

# Public Document Pack

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

Date: 10 August 2012



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

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

Mr PAS Hall (Chairman)  
Miss DM Taylor (Vice-Chairman)  
Mr JG Bannister  
Mrs R Camamile

Mr R Mayne  
Mr JS Moore  
Mr K Morrell

Copy to all other Members of the Council

(other recipients for information)

Dear Councillor,

There will be a meeting of the **FINANCE, AUDIT & PERFORMANCE COMMITTEE** in the Committee Room 2, Council Offices, Argents Mead on **MONDAY, 20 AUGUST 2012 at 6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Denise Bonser'.

Denise Bonser  
Democratic Services Officer

**A G E N D A**

1. APOLOGIES AND SUBSTITUTIONS

2. 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.**

3. MINUTES OF PREVIOUS MEETING (Pages 1 - 2)

To confirm the minutes of the meeting of the Finance Audit & Performance Committee held on 11 June 2012, copy attached.

4. INTERNAL AUDIT PROGRESS REPORT (Pages 3 - 8)

Report of internal audit attached.

5. TREASURY MANAGEMENT REPORT TO 30 JUNE 2012 (Pages 9 - 18)

Report of the Deputy Chief Executive (Corporate Direction) attached.

6. ANNUAL GOVERNANCE STATEMENT 2011/12 (Pages 19 - 30)

Report of the Deputy Chief Executive (Corporate Direction) attached.

7. DRAFT OUTTURN 2011/12 (Pages 31 - 44)

Report of the Deputy Chief Executive (Corporate Direction) attached.

8. REVENUE AND CAPITAL OUTTURN 1ST QUARTER 2012/3 (Pages 45 - 62)

Report of the Deputy Chief Executive (Corporate Direction) attached.

9. BUSINESS RATES RETENTION

The Deputy Chief Executive (Corporate Direction) will give a verbal update on the Business Rates Retention Scheme.

10. WORK PROGRAMME (Pages 63 - 64)

Work programme for 2012/13 attached.

# Agenda Item 3

## HINCKLEY AND BOSWORTH BOROUGH COUNCIL

### FINANCE, AUDIT & PERFORMANCE COMMITTEE

11 JUNE 2012 AT 6.30 PM

PRESENT: Mr PAS Hall - Chairman  
Miss DM Taylor – Vice-Chairman

Mr JG Bannister, Mrs R Camamile, Mr R Mayne and Mr JS Moore

Also in attendance: Tim Ridout & Mark Watkins (CW Audit Services)

Officers in attendance: Ilyas Bham, Storme Coop, Julie Kenny, Sanjiv Kohli, Katherine Bennett and Leigh Butler

#### 50 DECLARATIONS OF INTEREST

No interests were declared at this stage.

#### 51 MINUTES OF PREVIOUS MEETING

On the motion of Mr Moore, seconded by Mrs Camamile it was

RESOLVED – the minutes of the meeting held on 30 April 2012 be confirmed and signed by the Chairman.

#### 52 INTERNAL AUDIT PLAN

Mark Watkins of CW Audit Services gave a brief introduction into the history and personnel of the organisation.

Following this Tim Ridout of CW Audit gave an overview of the audit plan and asked the Committee for their input into the areas to be assessed.

#### 53 PERFORMANCE MANAGEMENT FRAMEWORK

Mr R Mayne entered the meeting at 7.06pm

The Committee were presented with the Council's end of year position in relation to performance indicators, service improvement plans and corporate risks.

It was suggested that indicators incurring a red risk be split between those which had a red status because the target date had slipped but the project was subsequently completed and those which had either not started or were being carried forward to the following year. In the latter case, further explanations would be required by Members.

RESOLVED – the report be noted.

#### 54 COUNCIL TAX REDUCTION SCHEME

Members were updated on the current position in regard to the Council Tax Reduction Scheme. All the districts and precepts in Leicestershire are working together to produce a countywide scheme and it is hoped that this will be in place by October to give the finance department time to incorporate the findings into the budgets for the next financial

year. It was agreed that regular updates on this project would be brought to the Committee.

RESOLVED – the report be noted and the next meeting of the Finance, Audit and Performance Committee be postponed to 20 August to allow time for the updated position on this item to be presented.

55 THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES - SETTING OF PRUDENTIAL INDICATORS 2011/12-2014/15 AND TREASURY MANAGEMENT STRATEGY 2012/13-14/15

Members were presented with the prudential indicators and treasury management strategy for 2012 to 2015.

RESOLVED – the report be noted.

56 TREASURY MANAGEMENT TO 31 MARCH 2012

The Committee were informed of the Treasury Management activity during 2011/12.

RESOLVED – the report be noted.

57 BUSINESS RATE RETENTION

The Deputy Chief Executive (Corporate Direction) gave a presentation on the working and implications of the new Business Rate Retention scheme. It was agreed that the changes would have serious implications to the Council's financial position and Members agreed that regular updates needed to be brought to this Committee.

58 WORK PROGRAMME 2012/13

The meeting scheduled for 23 July 2012 be now held on 20 August 2012 to give time for updates on both the Council Tax Reduction Scheme and the Business Rate Retention Scheme to be presented to the Committee.

(The Meeting closed at 8.50 pm)

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CHAIRMAN

**Hinckley & Bosworth Borough Council**

**Internal Audit**

**Progress Report 2012/13**

**Quarter 1**

**August 2012**



## 1. Introduction

This report is the first progress report for the Borough Council from CW Audit as the Council's Internal Audit provider and summarises the work of Internal Audit to early August 2012.

The purpose of the report is to:

- Show progress against the audit plan;
- Summarise the key findings and conclusions arising from our work during the period;
- Provide details of planned work;
- Update the Committee on the progress made in implementing previously agreed recommendations; and
- Inform the Committee of any additional work commissioned outside of the plan.

## 2. Progress summary

The chart below shows outturn to date with regard to audit days delivered. Appendix 1 provides the current status of all audit assignments. Our contract with the Council commenced in May 2012. The level of delivery has subsequently progressed in accordance with the profiled plan, with 37 days having been delivered to date (early August).



### 3. Reviews completed since last Finance, Audit & Performance Committee meeting

We have not yet issued any final audit reports. However a range of reviews are underway as set out below.

### 4. In progress

Review	Status
Housing, Community Safety & Partnerships: Allocations – Choice Based Lettings	Fieldwork complete – draft report imminent/issued
Business, Contract & Streetscene: Contract Management (Parks & Open Spaces)	Fieldwork complete – draft report imminent/issued
Business, Contract & Streetscene: Housing – Responsive Repairs Business, Contract & Streetscene: Fuel Controls	Fieldwork complete – draft report imminent/issued In progress

In addition to the above, discussions are underway to scope and agree timings for other reviews, eg Council Tax, Business Rates, Benefits and Benefit Fraud Investigation, Risk Management, Standards of Conduct.

Status update – 2012/13 Audit Plan

Review	Scheduled	Status	Level of assurance
Allocations – Choice Based Lettings	July – Aug 2012	Fieldwork complete; Draft report	
Housing Repairs	July – Aug 2012	Fieldwork complete; Draft report	
Contract Management (Parks & Open Spaces)	July – Aug 2012	Fieldwork complete; Draft report	
Fuel Controls	Aug – Sept 2012	In progress	
Legal Services	Aug/Sept 2012		
Risk Management	Aug/Sept 2012	Starting in August	
Benefit Fraud Investigation	Sept 2012		
Corporate Governance – Standards of Conduct	Sept 2012		
Anti Fraud & Corruption	Sept 2012		
Budgetary Control	Oct - Dec 2012		
Main Accounting	Oct - Dec 2012		
Capital Accounting	Oct - Dec 2012		
Council Tax	Oct - Dec 2012		



Review	Scheduled	Status	Level of assurance
Business Rates	Oct - Dec 2012		
Benefits	Oct - Dec 2012		
Creditors	Oct - Dec 2012		
Debtors & Debt Recovery	Oct - Dec 2012		
Treasury Management	Oct - Dec 2012		
Income Management & Cash Receipting	Oct - Dec 2012		
Customer Services and Reception	Oct - Dec 2012		
Payroll & Expenses	Oct - Dec 2012		
Rents	Oct - Dec 2012		
Sheltered Housing	Oct - Dec 2012		
Warden Services – at management’s request this review is to be replaced with a review on the management of the Argent’s Mead site following the planned office move.	Jan – Mar 2013		
Town Centre Regeneration	Jan – Mar 2013		
Tenant Scrutiny	TBA		

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## FINANCE, AUDIT AND PERFORMANCE COMMITTEE – 20 AUGUST 2012

### REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION) RE: TREASURY MANAGEMENT TO 30 JUNE 2012

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#### 1. PURPOSE OF REPORT

To inform the Committee of the Council's Treasury Management activity during 2012/13.

#### 2. RECOMMENDATION

That the Committee note the report.

#### 3. BACKGROUND TO THE REPORT

At its meeting in February 2012 the Council approved the Council's Treasury Management Policy for the year 2012/13 and delegated the oversight of the execution of the Policy to the Select Committee.

This report sets out the Treasury Management activities for the first quarter of 2012/13 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).

#### Economic Background

In 2012/13 has seen a continuing period of low interest rates. The UK Bank Rate has now been at 0.5% for over 3 years. Speculation is growing in market commentators that this rate may fall to 0.25% later in the year if the UK economy continues to struggle with low growth. This together with continuing uncertainty in the money markets, including the financial stability of banks and other institutions and the Sovereign debt crisis in parts of the Euro Zone has had an impact on Treasury operations. Investment returns remain low and counterparty security paramount.

The current economic situation, with the UK, economy in recession, (the last three quarters GDP figure being negative - the latest -0.7%, following the extra

bank holiday and poor weather) and the Chancellor's austerity measures yet to fully impact, has seen UK GDP forecasts reduced recently in the August Bank of England Quarterly Inflation Report. Given this low level of growth it appears unlikely that the Bank Rate will show any appreciable increase for some time to come.

The UK's position is largely a result of the Euro Zone difficulties, with their faltering economies hindering our main export market. US economic concerns, which are unlikely to be addressed before the outcome of the US Presidential elections, will see future economic problems arising in 2013.

This economic background impacts directly on the availability and choice of investment counterparties. Appropriate credit quality institutions have become more restricted in recent years in terms of numbers of parties available, the amount that can be invested with a single counterparty and the length of time an investment can be made.

In the present climate it is considered to be imprudent to invest for an extended period of time for the following reasons:

1. In a volatile market the financial strength of a counterparty can change quickly and therefore to invest for shorter periods reduces the Council's risk exposure.
2. Longer term interest rates, whilst higher than those for shorter periods, do not compensate the Council for the additional risk..

To invest with better quality counterparties for shorter periods does reduce the Council's exposure to risk and uncertainty but does mean that investment yields are reduced.

### Investment Activity

The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time, then ensuring adequate liquidity, with the investment return being the final objective. Following the economic background above, officers are implementing an operational strategy which tightens the controls already in place in the approved investment strategy.

The Council's investment criteria, approved by Council in February 2012 are:-

- **Banks 1 - Good Credit Quality** – the Council will only use banks which:
  - i. Are UK banks; and/or
  - ii. Are non-UK and domiciled in a country which has a minimum Sovereign long term rating of AAA

And have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- i. **Short Term** – F1
  - ii. **Long Term** – A
  - iii. **Individual / Financial Strength** – C (Fitch / Moody’s only)
  - iv. **Support** – 3 (Fitch only)
- **Banks 2 – Guaranteed Banks with suitable Sovereign Support** – In addition, the Council will use banks whose ratings fall below the criteria specified above if all of the following conditions are met:
  - (a) wholesale deposits in the bank are covered by a government guarantee;
  - (b) the government providing the guarantee is rated “AAA” by all three major rating agencies (Fitch, Moody’s and Standard & Poors); and
  - (c) the Council’s investments with the bank are limited to amounts and maturities within the terms of the stipulated guarantee.
- **Banks 3 – Eligible Institutions** - the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008, with the necessary short and long term ratings required in Banks 1 above. These institutions have been subject to suitability checks before inclusion, and have access to HM Treasury liquidity if needed.
- **Banks 4** – The Council’s own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- **Bank Subsidiary and Treasury Operations** – the Council will use these where the parent bank has the necessary ratings outlined above.
- **Building Societies** – the Council will use all Societies which:
  - i. meet the ratings for banks outlined above
  - Or are both:
    - ii. Eligible Institutions; and
    - iii. Have assets in excess of £500m.
- **Money Market Funds** – AAA
- **UK Government** (including gilts and the DMADF)
- **Local Authorities, Parish Councils etc**
- **Supranational institutions**

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 incurred

At 30 June 2012 the Council held the following investments totalling £6,989,000

Counterparty	Investment Date	Maturity Date	Amount	Interest Rate
Principality BS	01/06/2012	02/07/2012	1,500,000	0.6000
Newcastle BS	06/06/2012	06/07/2012	500,000	0.5500
Nationwide BS	15/06/2012	16/07/2012	1,000,000	0.4000
Coventry BS	15/06/2012	16/07/2012	1,000,000	0.5400
Hinckley & Rugby BS	22/06/2012	20/07/2012	2,000,000	0.6000
Hsbc Bank	29/06/2012	02/07/2012	989,000	0.3500

Details of all investments held from April 2012 to 30th June 2012 are included in Appendix A attached.

