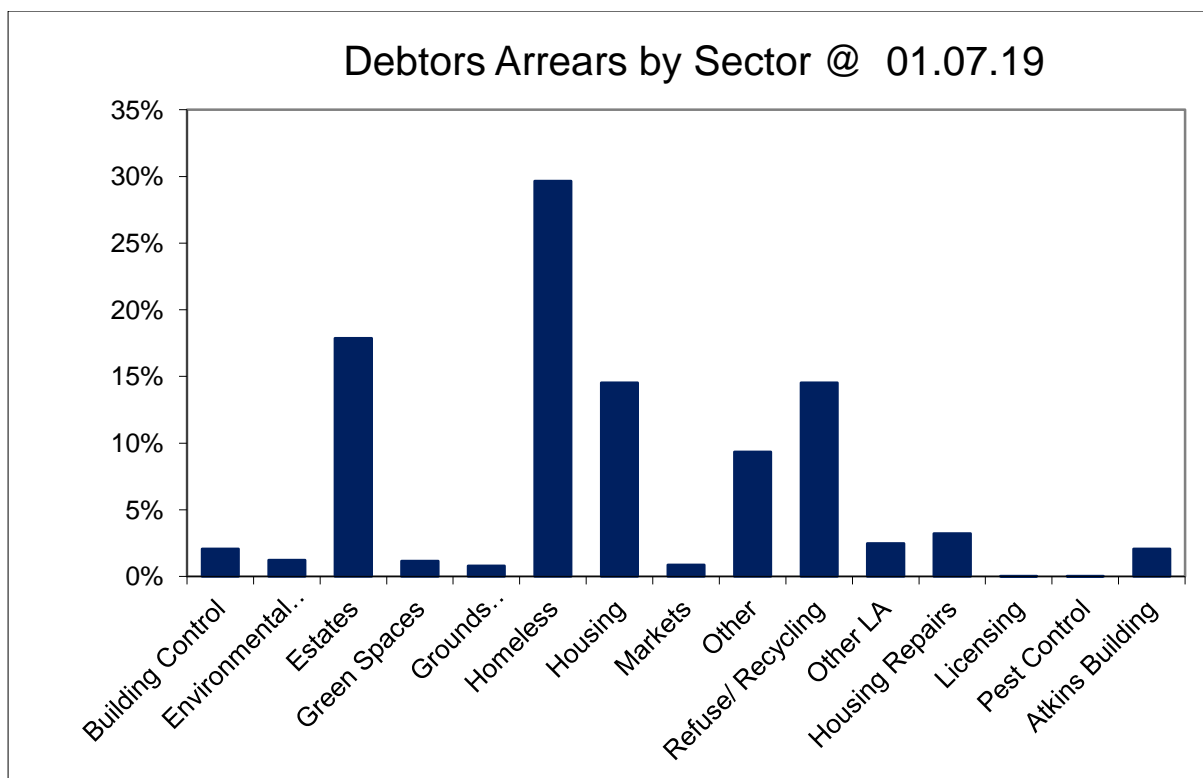
Of the remaining £288,843 debt, £77k has either had a letter before action (LBA), or is going through legal action. The breakdown of the 70k instalment agreements by area are noted in the graph below



- 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 is currently £71,341, but will be reviewed as part of the final accounts closedown procedures.

- 3.4 The split of the current debt position over 90 days by type of debt is detailed below. The largest element, for Homelessness Bonds has increased marginally by 4.6%. The provision of these bonds is funded by the Council's Homelessness Prevention Grant which is provided by the DCLG annually. The second largest debt is "Estates", (17.88%, £92k) which have increased since the last quarter from £80k. Of the £92k, 30% have now entered in to a payment plan to clear their debts. All new leases are being granted with a direct debit payment in place, to limit debts problems going forward.
- 3.5 Action is being taken to recover the debts where possible. Whilst efforts are made to recover these amounts through ongoing contact with tenants by housing and revenues and benefits officers, legal action is not generally taken in these cases. This is on the basis that it is unlikely that the debtor will also be able to pay the additional charges levied and also to uphold the "sentiment" of the Council's Anti-Poverty Strategy.
- 3.6 The table and graph below gives the breakdown of debt over 90 days as at the 30 June 2019

Sum of Total Outstanding over 90 days 2018/19	Q2	Q3	Q4	Q1	Q4 to Q1 £	%
Building Control	£13,235.18	£12,809.24	£11,435.18	£10,685.18	-£750.00	-6.56%
Environmental Health	£6,867.67	£4,457.35	£5,732.37	£6,281.37	£549.00	9.58%
Estates	£91,183.38	£83,949.64	£79,845.78	£92,086.28	£12,240.50	15.33%
Green Spaces	£2,866.66	£3,549.44	£4,579.51	£5,923.20	£1,343.69	29.34%
Grounds Maintenance	£3,741.13	£3,136.63	£3,198.13	£4,062.12	£863.99	27.02%
Homeless	£145,538.21	£146,976.58	£145,977.68	£152,686.63	£6708.95	4.60%
Housing	£56,215.12	£61,899.93	£68,964.69	£74,817.60	£5,852.91	8.49%
Markets	£7,275.87	£4,920.18	£4,314.83	£4,408.88	£94.05	2.18%
Other	£2,966.08	£12,080.40	£4,533.88	£48,110.14	£43,576.26	961%
Refuse/ Recycling	£43,989.83	£56,375.99	£61,992.68	£74,838.04	£12,845.36	20.72%
Other LA	£71,622.87	£35,558.90	£7,541.30	£12,777.47	£5,236.17	69.43%
Licensing	£140.00	£0.00	£0.00	£200.00	£0.00	100%
Pest Control	£0.00	£0.00	£0.00	£99.94	£0.00	100%
Planning	£262.99	£262.99	£0.00	£0.00	£0.00	0%
Housing Repairs	£11,689.37	£10,828.91	£12,559.19	£16,653.23	£4,094.04	32.6%
Finance	£0.00	£0.00	£0.00	£0.00	£0.00	0.00%
Atkins Building	£31,322.17	£17,656.73	£12,026.13	£10,591.07	-£1,435.06	-11.93%
Waste Services	£504.00	£72.00	£72.00	£744.00	£672.00	933%
Total	£489,420.53	£454,534.91	£422,773.35	£514,992.15	£92,218.80	21.81%



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

4.1 Report is taken in an open session.

5. FINANCIAL IMPLICATIONS AW

5.1 Contained within the body of the report.

6. LEGAL IMPLICATIONS MR

6.1 The legal implications are contained within the report

7. CORPORATE PLAN IMPLICATIONS

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

8. CONSULTATION

8.1 None

9. RISK IMPLICATIONS

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

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

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

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

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

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

11. CORPORATE IMPLICATIONS

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

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

Background papers: Civica Reports
Contact Officer: Ashley Wilson, Head of Finance, Ext 5609
Executive Member: Councillor C Ladkin

This page is intentionally left blank