Details of the weighted average investment for the year are shown in the table below together with the average overnight, 7 day and 1 month London Inter Bank Offer Rates (LIBOR) as a bench mark to the rates received by the Council.

Period	Weighted Average invested	Average period (days)	Average Return	Overnight LIBOR	7 Day LIBOR	1 Month LIBOR
April to June	1,618,359	6.91	0.6964	0.55084	0.57446	0.67140

The figures above show that the Council received a rate of return that is compatible with the returns available in the market.

It also shows that the Weighted average life is within the maximum set of 0.5 years.

### Borrowing Activities

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

Excluding the HRA self financing element the Council has a Capital Financing Requirement of around £15.2m 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 "underborrowed" with only £4.3m of long term loans on its books. Short term loans from the PWLB currently cost 1.5% so if the Council was fully funded with short term money and was receiving investment income of 1% there would be a cost of £76,000 pa. With longer term rates at about 4.5% the additional cost would be £490,500pa. In these

circumstances the Council has not undertaken any long term borrowing in the current year and has relied on short term borrowing to meet cash flow needs.

Additionally, as part of the Self Financing HRA Settlement £67.652m has been borrowed from PWLB. Repayment options have been discussed with members and were presented to the Executive on 13<sup>th</sup> March 2012. Repayments for principal amounts for these loans will commence in 7 years time. The loan will be repaid in equal instalments of £2.9414m over 23 yrs.

*Short term borrowing to cover cash flow shortfalls.*

Some short term borrowing took place to cover temporary cash flow shortfalls. The movements are as follows:-

Amount outstanding at 1 April 2012	£2,600,000
Plus Total Amount borrowed to Jun 2012	£3,540,000
Less Total Amount repaid in year	£6,140,000
Amount outstanding at 30 June 2012	Ni

The average amount borrowed was	£74,575
Average period of loans	4 Days
Number of occasions	3
<b>Average rate of interest paid</b>	<b>0.5041%</b>

All borrowing was conducted with the Operational Limit set by the Council.

4. **FINANCIAL IMPLICATIONS (IB)**

Any losses resulting from a further tightening of our investment strategy will be reported within the Outturn position.

5. **LEGAL IMPLICATIONS (AB)**

There are no legal implications arising directly from this report.

6. **CORPORATE PLAN IMPLICATIONS**

This report supports the following Corporate Aims

- Thriving Economy

7. **CONSULTATION**

None

8. **RISK IMPLICATIONS**

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

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

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

<b>Management of significant (Net Red) Risks</b>		
<b>Risk Description</b>	<b>Mitigating actions</b>	<b>Owner</b>
Loss of investments due to failure of Counterparty	Ensure Counterparty is financially secure prior to lending by confining activity to institutions on a list of approved institutions based on credit ratings.	I Bham
	Ensure that lending is for appropriate periods and amounts as per Counterparty list	I Bham

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

Treasury management activities support all activities of the Borough Council and therefore impact on all areas of and communities within the Borough

10. **CORPORATE IMPLICATIONS**

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

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

Background papers: Investment and borrowing records

Contact Officer: Ilyas Bham, Group Accountant ext 5924

Executive Member: Cllr Keith Lynch



**TEMPORARY ADVANCES 2012 - 2013**

DATE	BROKER	RATE %	NOTICE	AMOUNT £	BORROWER	NO DAYS
25/08/11	Direct	1.5000	23/05/12	2,000,000	Hinckley & Rugby	52
01/02/12	Sterling	1.0000	01/05/12	500,000	NewCastle BS	30
02/04/12	Sterling	0.3500	03/04/12	724,000	NewCastle BS	1
02/04/12	Prebon	0.4000	12/04/12	1,650,000	Skipton BS	10
03/04/12	Sterling	0.3500	05/04/12	504,000	NewCastle BS	2
05/04/12	Sterling	0.3500	10/04/12	813,000	NewCastle BS	5
10/04/12	Hsbc	0.2500	11/04/12	293,000	Hsbc Money Mkt	1
11/04/12	Hsbc	0.2500	12/04/12	486,000	Hsbc Money Mkt	1
12/04/12	Sterling	0.3500	13/04/12	520,000	NewCastle BS	1
12/04/12	Sterling	0.4000	23/04/12	1,000,000	Coventry BS	11
13/04/12	Hsbc	0.2500	16/04/12	388,000	Hsbc Money Mkt	3
16/04/12	Hsbc	0.3500	17/04/12	1,857,000	Hsbc Money Mkt	1
16/04/12	Sterling	0.4000	23/04/12	1,500,000	NewCastle BS	7
17/04/12	Hsbc	0.3500	19/04/12	807,000	Hsbc Money Mkt	2
17/04/12	Sterling	0.4000	20/04/12	1,000,000	Coventry BS	3
18/04/12	Hsbc	0.3500	19/04/12	278,000	Hsbc Money Mkt	1
19/04/12	Hsbc	0.3500	20/04/12	445,000	Hsbc Money Mkt	1
20/04/12	Hsbc	0.3500	23/04/12	1,022,000	Hsbc Money Mkt	3
23/04/12	Hsbc	0.3500	24/04/12	1,462,000	Hsbc Money Mkt	1
24/04/12	Hsbc	0.3500	25/04/12	709,000.00	Hsbc Call Account	1
25/04/12	Hsbc	0.3500	27/04/12	309,000.00	Hsbc Call Account	2
27/04/12	Hsbc	0.3500	30/04/12	120,000.00	Hsbc Call Account	3
30/04/12	Hsbc	0.3500	01/05/12	971,000.00	Hsbc Call Account	1
01/05/12	Hsbc	0.3500	02/05/12	271,000.00	Hsbc Call Account	1
01/05/12	Sterling	0.4000	03/05/12	1,274,000	Coventry BS	2
01/05/12	Sterling	0.5500	29/05/12	500,000	NewCastle BS	28
01/05/12	Sterling	0.6200	29/05/12	1,000,000	West Brom BS	28
02/05/12	Hsbc	0.3500	03/05/12	457,000.00	Hsbc Call Account	1
03/05/12	Hsbc	0.3500	04/05/12	845,000.00	Hsbc Call Account	1
04/05/12	Hsbc	0.3500	08/05/12	684,000.00	Hsbc Call Account	4
08/05/12	Hsbc	0.3500	10/05/12	954,000.00	Hsbc Call Account	2
10/05/12	Hsbc	0.3500	11/05/12	1,138,000.00	Hsbc Call Account	1
11/05/12	Hsbc	0.3500	14/05/12	1,087,000.00	Hsbc Call Account	3
14/05/12	Hsbc	0.3500	16/05/12	1,179,000.00	Hsbc Call Account	2
15/05/12	Sterling	0.4000	22/05/12	1,000,000	Coventry BS	7
15/05/12	Sterling	0.4000	25/05/12	1,000,000	Coventry BS	10
15/05/12	Sterling	0.4500	29/05/12	1,190,000	NewCastle BS	14
16/05/12	Hsbc	0.3500	17/05/12	1,358,000.00	Hsbc Call Account	1
17/05/12	Hsbc	0.3500	18/05/12	1,428,000.00	Hsbc Call Account	1
18/05/12	Hsbc	0.3500	21/05/12	1,000,000.00	Hsbc Call Account	3
21/05/12	Hsbc	0.3500	22/05/12	1,148,000.00	Hsbc Call Account	1
22/05/12	Hsbc	0.3500	23/05/12	900,000.00	Hsbc Call Account	1
23/05/12	Hsbc	0.3500	24/05/12	976,000.00	Hsbc Call Account	1
23/05/12	Direct	0.6800	22/06/12	2,000,000	Hsbc Call Account	30
24/05/12	Hsbc	0.3500	29/05/12	1,059,000.00	Hsbc Call Account	1
28/05/12	Sterling	0.4000	29/05/12	1,010,000	Coventry BS	1
29/05/12	Hsbc	0.3500	30/05/12	1,312,000.00	Hsbc Call Account	4
29/05/12	Sterling	0.6000	29/06/12	500,000	NewCastle BS	31
30/05/12	Hsbc	0.3500	31/05/12	329,000.00	Hsbc Call Account	1
31/05/12	Hsbc	0.3500	01/06/12	512,000.00	Hsbc Call Account	1
01/06/12	Sterling	0.4000	06/06/12	2,000,000	Coventry BS	5
01/06/12	Hsbc	0.3500	06/06/12	635,000.00	Hsbc Call Account	1
01/06/12	Sterling	0.6000	02/07/12	1,500,000	Principality BS	29

06/06/12	Sterling	0.4000	07/06/12	1,891,000	Coventry BS	1
06/06/12	Hsbc	0.3500	08/06/12	858,000.00	Hsbc Call Account	5
06/06/12	Sterling	0.5500	06/07/12	500,000	NewCastle BS	24
07/06/12	Sterling	0.4000	08/06/12	992,000	Coventry BS	1
08/06/12	Hsbc	0.3500	12/06/12	558,000.00	Hsbc Call Account	2
12/06/12	Hsbc	0.3500	15/06/12	1,591,000.00	Hsbc Call Account	4
15/06/12	Hsbc	0.3500	18/06/12	1,491,000.00	Hsbc Call Account	3
15/06/12	Sterling	0.3500	19/06/12	1,615,000	Skipton BS	4
15/06/12	Sterling	0.4000	16/07/12	1,000,000	Nationwide	15
15/06/12	Sterling	0.5400	16/07/12	1,000,000	Coventry BS	15
18/06/12	Hsbc	0.3500	19/06/12	791,000.00	Hsbc Call Account	3
19/06/12	Hsbc	0.3500	20/06/12	864,000.00	Hsbc Call Account	1
20/06/12	Hsbc	0.3500	21/06/12	771,000.00	Hsbc Call Account	1
21/06/12	Hsbc	0.3500	22/06/12	896,000.00	Hsbc Call Account	1
22/06/12	Hsbc	0.3500	25/06/12	955,000.00	Hsbc Call Account	1
22/06/12	Direct	0.6000	20/07/12	2,000,000	Hinckley & Rugby	8
25/06/12	Hsbc	0.3500	26/06/12	576,000.00	Hsbc Call Account	3
26/06/12	Hsbc	0.3500	27/06/12	63,000.00	Hsbc Call Account	1
27/06/12	Hsbc	0.3500	28/06/12	20,000.00	Hsbc Call Account	1
28/06/12	Hsbc	0.3500	28/06/12	144,000.00	Hsbc Call Account	1
28/06/12	Hsbc	0.3500	29/06/12	909,000.00	Hsbc Call Account	1
29/06/12	Hsbc	0.3500	02/07/12	989,000.00	Hsbc Call Account	1
				<b>70,078,000</b>		

## Appendix A

INTEREST TO 30TH JUNE	DATE REPAID	Balance
4,273.97	23/05/12	
410.96	01/05/12	
6.94	3/4/12	
180.82	12/4/12	
9.67	5/4/12	
38.98	10/4/12	
2.01	11/4/12	
3.33	12/4/12	
4.99	13/4/12	
120.55	23/4/12	
7.97	16/4/12	
17.81	17/4/12	
115.07	23/4/12	
15.48	19/4/12	
32.88	20/4/12	
2.67	19/4/12	
4.27	20/4/12	
29.40	23/4/12	
14.02	24/4/12	
6.80	25/04/12	
5.93	27/04/12	
3.45	30/04/12	
9.31	01/05/12	
2.60	02/05/12	
27.92	3/5/12	
210.96	29/05/12	
475.62	29/5/12	
4.38	03/05/12	
8.10	04/05/12	
26.24	08/05/12	
18.30	10/05/12	
10.91	11/05/12	
31.27	14/05/12	
22.61	16/05/12	
76.71	22/05/12	
109.59	25/5/12	
205.40	29/5/12	
13.02	17/05/12	
13.69	18/05/12	
28.77	21/05/12	
11.01	22/05/12	
8.63	23/05/12	
9.36	24/05/12	
1,117.81	22/06/12	
10.15	29/05/12	
11.07	29/5/12	
50.32	30/05/12	
254.79	29/6/12	
3.15	31/05/12	
4.91	01/06/12	
109.59	6/6/12	
6.09	06/06/12	
715.07		1,500,000

20.72	7/6/12	
41.14	08/06/12	
180.82		500,000
10.87	8/6/12	
10.70	12/06/12	
61.02	15/06/12	
42.89	18/06/12	
61.95	19/6/12	
164.38		1,000,000
221.92		1,000,000
22.75	19/06/12	
8.28	20/06/12	
7.39	21/06/12	
8.59	22/06/12	
9.16	25/06/12	
263.01		2,000,000
16.57	26/06/12	
0.60	27/06/12	
0.19	28/06/12	
1.38	28/06/12	
8.72	29/06/12	
9.48		989,000
<b>10,088</b>		<b>6,989,000.00</b>



DRAFT ANNUAL GOVERNANCE STATEMENT 2011/12  
REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE  
DIRECTION)

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1. PURPOSE OF REPORT

- 1.1 To provide the committee with the draft Annual Governance Statement 2011/12 ahead of formal approval in September 2012.

2. RECOMMENDATION

- 2.2 That the committee review the draft document ahead of formal approval in September 2012.

3. BACKGROUND TO THE REPORT

- 3.1 The Accounts and Audit Regulations 2011 have established requirements that all local authorities must adhere to in relation to systems of internal control. This has implications for the whole authority and all its services. The regulations require councils to “have a sound system of internal control which facilitates the effective exercise of the council’s functions and which include the arrangements for the management of risk”.
- 3.2 The Council is required to review at least annually the effectiveness of the system of internal controls and make a statement on that alongside the Statement of Accounts.
- 3.3 Whilst the legislation requiring the statement is placed with the Accounts and Audit Regulations **this is not just an accounting or auditing issue. The Annual Governance Statement is a key measure of the overall effectiveness of the Authority.**
- 3.4 As part of the production of the Annual Governance Statement, assurance is required from all services regarding their current systems, procedures and accompanying controls operated. All services were therefore asked to complete a service assurance assessment which has formed part of this statement.
- 3.5 The draft Annual Governance Statement is attached in Appendix 1.
- 3.6 The Annual Governance Statement includes one significant control weakness to bring to this committee’s attention. This relates to the previous qualification of the Council’s Housing Revenue Account Base Data Subsidy Return for 2010/11. An action plan has been put in place to address this issue, the details of which are contained within the statement.

4. FINANCIAL IMPLICATIONS (KB)

None

5. LEGAL IMPLICATIONS

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which it functions, having regard to a combination of economy efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the council's functions and which includes arrangements for the management of risk. The Accounts and Audit Regulations 2011 have established the requirement that all local authorities must adhere to in relation to systems of internal control.

6. CORPORATE PLAN IMPLICATIONS

The Council's governance arrangements are robust

7. CONSULTATION

All members of COB and Middle Managers have been consulted in preparing the Statement.

8. RISK IMPLICATIONS

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

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

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

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

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

None

10. CORPORATE IMPLICATIONS

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

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications

- Human Resources implications
  - Planning Implications
  - Voluntary Sector
- 

Background Papers:      Service Assurance Statements  
                                 Council Policies and Procedures

Author:                      Sanjiv Kohli, Deputy Chief executive, Corporate Direction ext  
                                 5607  
                                 Katherine Bennett Accountancy Manager ext 5609

Executive Member:      Councillor KWP Lynch

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## The Annual Governance Statement

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### **SCOPE OF RESPONSIBILITY**

Hinckley and Bosworth Borough Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement and to ensure economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of corporate governance which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

Hinckley and Bosworth Borough Council has approved and adopted a code of corporate governance (The Constitution) which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the Constitution can be found on the Council's website at *Services>Council & Democracy>Councillors, democracy and elections*. This statement explains how the Council has complied with the Constitution and also meets the requirements of regulation 4 (2) of the Accounts and Audit Regulations 2011.

In overall terms this is a positive statement for the financial year 2011/12. This document relies on several assurance mechanisms including internal audit, the work of Council committees and external audit.

### **THE PURPOSE OF THE SYSTEM OF CORPORATE GOVERNANCE**

The system of corporate governance is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of corporate governance is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's objectives, to evaluate the likelihood and impact of these risks, and to manage them efficiently, effectively and economically.

The governance framework comprises the systems processes and culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievements of its strategic objectives whether those objectives have led to the delivery of appropriate, cost-effective services

The governance framework has been in place at the Council for the year ended 31 March 2012 and up to the date of the approval of the Statement of Accounts

### **THE INTERNAL CONTROL ENVIRONMENT**

CIPFA's "*Delivering Good Governance in Local Government: Guidance Note for English Authorities*" outlines that the principles of good governance are:

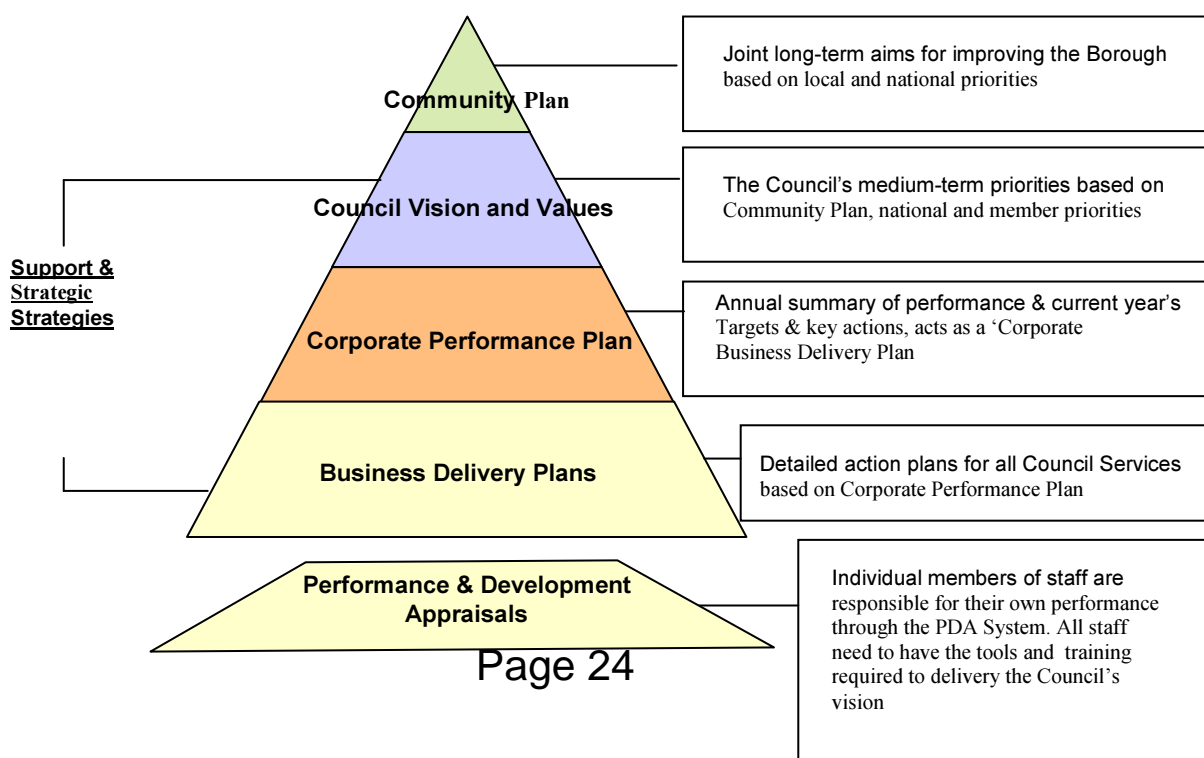
## Annual Governance Statement

- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective; and
- Engaging with local people and other stakeholders to ensure robust accountability.

The key elements of the Council's internal control environment and governance framework are outlined below.

- The Council's Community Plan developed by the Local Strategic Partnership for the period 2010-2015 sets out the long-term aims of the Borough and drives the Corporate Performance Plan and Medium Term Financial Strategy. The Council's Corporate Plan for the period 2010-2015 provides residents, councilors and staff with a clear idea of Council's long-term vision to improve the quality of life for residents and make Hinckley and Bosworth a 'Borough to be Proud Of'. The plan outlines five corporate aims which guide all decisions made by the Council.
- The Council uses plans and strategies at all levels of the organisation to plan and monitor the achievement of its aims and objective. At a corporate level the system is governed by the Corporate Planning Framework which is represented by the diagram below. The Council's objectives are reflected in Service Improvement Plans which outline how each department will achieve the corporate aims within a three year period. Progress achieved against these plans are managed through the TEN performance management system on a monthly basis as part of the Service Managers' team briefings chaired by the Council's two Deputy Chief Executives, on a quarterly basis by the Council's joint Management Boards, and annually in the Corporate Performance Plan.

### Hinckley & Bosworth Borough Council – Corporate Planning Framework



## Annual Governance Statement

- The Council's financial strategy is outlined in the Medium Term Financial Strategy 2011/12-2014/15 which was approved by the Scrutiny Commission in January 2012 and by full Council on 23<sup>rd</sup> February 2012. The document outlines eleven financial objectives which the Council looks to achieve in order to resolve the continuing pressure of service requirements in the context of available resources. Alongside this, the Council has put in place a Housing Revenue Account (HRA) Business Plan which sets out how the Council will respond and operate under the new scheme of self financing.
- The system of internal financial control is based on a budgetary control framework which is based on the following principals:
  - Preparation of comprehensive annual budgets and a Medium Term Financial Strategy to examine the financial health of the Council ;
  - Preparation of regular financial reports for member committees which indicate actual expenditure against forecasts;
  - Disaggregated reporting at both a fund and cost centre level to ensure that stakeholders receive information to inform decisions; and
  - Inclusion of financial implications in all committee reports.

The Council's budgetary control system is reviewed each year by internal audit and in 2011/12 received a "green" rating.

- As a key element of internal control, the internal audit function operates a risk-based approach to its work and carries out its duties in accordance with the CIPFA *Code of Practice*. Internal audit reports are performed in accordance with the approved Plan. Internal audit review each scoped area against a set of system controls agreed with management at the start of the visit and within the overall framework of system control objectives. The findings of internal audit, including any recommendations are reported to, and scrutinised by, the Finance and Audit and Performance Committee at each meeting. This Committee Select undertakes the core functions of an Audit Committee as set out in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*
- The Corporate Planning Framework is underpinned by a number of strategies which identify how the support services of the Council will reinforce and sustain the front line services that the Council provides. These include the:
  - Asset Management Strategy;
  - Capital Strategy;
  - Human Resources Strategy;
  - ICT Strategy;
  - Medium Term Financial Strategy;
  - Risk Management Strategy; and
  - Procurement Strategy.
- The Council's strategic documents outline how specific services will be provided to the Borough in the medium to long term. These strategies include the Cultural Strategy, Green Space Strategy, Hinckley Town Centre Master Plan, Local Development Framework and Leicestershire Waste Management Strategy.
- Council policies are produced in accordance with the Constitution and are recommended for approval following review by senior management. Decision-making that falls within the policy and budgetary framework rests with the Council's Executive, whilst those falling outside the framework are

## Annual Governance Statement

referred to full Council. The call-in procedure enables the Scrutiny Commission to review decisions made by Executive (although the major focus of the overview and scrutiny function involvement is through policy development rather than policy review). Day to day decision-making is carried out by appropriate officers in accordance with the Scheme of Delegated Powers and the Financial Procedure Rules. These arrangements all contribute to the economic, efficient and effective operation of the Council.

- The standards of behaviour expected from members and officers are set out in member/officer codes of conduct. A register of members' interests is maintained. All members are required to complete 'related party' declarations at the end of the financial year in support of the statutory financial statements. Members' allowances are published and a member's allowance scheme is included in the Constitution.
- The Constitution, Financial Procedure Rules, Whistle Blowing Policy and the Anti-fraud and Corruption Policy set the rules and standards within which Council business is conducted and provide the mechanisms for dealing with any failures in these procedures. The Standards Committee monitors the performance of members, senior officers and the Council's committees. The Council's decision making practices are guided by the values as set out in the corporate plan.
- The Constitution also includes provisions for the governance of partnerships the Council is part of. A separate constitution or terms of reference is in place for all partnerships which outlines their respective roles and responsibilities. Quarterly dashboards are produced to plot how partnerships are helping the Council achieve its strategic objectives. Significant partnerships that the Council is involved with include the Community Safety Partnership, Leicestershire Waste Partnership and Leicestershire Together.
- The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two statutory officers (Section 151 Officer and the Monitoring Officer) have responsibility for ensuring that the Council does not act in an ultra vires manner. Management are supported by the internal audit function, which facilitates the management and mitigation of risk and provides assurance on matters of internal control. The Human Resources function, through the use of workforce development reviews assess and provide a means of improving competencies to ensure that officers are equipped to discharge their duties in accordance with the requirements of the Council. The Council's financial management arrangements conform with the governance arrangements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)*.
- The Communication and Engagement Strategy outlines how the Council will engage with local people and stakeholders through means such as the Community Plan, public meetings and the citizen's panel. A number of public consultations have taken place in year on pertinent issues including

## Annual Governance Statement

crime, Burbage conservation area and housing tenancy. The Council communicates to residents through Borough Bulletin which is circulated to all residents each quarter. Regular staff communication is ensured through the staff and management notice boards and regular briefings held by the management team.

- The Council regularly measures performance through a suite of performance indicators managed on the TEN system. All indicators are mapped to corporate priorities and are embedded within individual Service Improvement Plans. Each month figures are entered by managers before the database is locked to maintain accuracy in reporting. These reports show all performance indicators in and are allocated to individual Executive Member leads. The reports are presented to Strategic Leadership Board, Scrutiny Commission and the Executive. The reports provide the following information for each of these indicators:
  - Performance for current year;
  - The target set for current year;
  - Performance in the previous year;
  - Targets for the next three years;
  - An explanation of performance and the targets set; and
  - Data Quality Checks

The Council is committed to continuous improvement. This was proved by the fact that in 2008/09 the Council sought a CPA re-assessment and was re-categorised as an “excellent” authority. This was a recognition of all the work that had been undertaken since 2004 to implement and embed the improvement actions identified in the 2004 inspection.

- The Council’s performance management regime is supported by risk management processes. The Risk Management Strategy outlines how best practice risk management processes are embedded into the Council’s operations. Operational risk registers are maintained on the TEN system and all managers are required to assess the impact and likelihood of risks as well as mitigating controls and action plans to reduce their severity. Quarterly reports on the risk position are taken to Finance, Audit and Performance Committee and Executive.

### **REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review is reported by internal audit in their Annual Report, Chief Officers through their service assurance returns and also by comments made by the external auditors and other review agencies and inspectorates.

#### **Internal Audit**

Internal audit is provided in accordance with the statutory responsibility under S151 of the Local Government Act 1972, the *Accounts and Audit Regulations*

## Annual Governance Statement

2011 and to the professional standards of the *CIPFA Code of Practice for Internal Audit in Local Government*.

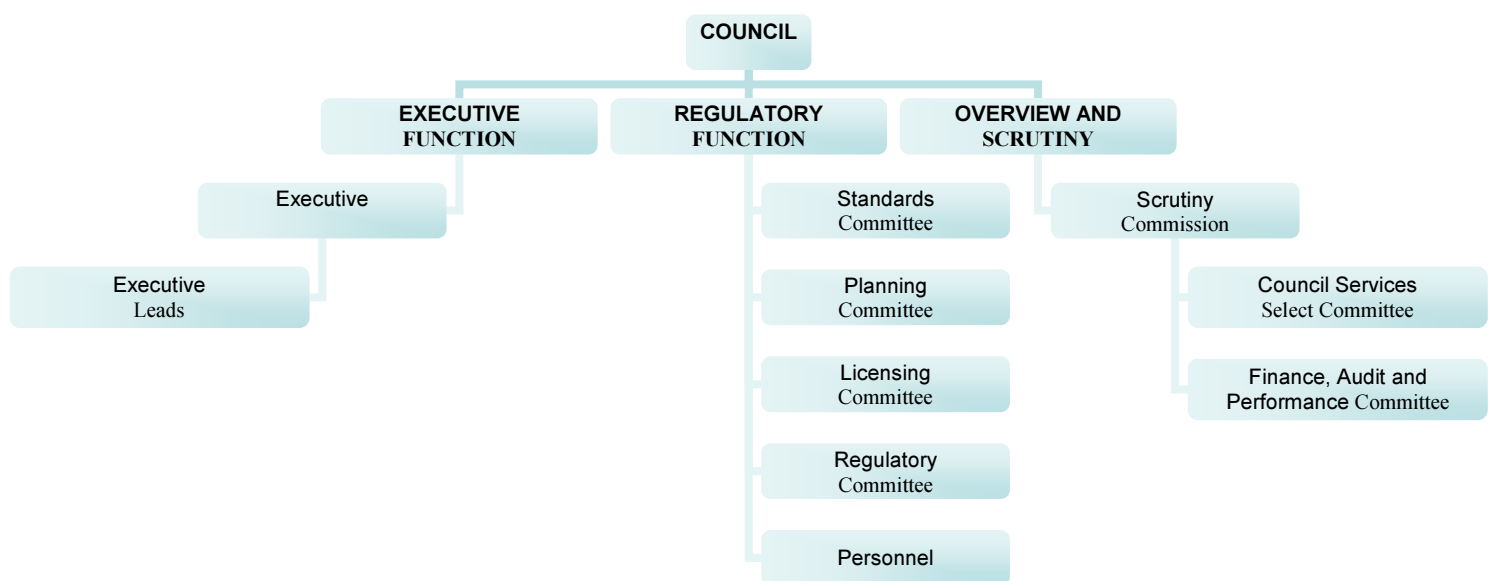
The Council's internal audit service has been outsourced to RSM Tenon, for 2011/12. Internal audit delivers its work in accordance with best practice and complies with the requirements of the Government Internal Audit Standard, CIPFA Code and other relevant CCAB standards. RSM Tenon report through the section 151 Officer who is the responsible financial officer for the Council. The section 151 then submits reports to the Finance, Audit and Performance Committee, which in turn derives its terms of reference from the Scrutiny Commission. Audit recommendations are followed up in a timely manner based upon the priority of the recommendation.

RSM Tenon acting as Chief Internal Auditor provide an annual assurance opinion which comments on the adequacy and effectiveness of the system of internal control. In their 2011/12 Annual Audit Report presented to Finance Audit and Performance Committee on 26 March 2012, RSM Tenon issued an "green" rating for the Council's governance and control systems and an "amber" rating for risk management."

The effectiveness of the internal financial controls are also reviewed annually by the external auditor whose Management Letter is considered formally by the Executive.

### Council Structure

The diagram below sets out the Council's democratic decision making arrangements



## Annual Governance Statement

The Constitution sets out the essential elements of the scrutiny processes that are administered by the Scrutiny Commission and the Select Committees. It describes the functions and membership of the Select Committees and refers to the Select Committee and Scrutiny Procedure Rules. Decisions of the Executive are subject to scrutiny by the Scrutiny Commission and two Select Committees, one responsible for Council Services and the other for Finance Audit and Performance. The Scrutiny Commission and Select Committees also have a role in policy development. In addition, task groups are established to oversee ad-hoc projects.

The Scrutiny Commission publishes an Annual Report and a work programme that available on the internet and from the Council on request. In addition, the Council publishes a rolling Forward Plan. This plan provides details of the key decisions that are planned to be taken over the following four month period.

Chapter 7 of the Localism Act 2011 outlined that there is no longer a statutory requirement to have a Standards Committee, however each Council will need to put in place arrangements dealing with complaints and standards issues. The Standards Committee met in January and April 2012 to consider their response to the proposals. The committee's preference is to adopt a common code in collaboration with other local authorities in Leicester, Leicestershire and Rutland.

### Officers

Each year all services are required to conduct a self-assessment of the adequacy of controls in place to manage principal business risks. This statement evaluates the effectiveness of procedures, systems and controls, highlights areas for improvement and actions intended to address these. Action plans are incorporated in the service planning process.

### **SIGNIFICANT INTERNAL CONTROL ISSUES**

The review of effectiveness has been considered in order to identify any significant control weaknesses that should be addressed by the Council.

### Prior year issues

The Annual Governance Statement produced in prior years identified a significant control weakness relating to over spends in the housing repairs service. The Council continued to closely monitor the spend of the external contractor in 2011/12 which resulted in an under spend against budget of £165k from April-September 2011. A decision was made to bring the housing repairs service back in house in October 2011. From this point to the end of the financial year, the Council run service secured an additional saving of approximately £300k.

Annual Governance Statement

2011/12 Significant Control Weaknesses

The Council's External Auditors (PricewaterhouseCoopers LLP) qualified the Council's Housing Revenue Account Base Data Subsidy Return for 2010/11 due to issues with the accuracy of stock information included in the return. The data recorded on the Council's Orchard system could not be verified to supporting documentation and as such, the auditors were unable to provide assurance on its accuracy. This qualification was reported to the DCLG.

In response to this issue, the Council has set up a dedicated project team to organise the collation of stock data. A full verification process was commissioned in June 2012 to obtain updated data on all Council assets. The Council has worked alongside PricewaterhouseCoopers LLP to agree a methodology for this process. The results of this data will be reported to the DCLG in order to ascertain any impact on the Council's Housing Revenue Account.

.....  
Steve Atkinson MA(Oxon) MBA FioD FRSA  
Chief Executive  
Date.....

.....  
Stuart Bray  
Leader of the Council  
Date .....



## FINANCE, AUDIT AND PERFORMANCE COMMITTEE – 20 AUGUST 2012

### REPORT OF THE DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

#### RE DRAFT OUTTURN 2011/12

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#### 1. PURPOSE OF REPORT

To inform the committee of the financial outturn for 2011/12.

#### 2. RECOMMENDATIONS

2.1 That the committee note the report

#### 3. BACKGROUND

3.1 In February 2011 the Council adopted a General Fund Budget for 2011/12 which indicated that £12.143m would be spent on services with £0.254m to be transferred from General Fund Balances and a net £0.430m being transferred from Earmarked Reserves. After taking account of further adjustments to the budget, year end adjustments and savings identified in year, the final budget showed £10.382m being spent on services with £0.232m being transferred to Earmarked Reserves and £0.653m being taken to Earmarked Reserves.

	Budget £000	Actual £000	Movement from Budget £000
Budget Requirement	9,931	9,795	(136)
Non Service Specific Grant Income	9,677	9,677	0
New Homes Bonus	0	350	350
Available for transfer to balances or reserves	(684)	885	1,569
Transfer to/(from) balances	(254)	232	486
Transfer to/(from) Reserves	(430)	653	1,083
Net Budget Requirement	10,462	10,268	(194)

**Table 1: General Fund Outturn Summary**

	Original 2011/12 £000	Revised 2011/12 £000	Provisional Actual 2011/12 £000
Service Costs	12,143	12,762	10,382
Less items not chargeable to Council Tax included above			
Capital Accounting	(1,133)	(1,491)	(1,173)
Pensions re IAS19	(170)	(170)	199
Total Deduction	(1,303)	(1,661)	(974)
Gross Cost of Services	10,840	11,101	9,408
Net interest paid	52	52	86
Met from Taxation & Grants	10,892	11,153	9,494
Council Tax	3,584	3,584	3,584
RSG & NNDR	5,972	5,972	5,972
Council Tax Freeze Grant	105	105	105
New Homes Bonus	0	0	350
Collection Fund Surplus/(Deficit)	15	15	15
Total Tax & Grants	9,677	9,677	10,027
Suggested transfers to/(from) Balances and Reserves			
Earmarked Reserves	(430)	(489)	653
Balances	(254)	(456)	232
Grants and contributions	0	0	(15)
Carry Forward of spend	0	0	136

A full list of the budgeted and proposed contributions to or from Reserves is shown in table 2.

3.2 The major variations can be summarised as follows

	£000's (Under spend)/Overspend
<u>Expenditure</u>	
Salary savings across all service areas	(309)
Council offices - deferral of consultancy costs for depot relocation and additional rent and room hire income	(129)
Planning policy - deferral of expenditure on external traffic assessments	(127)
<u>Income</u>	
Council Tax Benefit – additional legal costs recovered	(62)

Recycling - increased income from Blue Bin rentals and excess recycling credits. Savings from recycling improvements, agency costs and fuel	(190)
Additional recovery of benefit overpayments and larger subsidy income	(229)
Car Parking – income ahead of budget	(57)

In addition, the Council was allocated additional grant income from New Homes Bonus of £350,000 which was prudently not budgeted for. A contribution of 25% (£87,500) of this additional income was made to the Parish Councils.

### 3.3. Adjustments/variances due to application of Accounting Code of Practice

In compiling the above table a number of transactions that need to be included in the cost of services in the Statement of Accounts but are taken out “below the line” in determining the movement on the General Fund Balance have been included in the above table. These transactions arise from the receipt of information during the closedown process and relate to matters that are not determinable at the time the budget is prepared so no provision is made in the Cost of services or “below the line” in the statement of movements in the General Fund Balance. In 2011/12 two major adjustments were required to bring the Accounts into line with the requirements of the Code of Practice and should be taken into account when interpreting the budget position:

These adjustments which total a net £963,318 are:-

- a) A credit in respect of current service costs of pensions of £1,011,296 representing an increase in the present value of the pension scheme’s liabilities.
- b) A debit of £57,000 as a result of Curtailment costs identified in the Actuary’s valuation of the Pensions Liability/Assets
- c) A credit of £15,022 in respect of grants and contributions that had been received before they are applied to finance expenditure which under the requirements of IFRS need to be taken to the Revenue Account in the year they are received and any unapplied portion be transferred to an unapplied grants and contributions reserve.

3.4 Given the timing of this report, there are a number of transactions that will not be finalised until the completion of the Statement of Accounts. These relate to the treatment of s106 monies and any movement in the value of the Council’s asset base. These movements will not impact on the reported bottom line and are revised out for the purposes of Council Tax. These amounts will be reported to the next meeting as part of the full Statement of Accounts.

3.5 Members have a choice as to whether they wish to transfer some or all of the realised underspend to the General Fund Balance or whether they wish to transfer some of the underspend to specific earmarked reserves to address future pressures on service areas.

#### Recommended Transfers to Earmarked Reserve Transfers

3.6 When the original Budget was approved by Council in February 2011 it was proposed that a net £430,000 would be transferred from Reserves. The revised Budget increase this by a further £58,730.

Table 2 below sets out the actual contributions to and from Reserves against planned transfers in the original budget. In a number of cases, spend on projects has not been incurred in year and therefore additional funds have been transferred to reserves or planned contributions have not occurred in line with budget. In the case of the Future Rental Management Reserve, the Council received £250,000 at the year end from the Hinckley Hub developer which has been transferred to reserves to mitigate against any potential future movements in rental indices.

**Table 2: Summary of changes to planned contributions to/from Reserves 2011/12**

	Planned contributions to reserves	Actual contributions to reserves	Planned contributions from reserves	Actual contributions from reserves
	£000's	£000's	£000's	£000's
Commutation & Feasibility Reserve	0	50	125	10
Benefits Reserve	0	100	0	0
Local Plan Procedure	68	68	115	17
Relocation Reserve	0	135	0	0
Future Capital Projects Reserve	0	125	0	0
Building Control Reserve	0	70	0	0
ICT Reserve	0	13	50	0
Waste Management Reserve	0	82	0	0
Planning Delivery Grant Reserve	0	0	0	44
Election Reserve	25	45	80	68
Atkins Reserve	0	9	0	0
Future Rental Management Reserve	0	250	0	0

After the suggested transfers the total of earmarked General Fund revenue reserves available would be £3.891m (including Special Expenses). A complete list of the proposed closing Reserves position is set out in the table in **Appendix 1**.

General Fund Balances

3.7 It is recommended that a total of £0.232m be transferred to General Fund Balances at 31 March 2012. This would leave a total closing balance of £2.249m (including Special Expenses balances). This meets the criteria of having 10% of net budget requirement held in balances. (The closing net budget requirement for 2011/12 being £10.268m)

Carry Forward of 2011/12 budgets

3.8 In a number of cases budget managers have requested that the under spend in their budget(s) be carried forward to 2012/13 because of delays in committing expenditure or a need to defer income. Requests totalling a net £386,798 have been received (to be funded as detailed below).

Source of Funding	Amount (£)
General Fund Balances	136,093
Reserves	180,705

Housing Revenue Account balances	70,000
Total	386,798

3.9 Details of the requests received and those recommended for approval are shown in **Appendix 2**.

#### Housing Revenue Account

3.10 In February 2012, the Council adopted a re-forecasted Housing Revenue Account Revised Budget which forecasted that £218,450 would be taken from the HRA Balance. The Outturn figure is for £9,223 to be taken to balances. (A net underspend of £227,673). The main reasons for this underspend are explained as follows:-

	£000's (Under spend)/Overspend
Employees - salary savings from restructure (e.g. provision of warden services)	(74)
Central and administrative expenses recharge lower than budget due to reduced headcount and legal charges	(62)
Supplies and Services – underspends on furniture and equipment maintenance in addition to a decrease in legal and consultancy fees following transfer of housing repairs service	(28)
Increase in dwelling rents due to good turnaround of void properties	(80)

It is recommended that the total underspend be transferred to HRA Balances. This would leave a closing balance of £1.699million.

#### Housing Repairs Account

The Revised Estimate showed that an amount of £76,170 would be added to the Housing Repairs Account balance however the outturn position increases this to £210,284 (a net underspend of £134,114). This has principally arisen from

	£000's (Under spend)/Overspend
Savings on salaries and agency costs due to vacant posts and restructure of the service	(36)
Under spend on consultancy and legal fees which were no longer required following transfer of the repairs service back in house	(30)
Under spend on service provision of programmed repairs following the end of the outsourced contract	(79)

### 3.11 Capital

#### 3.11.1 General Fund Capital Programme

The General Fund Capital Programme was under-spent by £1.121m due to delays in a number of schemes including:

- Community Major and Minor Works (£211,000)
- Burbage Common (£154,000)
- Depot relocation (£158,000)
- Disabled Facilities Adaptations (£80,000)
- ICT Upgrades (£100,000)

A total of £971,000 has been requested to be carried forward. A summary of these requests are included in **Appendix 3**.

#### 3.11.2 Housing Revenue Account (HRA) Capital Programme

The HRA Capital Programme was under spent by £536,000 made up principally of under spends on the Major Void and Programmed enhancements schemes of £292,000 and £171,000 respectively.

## 4 FINANCIAL IMPLICATIONS

These are contained in the report.

## 5 LEGAL IMPLICATIONS

These are contained within the report.

## 6 CORPORATE PLAN IMPLICATIONS

This report contributes to the achievement of the following Corporate Plan Priorities:

- The Council sets a balanced budget that meets all requirements of the Council and is aligned to the priorities of the Council and its citizens
- The Council's major projects are completed to time and to budget
- The Council's financial standing is maintained and the finances remain healthy over the period of the plan

## 7 RISK IMPLICATIONS

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

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

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

<b>Management of Significant (Net Red) Risks</b>		
<b>Risk Description</b>	<b>Mitigating Actions</b>	<b>Owner</b>
None		

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

There are none.

**9. CORPORATE IMPLICATIONS**

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

- Community Safety Implications
- Environmental Implications
- ICT Implications
- Asset Management Implications
- Human Resources Implications

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Background Papers: Civica Authority Financials reports  
Closedown files

Author: Sanjiv Kohli, Deputy Chief executive, Corporate Direction  
ext 5607  
Katherine Bennett Accountancy Manager ext 5609

Executive Member: Councillor KWP Lynch

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## Appendix 1

### Reserves at 31<sup>st</sup> March 2012

<b>Code</b>	<b>Description</b>	<b>31/03/2012</b>
y4507	Commutation & Feasibility Reserve	-288,219
y4508	Benefits Reserve	-271,370
y4512	Local Plan Procedure	-440,490
y4515	Historic Buildings Loan Fund	-14,000
y4516	Relocation Reserve	-317,000
y4517	Future Capital Projects	-611,000
y4518	Modern.E Gov Reserve	-2,500
y4519	Greenfields Reserve	-19,000
y4531	Major Repairs Reserve	0
y4537	Disaster Reserve (Corporate & I T)	0
y4541	Building Control Reserve	-133,512
y4544	Land Charges Reserve	-50,851
y4547	Pensions Contribution	-48,761
y4561	ICT Reserve	-253,500
y4562	Waste Management Reserve	-242,765
y4564	Project Management/Master Plan Reserve	-333,000
y4565	Shared Services Reserve	-74,000
y4568	Grounds Maintenance H&S Reserve	-25,000
y4569	Planning Delivery Grant Reserve	-172,173
y4570	Flexible Working Reserve	-15,000
y4571	IFRS Capacity Support Reserve	-2,277
y4573	Freedom of Information Training Reserve	-3,000
y4575	New Performance Improvement Reserve	-10,000
y4577	Corporate Services (1) Reserve	0
y4579	Housing Energy Cert Training Reserve	-10,500
y4580	Finance Capacity Fund Reserve	-20,103
y4581	Well Being Fund Reserve	-70,000
y4582	Workforce Strategy Reserve	-3,000
y4587	Election Reserve	-62,000
y4592	Grounds Maintenance	-49,720
y4593	Legal Costs	0
y4595	Transformation	-50,000
y4510	Special Expenses	-47,881
y4513	Atkins	0
y4509	Hub Future Rental Management Reserve	-250,000
<b>Earmarked Reserves</b>		<b>-3,890,622</b>
<b>Unapplied Grants and Contributions</b>		
y4522	UG&C Non S106 Developer Contributions	-42,008
y4524	UG&C Section 106 Reserve	-514,395
y4525	UG&C Unapplied Conts Earmarked Reserve	-119,235
y4526	UG&C Other Open Space Receipts	-17,211
y4527	UG&C POS Reserve	-193,155
y4528	UG&C Ferndale Grove & Netherley Crt adop	-61,323
<b>Unapplied Grants and Contributions</b>		<b>-947,327</b>
<b>General Fund Total All reserves</b>		<b>-4,837,949</b>

## Appendix 2 – Carry Forwards to 2012/13

Detail	Amount (£)	General Fund (£)	HRA (£)	Reserves (£)
Economic Development/ Contributions -Atkins Development - Area resident parking scheme-Druid Street Trinity Lane improvements associated with new college- To be funded from Section 111 Contributions.	16,670			16,670
ICT Consultancy -ICT Health Check not undertaken in March due to alignment of Services at Oadby & Wigston. Delayed until May 12	5,250	5,250		
Depot Relocation - Consultancy Fees- budget to support initial stage of capital project. Likely to be capitalised upon completion of project	41,955	25,000		16,955
Customer Contact Centre/Training - Delay in sign language training	750	750		
Accountancy/Training - Due to restructure training will be required as part of the skills and knowledge transfer	6,000	6,000		
Creditors/Salaries - Savings from vacant creditors post to be used to fund utilities monitoring system	9,200	9,200		
Cashiers/Software & Maintenance -Delay in paye.net project. 50% Payment at start of project and 50% on Completion	4,000	4,000		
Legal Services/Computer Software- Delay in new case management system	3,730	3,730		
Mayors Civic expenses - outstanding balance on mayors budgets due to the mayoral year being different from the financial year	6,865	6,865		
Bus Station CPO/Hired & contracted- Expenditure in relation to the bus station CPO- Cross charged back to Developer	12,320	12,320		
Bus Station CPO/ Private Sector Contributions- Income in relation to the bus station CPO- Cross charged back to Developer	-12,320	-12,320		
Enforcement/Hired & Contracted- Section 215 Enforcement Direct Action cases requiring action in 2012/13	4,130	4,130		
Planning Delivery Grant Development Control - Back Scanning Fees - delays in undertaking work	6,470			6,470
Planning Policy/Earl Shilton & Barwell SUE- Delay in SUE Project funded by LDF Reserve	116,120			116,120
Planning Policy/Earl Shilton & Barwell Highways- Funds from HCA to fund Paramedics transport modelling for Barwell & Earl Shilton SUE- Delay due to issues with the LLITM Model	15,280	15,280		
Planning Policy/Earl Shilton & Barwell Highways- Funds from HCA to fund Paramedics transport modelling for Barwell & Earl Shilton SUE- Delay due to issues with the LLITM Model	-15,280	-15,280		
Planning Aid- Neighbourhood Planning - Funds received in respect of production of Market Bosworth Neighbourhood development plan.- Delay in project	20,000	20,000		

Planning Aid- Neighbourhood Planning - Funds received in respect of production of Market Bosworth Neighbourhood development plan.- Delay in project	-20,000	-20,000		
Community Infrastructure Levy/Consultancy Fees-Delay in project	6,340			6,340
Earl Shilton Masterplan Growth Point/ Consultancy Fees- Ongoing consultancy support for the Examination in public for the Earl Shilton and Barwell Area Action Plan	29,250	29,250		
Earl Shilton Masterplan Growth Point/ Consultancy Fees- Ongoing consultancy support for the Examination in public for the Earl Shilton and Barwell Area Action Plan	-25,200	-25,200		
Health & Well Being- Minor Projects- Grant from Public Health which is ring fenced for the delivery of the small grant scheme- Delay in finalising projects	4,000	4,000		
Health & Well Being Contributions from Other bodies- Grant from Public Health which is ring fenced for the delivery of the small grant scheme-Delay in finalising projects. 50% payment upfront & 50% on completion	-4,000	-4,000		
Sportivate/Contributions- ring fenced funding from County Sports Partnership payments made 50% in advance 50% in arrears	2,500	2,500		
Sportivate/Contributions from other bodies- ring fenced funding from County Sports Partnership payments made 50% in advance 50% in arrears	-2,500	-2,500		
Leisure Promotion/Consultancy- Appointing RTP Consulting - works commenced in March 2012 and phase 1 is due for completion before July 2012	18,150			18,150
Positive Action for Young People - Positive Activities - Ring fenced external funding to be used in summer 2012	9,950	9,950		
Positive Action for Young People - Positive Activities - Ring fenced external funding to be used in summer 2012	-9,950	-9,950		
Children & Young People- Minor projects-Earmarked for additional safeguarding training - multi Agency & Joint training with LSCB	1,000	1,000		
Open & Training Fund - Ring fenced grant received from County Sports Partnership to fund training of local physical activity instructors some courses have run over into the new year	1,460	1,460		
Open & Training Fund - Ring fenced grant received from County Sports Partnership to fund training of local physical activity instructors some courses have run over into the new year	-1,460	-1,460		
GP Referral Scheme - ring fenced funding from PCT	5,200	5,200		
GP Referral Scheme - ring fenced funding from PCT	-5,200	-5,200		
Programmed Repairs - Central Heating Service- Contracted price less than expected- Budget to be used for boiler renewal at Castle Court	70,000		70,000	
Housing Repairs DSO/Hired & Contracted - Budget earmarked for tree work to be done by the Grounds Maintenance teams	8,000	8,000		

Housing Repairs DSO/Corporate Communications - Delay in new signage for Vehicles	8,000	8,000		
Housing Repairs DSO/Computer Software - Delay in acquisition of new system- Orchard required to carry out extra work in conjunction with new Contractor ICT system- Cost for interface to Civica & Job Tracking system	30,000	30,000		
General Fund Housing - Deferral of salary and training costs for projects due to take place in 12/13	20,118	20,118		
<b>TOTAL</b>	<b>386,798</b>	<b>136,093</b>	<b>70,000</b>	<b>180,705</b>

### Appendix 3

Description	Original Budget £	Latest Budget £	Budget to Date £	Actual £	Variance £	c fwds £	Under spend £
<b>General Fund</b>							
Community Direction	736,350	1,056,708	1,056,708	670,214	386,494	310,000	76,494
Business, Contract and Streetscene Services	591,750	1,470,045	1,470,045	1,208,017	262,028	248,710	13,318
Corporate Direction	696,520	997,177	997,177	525,042	472,135	411,987	60,148
	<b>2,024,620</b>	<b>3,523,930</b>	<b>3,523,930</b>	<b>2,403,272</b>	<b>1,120,658</b>	<b>970,698</b>	<b>149,960</b>
<b>HRA</b>	<b>2,593,880</b>	<b>70,666,296</b>	<b>3,014,293</b>	<b>70,129,851</b>	<b>536,445</b>	<b>266,000</b>	<b>270,445</b>
<b>Grand Total</b>	<b>4,618,500</b>	<b>74,190,226</b>	<b>6,538,223</b>	<b>72,533,123</b>	<b>1,657,103</b>	<b>1,236,698</b>	<b>420,405</b>

#### Carry Forwards by scheme

Scheme	C fwds £
Disabled Facilities Grant	310,000
<b>Total Community Direction</b>	<b>310,000</b>

Queens Park	-669
Richmond Park Play Area	18,560
Burbage Common	153,821
Memorial Safety Programme	5,156
Churchyard Repairs	2,370
Grounds Maintenance Machinery	2,580
Parks : Major Works	4,916
Billa Barra Footpath Enhancement	10,980
Parish & Community Initiatives	22,297
Blue Recycling Bin project	28,700
<b>Total Business, Contract and Streetscene Services</b>	<b>248,710</b>

Financial Systems	13,386
Electronic Meter Reading	20,000
Asset Management Enhancement Works	48,005
Council Office Relocation	47,810
Depot Relocation	158,000
HR/Payroll System	2,086
General Renewal -Extensions	35,100
Members IT	39,370
Rolling Server Review	43,230
Transformation	5,000
<b>Total Corporate Direction</b>	<b>411,987</b>

Tenant Led Community Projects	20,000
Overdue Programmed repairs	66,000
New Housing Repairs System	70,000
Orchard System (Housing Management) Upgrade	110,000
<b>Total HRA</b>	<b>266,000</b>

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**REVENUE AND CAPITAL OUTTURN – 1<sup>ST</sup> QUARTER 2012/3**  
**REPORT OF DEPUTY CHIEF EXECUTIVE – (CORPORATE  
DIRECTION)**

1. **PURPOSE OF REPORT**

1.1 To inform members of the revenue and capital outturn at the end of the first quarter 2012/13

2. **RECOMMENDATION**

2.1 That the committee notes the report

3. **BACKGROUND TO THE REPORT**

3.1 Attached to this report are detailed schedules showing a comparison of actual and budgeted income and expenditure for the quarter ended 30 June 2012.

**General Fund**

3.2 When the budget was approved by Council in February 2012 it was anticipated that £452,616 would be taken from balances (with an additional £57,600 from special expenses) and a net £364,450 transferred to Reserves.

3.3 Since that date £47,009 of supplementary budgets have been approved. In addition to this, budget managers have requested that the under spend in their budget(s) be carried forward to 2012/13 because of delays in committing expenditure or a need to defer income. Requests totaling a net £386,798 have been received (to be funded as detailed below) and will be presented to Council for approval in September 2012.

Source of Funding	Amount (£)
Carry Forward Reserve	136,093
Other Earmarked Reserves	180,705
Housing Revenue Account balances	70,000
Total	386,798

3.4 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 £50k have been summarised as follows:

	Timing Differences	Outturn variances	Explanation
	<b>£000's Under spend/(Overspend)</b>		
Council Tax Benefit	69	-	Quarter 1 contributions to be made to the Revenues & Benefits Partnership were not posted until July
Council Tax/NNDR	108	-	
Rent allowances	53	-	
Rent allowances	251	-	Additional housing subsidy received
DSO Housing Repairs	67	-	Underspends on employee costs
DSO Housing Repairs	74	-	Subcontractor budget underspent. To be reviewed to establish any impact on outturn

DSO Housing Repairs	(621)	-	Recharges of direct costs from the DSO are made at periodic intervals. This is consistent with previous years.
Homelessness	103	-	Bond Repayments income. Difference will be cleared by a prepayment journal at year end to ensure cash is accounted for in correct year
Recycling	55	-	Kerbside recycling invoices not processed in line with profile. Profile to be revised
Recycling	(279)	-	Profile of income received through County Council Recycling Credits has changed. Profile to be revised
Refuse Collection	54	-	Vehicle lease invoices processed later than budget profile
Planning Policy	68	-	SUE funding received in advance in previous year. To be applied later in year
ICT Support	186	-	Steria contract invoices for April and May were in dispute and were not approved until July
Legal/Admin	(82)		HRA and Revenues and Benefits element of Support Services to be recharged
Housing (General Fund)		(58)	Forecast reduction in income from housing benefit subsidy payment
Development Control	140	80	Increase in development control income estimated for year
Various	-	148	Salary savings identified across all service areas

3.5 Based on these forecasts, the Council is projecting that £437,023 will be taken from balances (with £82,770 from special expenses) and a net £423,550 transferred to Reserves. The Council is currently undergoing a review of earmarked reserves and any movement from balances and between reserves will be reflected in the quarter 2 outturn report to this committee.

#### Capital

3.6 £655,993 has been spent on capital schemes to the end of June 2012 against a budget for that period of £1,169,242. This is mainly due to slippages on schemes that will be deferred to later in the year.

#### Housing Revenue Account

3.7 At the present time it is anticipated that the HRA outturn surplus will be £611,980 as against an approved budget of £561,990. This reflects a net underspend of £50,000 which relates to a number of vacant posts within housing. Use of the HRA regeneration reserve has been included in the Council's review of reserves and any changes in this reserve will be reflected in the quarter 2 report to this committee.

#### 4. FINANCIAL IMPLICATIONS (KB)

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



5. LEGAL IMPLICATIONS (AB)

None raised directly by this report

6. CORPORATE PLAN IMPLICATIONS

None

7. CONSULTATION

All budget holders have been consulted in collating the information for this report.

8. RISK IMPLICATIONS

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

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

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

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

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

None

10. CORPORATE IMPLICATIONS

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

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

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Background Papers: Civica Financial Files

Author: Sanjiv Kohli, Director of Finance ext 5607  
Katherine Bennett Accountancy Manager ext 5609

Executive Member: Councillor KWP Lynch

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# Hinckley & Bosworth Borough Council

## Monthly Outturn Reports

For the period 1 April to 31 March 2012

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June 2012 Budget Monitoring Summary 2012/13

Service	Supplementary		Latest Budget used for Monitoring ledger	recharges	Budget per Monitoring Report	Estimated Outturn Variations	Estimated Outturn
	Budget as per Feb 12 budget Book	Budgets/virements approved to date					
Central Services	3,065,320	30	3,065,350	-1,294,020	1,771,330	35,000	3,100,350
Leisure & Environment	6,464,520	8,827	6,473,347	-1,386,460	5,086,887	-52,000	6,421,347
Housing (GF)	1,161,000	0	1,161,000	-323,890	837,110	48,000	1,209,000
Planning	1,178,290	38,902	1,217,192	-1,070,880	146,312	-55,000	1,162,192
Direct Services Organisation	-53,190	0	-53,190	-89,630	-142,820	0	-53,190
Support Services	11,060	1,650	12,710	4,164,880	4,177,590	-47,000	-34,290
Estimated Salary Savings	0	0	0	0	0	-158,102	-158,102
Increments and Pay award budget adj	0	0	0	0	0	0	0
Corporate Savings recovered above	-100,000	0	-100,000	0	-100,000	100,000	0
New Homes Bonus Parish allocations	0	0	0	0	0	0	0
<b>TOTAL SERVICE EXPENDITURE</b>	<b>11,727,000</b>	<b>49,409</b>	<b>11,776,409</b>	<b>0</b>	<b>11,776,409</b>	<b>-129,102</b>	<b>11,647,307</b>
Special Expenses	-549,500		-549,500		-549,500		-549,500
Capital Accounting	-1,461,900		-1,461,900		-1,461,900		-1,461,900
External Interest - Net	92,720		92,720		92,720	5,000	97,720
FRS 17 adjustment	-13,910		-13,910		-13,910		-13,910
Transfer to Pension Reserve	119,030		119,030		119,030		119,030
Transfer to Reserves	592,720		592,720		592,720	-68,000	524,720
Use of Reserves	-228,270	-2,400	-230,670		-230,670	129,500	-101,170
<b>BUDGET REQUIREMENT</b>	<b>10,277,890</b>	<b>47,009</b>	<b>10,324,899</b>	<b>0</b>	<b>10,324,899</b>	<b>-62,602</b>	<b>10,262,297</b>
Financing							
Council Tax	3,614,949		3,614,949		3,614,949		3,614,949
Council Tax Freeze Grant	105,810		105,810		105,810		105,810
Revenue Support Grant	102,163		102,163		102,163		102,163
National Non-Domestic Rate	5,270,283		5,270,283		5,270,283		5,270,283
New Homes Bonus	711,292		711,292		711,292		711,292
Collection Fund Surplus	20,777		20,777		20,777		20,777
<b>TOTAL RESOURCES (HBBC BUDGET)</b>	<b>9,825,274</b>	<b>0</b>	<b>9,825,274</b>	<b>0</b>	<b>9,825,274</b>	<b>0</b>	<b>9,825,274</b>
<b>Movement in General Fund Balances</b>	<b>-452,616</b>	<b>-47,009</b>	<b>-499,625</b>		<b>-499,625</b>	<b>62,602</b>	<b>-437,023</b>
Special Expenses							
Expenditure	549,500		549,500		549,500	0	549,500
Council Tax Income	552,860		552,860		552,860		552,860
<b>Movement in Special Expenses Balances</b>	<b>3,360</b>	<b>0</b>	<b>3,360</b>	<b>0</b>	<b>3,360</b>	<b>0</b>	<b>3,360</b>
Special Expenses to / (from) Reserves	60,960	-5,790	55,170		55,170		55,170
Special Expenses mvt in Balances	-57,600	-25,170	-82,770		-82,770	0	-82,770
<b>Total Movement in Balances</b>	<b>-510,216</b>	<b>-72,179</b>	<b>-582,395</b>	<b>0</b>	<b>-582,395</b>	<b>62,602</b>	<b>-519,793</b>
Balance at 1 April 2012 Council Feb 12	2,175,000	0	2,175,000		2,175,000		2,175,000
Year 11/12 underspend	118,000	118,000	118,000		118,000		118,000
Revised Balance 1st April 2012	2,175,000	118,000	2,293,000	0	2,293,000	0	2,293,000
Balance at 31 March 2012	1,664,784	-72,179	1,710,605		1,710,605	62,602	1,773,207
<b>NBR</b>	<b>10,827,390</b>	<b>47,009</b>	<b>10,874,399</b>	<b>0</b>	<b>10,874,399</b>	<b>-62,602</b>	<b>10,811,797</b>

Level 5		Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2012/13	Forecast Outturn	Forecast Variation to Year End	REF
as45	Central Services	131,724	126,876	4,848		4,848	688,990	688,990		
as40	Corporate Management	9,496	5,125	4,371		4,371	38,260	38,260		
as35	Corporate Management (Chive)	-1,411,156	-1,486,292	75,136	74,000	1,136	116,990	151,990	-35,000	1.1
as75	Council Tax Benefit	161,017	63,589	97,428	100,000	-2,572	297,630	297,630		
as90	Council Tax / NDR	6,785	6,248	537		537	34,230	34,230		
as65	Emergency Planning	178,133	177,863	270		270	452,700	452,700		
as70	General Grants	4,663	2,604	2,059		2,059	8,660	8,660		
as70	Local Land Charges	32,339	36,467	-4,128		-4,128	133,850	133,850		
as60	Register and Borough Elections	<b>-886,999</b>	<b>-1,067,520</b>	<b>180,521</b>	<b>174,000</b>	<b>6,521</b>	<b>1,771,330</b>	<b>1,806,330</b>	<b>-35,000</b>	
cs04	Direct Services Organisation	-7,270	-11,668	4,398		4,398	-112,750	-112,750		
cs05	DSO Grounds Maintenance	2,949	364,146	-361,197	-361,000	-197	-30,070	-30,070		
	DSO Housing Repairs	<b>-4,321</b>	<b>352,478</b>	<b>-356,799</b>	<b>-361,000</b>	<b>4,201</b>	<b>-142,820</b>	<b>-142,820</b>	<b>0</b>	
ag40	Housing (Gen Fund)	11,280	-27,912	39,192	43,000	-3,808	13,400	13,400		
ag50	Benefits Fraud	5,388	5,385	3		3	21,540	21,540		
ag20	Contribution to Housing Rev Ac	-1,275	-1,676	401		401	-5,100	-5,100		
ag55	Forest Road Garages	37,776	-137,401	175,177	174,000	1,177	150,250	150,250		
ag10	Homelessness	187	189	-2		-2	250	250		
ag10	Housing Advances	11,401	11,218	183		183	45,270	45,270		
ag80	Housing Strategy	51,930	53,195	-1,265		-1,265	668,670	668,670		
ag70	Private Sector Housing	-5,465	-362,489	357,024	313,000	44,024	-57,170	-57,170		
ag30	Rent Allowances	<b>111,202</b>	<b>-459,493</b>	<b>570,695</b>	<b>530,000</b>	<b>40,695</b>	<b>837,110</b>	<b>885,110</b>	<b>-48,000</b>	<b>3.1</b>
ac65	Housing (Gen Fund)	135	-2,851	2,986		2,986	7,450	7,450		
ac05	Leisure & Environment	48,189	29,134	19,055	11,180	7,875	167,610	167,610		
ac90	Gemeteries	81,520	23,257	58,263	57,000	1,263	44,920	44,920		
as85	Children and Young People	117,303	75,596	41,707	22,000	19,707	424,272	424,272		
ac70	Community Safety	31,067	27,742	3,325	-6,160	9,485	126,150	126,150		
ac87	Countyside Management	6,160	13,220	-7,060	-5,000	-2,060	34,250	34,250		
ac45	Creative Communities	13,617	10,294	3,323	3,000	323	38,070	38,070		
ac35	Dog Warden Service	146,768	122,564	24,204	20,000	4,204	538,810	538,810		
ac40	Environmental Health	5,685	4,165	1,520	2,000	-480	26,040	26,040		
ac60	Land Drainage	119,301	122,240	-2,939		-2,939	316,450	316,450		
ac89	Leisure Centre	6,125	14,631	-8,506	-4,000	-4,506	48,170	52,170	-4,000	4.5
ac95	Leisure Promotion	16,942	7,672	9,270	10,000	-730	-8,860	-8,860		
ac88	Licences	145,060	107,773	37,287	35,000	2,287	583,700	583,700		
ac30	Parks	9,413	14,716	-5,303	-5,000	-303	50,800	50,800		
ac10	Pest Control	18,711	11,163	7,548	4,000	3,548	35,870	35,870		
ac20	Public Conveniences	40,547	205,568	-165,021	-184,000	18,979	705,500	687,500	18,000	4.6
ac15	Recycling	314,394	233,766	80,628	75,000	5,628	965,130	952,130	13,000	4.7
ac83	Refuse Collection	26,698	-15,919	42,617	40,000	2,617	113,545	113,545		
ac25	Sports Development	229,619	201,633	28,186	20,000	8,186	807,560	807,560		
cs03	Street Cleansing	19,388	-8,109	27,497	6,000	21,497	61,450	36,450	25,000	4.9
	Waste Business Improvements	<b>1,396,842</b>	<b>1,198,255</b>	<b>198,587</b>	<b>101,020</b>	<b>97,567</b>	<b>5,086,887</b>	<b>5,034,887</b>	<b>52,000</b>	

General Fund Service Area 2012/13 Monthly Outturn to 30/06/2012

Level 5	Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2012/13	Forecast Outturn	Forecast Variation to Year End	REF
aq15	12,602	-12,113	24,715	18,000	6,715	36,470	36,470		5.1
aq20	19,919	19,519	400		400	-233,510	-233,510		
aq70	16,482	12,866	3,616		3,616	65,520	65,520		
aq11	61,791	-105,831	167,622	4,500	163,122	261,795	181,795	80,000	5.2
aq14	60,296	46,946	13,350	7,000	6,350	200,000	200,000		5.3
aq13	1,923	2,086	-163		-163	7,690	7,690		
aq05	13,870	14,210	-340		-340	67,930	67,930		
aq35	-129,715	-140,592	10,877	3,000	7,877	-606,920	-606,920		5.4
ac75	15,216	21,821	-6,605		-6,605	-14,220	10,780	-25,000	5.5
aq30	8,778	18,212	-9,434	-5,000	-4,434	-6,993	-6,993		
aq12	82,558	9,240	73,618	74,000	-383	325,990	325,990		
aq25	6,629	6,003	626		626	2,100	2,100		
aq75	10,324	9,024	1,300		1,300	40,460	40,460		
<b>Planning</b>	<b>180,973</b>	<b>-98,608</b>	<b>279,581</b>	<b>101,500</b>	<b>178,081</b>	<b>146,312</b>	<b>91,312</b>	<b>55,000</b>	
as05	68,846	54,722	14,124	7,000	7,124	386,890	386,890		6.1
as07	45,533	45,886	-353		-353	189,220	189,220		
as45	153,501	149,662	3,839		3,839	603,400	603,400		
as25	222,858	223,061	-203	3,000	-3,203	596,570	596,570		
as15	185,845	172,556	13,289	13,000	289	721,900	721,900		
as20	562,292	372,787	189,505	186,000	3,505	1,549,440	1,543,440	36,000	6.2
as10	319,173	292,109	27,064	-14,000	41,064	1,279,840	1,268,840	11,000	6.3
as06	10,274	8,755	1,519		1,519	41,360	41,360		
	-285,493	-212,265	-73,228	-73,228	0	-1,141,970	-1,141,970		
	-12,265	-3,599	-8,666	-8,666	0	-49,060	-49,060		
<b>Support Services Holding A/c</b>	<b>1,270,565</b>	<b>1,103,874</b>	<b>166,691</b>	<b>113,106</b>	<b>53,784</b>	<b>4,177,590</b>	<b>4,130,590</b>	<b>47,000</b>	
<b>Position as at 30/06/2012</b>	<b>2,068,262</b>	<b>1,028,786</b>	<b>1,039,476</b>	<b>658,626</b>	<b>380,849</b>	<b>11,876,409</b>	<b>11,805,409</b>	<b>71,000</b>	
<b>Estimated salary underspend</b>								<b>158,102</b>	
								<b>228,102</b>	

## Summary of Timing Differences in Variations

Monthly Outturn Report 1st April to 30th June 2012

Under spends/(Overspends) caused by timing differences

Council Tax Benefit	Contribution to Partnership - Underspend to date in Partnership mainly due to Employee and IT Costs Quarter 1 Contributions to be made to the Revenues & Benefits Partnership - posted in July	5,000 69,000	<b>74,000</b>
Council Tax/ NNDR	Quarter 1 Contributions to be made to the Revenues & Benefits Partnership - posted in July Journal to Recode of Summons costs to Partnership in July 2012	108,000 (8,000)	<b>100,000</b>
DSO Housing Repairs	Under spend on Employee costs, delay in training £9k, vacancies and unallocated budgets £51k, Agency £9k £14k under spend on fuel costs, £6k under spend on vehicle hire contract Awaiting invoices for materials Accrual for ICT no longer required Underspend on subcontractor budget - to be reviewed Other supplies and services under spends - budget to be reviewed Direct costs and overheads on jobs not charged	67,000 22,000 42,000 9,000 74,000 46,000 (621,000)	<b>(361,000)</b>
Benefit Fraud	Contribution to Partnership - Underspend to date in Partnership mainly due to Employee and IT Costs Quarter 1 Contributions to be made to the Revenues & Benefits Partnership - posted in July	9,000 34,000	<b>43,000</b>
Homelessness	Prevention expenditure not in line with Budget profile. Demand led budget Grant to Next generation budget to be re-profiled Prevention & Bond repayments - will be cleared by prepayment journal at Year End Government Grant receipts brought forward from last year Mortgage Support Scheme Income. Expenditure approved by Council. Budget to be profiled	9,000 (8,000) 103,000 20,000 50,000	<b>174,000</b>
Rent Allowances	Contribution to Partnership - Underspend to date in Partnership mainly due to Employee and IT Costs Quarter 1 Contributions to be made to the Revenues & Benefits Partnership - posted in July Additional Subsidy received	9,000 53,000 251,000	<b>313,000</b>
Cemeteries	Training - Accrued expenditure not yet incurred Computer Software - Accrued expenditure not yet incurred, budget needs re-profiling	1,680 9,500	<b>11,180</b>
Children & Young People	Commissioning Fund - budget to be re-profiled Contributions from other bodies - includes £38k payments in advance "Positive Action for Young People" - spend needs to be re-profiled	9,000 43,000 5,000	<b>57,000</b>
Community Safety	Income carried forward for parish activities Minor Project Funding Beacon scheme - income received in advance	24,000 (8,000) 6,000	<b>22,000</b>
Countryside Management	Stepping stones contribution - budget needs to be re-profiled Contributions from external bodies yet to be received for Countryside activities	3,940 (10,100)	<b>(6,160)</b>
Creative Communities	Arts Development Fund - funding to be received	(5,000)	<b>(5,000)</b>
Dog Warden Service	Dog Warden Leasing cost of vehicles- Invoice processed earlier than budget profile Dog Warde Hired & Contract- Invoices processed later than the budget profile Dog Warden Kennelling- Invoices processed earlier than the budget profile	(1,000) 5,000 (1,000)	<b>3,000</b>
Environmental Health	Registration income received earlier than the budgeted profile Other net variances	18,000 2,000	<b>20,000</b>
Leisure Promotion	NNDR - refund due from Old Boys Club when sold	(4,000)	<b>(4,000)</b>
Licences	Premises licences Fees income received earlier than the budgeted profile Taxis MOT inspection invoices processed later than the budgeted profile Other net variances	6,000 3,000 1,000	<b>10,000</b>
Land Drainage	Land drainage hired contracted services invoices later than the budget profile	2,000	<b>2,000</b>
Parks	Grounds maintenance - work accrual Electricity - Accrual brought forward, expenditure not yet incurred Effluent treatment - Accrual brought forward, expenditure not yet incurred Equipment maintenance - Accrual brought forward, expenditure not yet incurred Materials - accrue for expenditure	5,000 9,000 9,000 9,000 3,000	<b>35,000</b>
Pest Control	Pest control Leasing cost of vehicles until Sep 12 invoiced before the budget profile Pest control income later than the budget profile - demand led	(2,000) (3,000)	

			(5,000)
Public Conveniences	Delay in Receipt of PHS Invoices	4,000	4,000
Recycling	Vehicle lease costs - SFS invoices processed later than budget profile Insurance recharges - offset below Kerbside Recycling - Palm invoices not processed in line with Budget LCC Recycling Credits - funding profile from County has changed so Budget needs re-profiling	35,000 5,000 55,000 (279,000)	(184,000)
Refuse Collection	Agency invoices processed later than budget profile Fuel invoices not processed in line with Budget profile Vehicle lease costs - SFS invoices processed later than budget profile Insurance - recharges offset above	12,000 14,000 54,000 (5,000)	75,000
Sports Development	Contributions for Sports and Physical Activities from LCC received ahead of profile	40,000	40,000
Street Cleansing	Vehicle lease costs - SFS invoices processed later than budget profile Equipment purchase and maintenance expenditure not in line with Budget profile Invoices for work charged to Housing not processed in line with Budget profile	22,000 6,000 (8,000)	20,000
Waste Business Improvements	Recycling Improvement spend not in line with Budget profile	6,000	6,000
Building Inspection	Salaries - costs to be transferred from another cost centre Shared Services Employees - salaries - awaiting costs to be billed for the first quarter Subscriptions - budget needs to be re-profiled	9,000 6,000 3,000	18,000
Development Control	Shared Services Employees - salaries - awaiting costs to be billed for the first quarter Computer Software - budget needs to be re-profiled Ordinance Survey - Accrued expenditure not yet incurred	6,500 (6,000) 4,000	4,500
Economic Development	Payments to MIRA requiring accrual Contributions from Outside Bodies - Budget needs to be re-profiled	9,000 (2,000)	7,000
Industrial Estates	Outstanding Accruals for Metered Water	3,000	3,000
Miscellaneous Properties	Quarter 1 Service Charge invoices on Atkins Building Outstanding Accrual re Bus Stop on Lower Bond Street	(12,000) 7,000	(5,000)
Planning Policy	SUE funding carried forward/received in advance. To be applied Accrue spend on Gypsy needs assessment	68,000 6,000	74,000
Asset Management	Delay in payment of Cleaning Invoices for May 2012	7,000	7,000
Council Offices	Delay in Receipt of Chubb Invoices for Fire Alarm & Security Contracts	3,000	3,000
Finance Support	Accountancy Salaries - Saving Maternity Leave Accountancy Shared Service- Delay in invoicing of Shared Services costs Accountancy & Procurement Training expenditure later than the budget profile Procurement Salaries - Vacant Post Internal Audit Section Audit Fees expenses later than budget profile Accountancy Consultancy Fees expenditure in later period than the budget profile Cashiers Computer Software Maintenance & Upgrade-Carry forward input in July. Cashiers ALLPAY Council Tax expenditure later than the budget profile Cashiers ALLPAY Rents- expenditure later than the budget profile Debtor Legal Costs recovered later than the budget profile	3,000 4,000 3,000 2,000 4,000 4,000 (8,000) 1,000 1,000 (1,000)	13,000
IT Support	Monthly Steria Contract invoices for April and May were in dispute and have not been approved until July ICT Health Check Audit was delayed in March and carried out in May - Budget Carry Forward request submitted - Not yet approved on the ledger Subscriptions- Invoice not received for FAST Compliance Program Renewal	186,000 (3,000) 3,000	186,000
Legal/Administration	Medical Fees (HR) - Recharge not completed to charge Service areas for April to June Employees - HR Shared Service invoices for May & June not yet received Legal Fees - Accruals for Legal costs from 2011/12- Invoices not yet received Legal Costs Recovered Income - £17k Accrual for Costs recovered from CLG. Payment to be received at the end of July HRA and Revenues and Benefits element of Support Services	(2,000) 2,000 3,000 (17,000) (81,894)	(95,894)
<b>TOTAL TIMING DIFFERENCES</b>			<b>658,626</b>



**Outturn Explanations June 2012**

	<b>Forecasted year end variations</b>
<b>1</b>	<b>Central Services</b>
<b>1.1</b>	➤ Council Tax - Year End-Subsidy Impact - Reduction in Income - Council Tax Benefit
<b>2</b>	<b>Direct Service Organisations</b>
	➤ None to report
<b>3</b>	<b>Housing (General Fund)</b>
<b>3.1</b>	➤ Rent Allowances - £33k Additional recovery of benefit overpayments, £11k Additional DHP Income Year End-Subsidy Impact - Reduction in Income - Housing Benefit
<b>4</b>	<b>Leisure &amp; Environment</b>
<b>4.1</b>	➤ Cemeteries - £4k additional income in burial fees, other smaller underspends £4k
<b>4.2</b>	➤ Community Safety - £20K Salary savings
<b>4.3</b>	➤ Countryside Management - salary underspend £6k, grounds maintenance under spend £3k
<b>4.4</b>	➤ Environmental Health - salary savings to date
<b>4.5</b>	➤ Leisure Promotion- NNDR Charges relating to the Boys Club Year end (£4k )
<b>4.6</b>	➤ Recycling - £5k fuel under spend, £4k under spend on Brown Bin lease, £11k saving on Collection Contracts, other minor variances (£1k) Year End - £13k fuel savings, £4k Brown Bin lease savings, £11k Collection Contracts, £20k Recycling Improvements savings arising from deferral of Food Waste scheme, (£30k) loss of income from Recycling Credits on Street Sweepings.
<b>4.7</b>	➤ Refuse - £5k fuel under spend- Year End £13k Fuel savings
<b>4.8</b>	➤ Street Cleansing - £8k Agency under spend against Budget
<b>4.9</b>	➤ Waste Business Improvements - disposal charges lower than Budget & paper prices better than Budget Year End - £25k surplus income from trade collections - income billed to year end
<b>5</b>	<b>Planning</b>
<b>5.1</b>	➤ Building Inspection- Planning fees income up £8k, small overspends (£1k)
<b>5.2</b>	➤ Development Control - income up £140k, (Year end £80k additional Income) salaries underspend £12k, legal underspend £6k, other smaller variances £5k
<b>5.3</b>	➤ Economic Development - Consultancy fees underspend £4k, small other underspends £2k
<b>5.4</b>	➤ Industrial Estates - (£1k) additional NNDR on Vacant rental properties, £4k Insurance, £5k Additional rental income
<b>5.5</b>	➤ Markets - reduced income (£7k) Year end (£25k) Shortfall in income
<b>6</b>	<b>Support Services Holding A/c</b>
<b>6.1</b>	➤ Asset Management - £7k variance on Florence House Service Charge
<b>6.2</b>	➤ IT Support- £2k Salary Savings, £2k Minor Variances. Year End £36k Shared Service income from new shared Service arrangements for 2012/13 only
<b>6.3</b>	➤ Legal & Admin - £19k Salaries - vacant posts, £9k Postage savings following transfer of Revenues & Benefits postage (£6k Year End), £8k additional Legal Fees/Shared Service income (£5k Year end), £2k Annual Vacancy subscription - may be required to make further payments if we advertise over the set number of advertisements, £3k Minor variances

<b>Total (over)/under spend</b>
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<b>Estimated salary (over)/under spend</b>
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<b>Forecasted year end saving</b>
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**Capital Programme Summary  
30th Jun 2012**

<b>Description</b>	<b>Original Budget</b>	<b>Latest Budget</b>	<b>Budget to Date</b>	<b>Actual</b>	<b>Variance</b>
<b>General Fund</b>					
Community Direction	662,350	1,011,447	165,714	42,032	123,682
Business, Contract and Streetscene Services	422,240	670,951	158,444	100,082	58,363
Corporate Direction	2,453,100	2,865,097	491,244	470,187	21,057
	<b>3,537,690</b>	<b>4,547,495</b>	<b>815,402</b>	<b>612,301</b>	<b>203,101</b>
<b>HRA</b>	<b>2,123,040</b>	<b>2,279,040</b>	<b>353,840</b>	<b>43,693</b>	<b>310,147</b>
<b>Grand Total</b>	<b>5,660,730</b>	<b>6,826,535</b>	<b>1,169,242</b>	<b>655,993</b>	<b>513,249</b>

The "Latest Budget" include carry forward requests from 11/12

30th Jun 2012  
Community Direction

Code	Description	Orig Budget	Latest Budget	Budget to Date	Actual	Variance
roa	Major Works Grants	190,000	190,000	47,538	0	47,538
rob	Disabled Facilities Grant	295,000	605,000	73,806	25,167	48,639
roc	Grant to Home Improvement Agency	37,350	37,350	9,342	5,749	3,593
roh	Minor Works Grants	90,000	90,000	22,518	1,874	20,644
		<b>612,350</b>	<b>922,350</b>	<b>153,204</b>	<b>32,790</b>	<b>120,414</b>
ssm	Planning Plotter	0	0	0	0	0
rji	Wall Improvements Barwell	0	675	0.00	0	0
rjc	Borough Improvements	50,000	66,903	12,510	5,845	6,665
rbd	Brodick Rd Woodland & Wildlife Area	0	7,019	0	0	0
rjn	Sports in Desford Grant	0	0	0	0	0
rjq	Shop Front Improvements Barwell	0	14,500	0	3,397	(3,397)
		<b>50,000</b>	<b>89,097</b>	<b>12,510</b>	<b>9,242</b>	<b>3,268</b>
	Grand Total	<b>662,350</b>	<b>1,011,447</b>	<b>165,714</b>	<b>42,032</b>	<b>123,682</b>

Business, Contract and Streetscene Services

rab	Queens Park	0	(669)	0	0	0
raf	Richmond Park Play Area	218,560	237,120	54,681	0	54,681
rah	Langdale Rec	0	0	0	0	0
rak	Ashby Road Cemetery Extension	0	0	0	0	0
rbc	Burbage Common	0	153,821	38,455	49,314	(10,859)
ran	Memorial Safety Programme	0	5,156	0	40	(40)
ray	Cemeteries Booking System	0	0	0	0	0
raz	Churchyard Repairs	0	2,370	0	0	0
rba	Hollycroft Park	0	0	0	0	0
rbb	Queens Park Play improvements	0	0	0	0	0
rbe	Stock Proof and Grazing Scheme	0	0	0	0	0
rci	Grounds Maintenance Machinery	0	2,580	0	0	0
rcl	Street Sweeper	0	0	0	0	0
rfn	Parks : Major Works	40,740	45,656	10,191	5,653	4,538
rfp	Billa Barra Footpath Enhancement	0	10,980	0	0	0
r99	Parish & Community Initiatives	100,000	122,297	25,020	4,739	20,281
	Clarendon Park	0	0	0	0	0
rkt	Resurfacing Car Parks	0	0	0	0	0
rck	Blue Recycling Bin project	62,940	28,700	14350	13,104	1,246
rce	Recycling Containers	62,940	62,940	15,747	27,232	(11,485)
		<b>422,240</b>	<b>670,951</b>	<b>158,444</b>	<b>100,082</b>	<b>58,363</b>

30th Jun 2012  
Corporate Direction

Code	Description	Orig Budget	Latest Budget	Budget to Date	Actual	Variance
ssd	Financial Systems	0	13,396	0	0	0
		<b>0</b>	<b>13,396</b>	<b>0</b>	<b>0</b>	<b>0</b>
rjd	Atkins Building Conversion	0	0	0	360	(360)
spm	Atkins Top Floor Conversion P3	60,900	60,900	15,237	0	15,237
spg	Greenfields Development	0	0	0	0	0
spj	Electronic Meter Reading	0	20,000	0	0	0
spi	Leisure Centre Enhancement	0	0	0	0	0
spv	Asset Management Enhancement Works	50,000	98,005	0	0	0
spk	Council Office Relocation	448,200	496,010	0	1,258	(1,258)
spl	Depot Relocation	1,500,000	1,658,000	465,000	464,220	780
sqc	Argentis Mead Demolition	350,000	350,000	0	0	0
		<b>2,409,100</b>	<b>2,682,915</b>	<b>480,237</b>	<b>465,837</b>	<b>14,400</b>
ssl	HR/Payroll System	0	2,086	0	0	0
		<b>0</b>	<b>2,086</b>	<b>0</b>	<b>0</b>	<b>0</b>
ssa	General Renewal -Extensions	14,000	49,100	3,501	4,483	(982)
ssg	Members IT	0	39,370	0	0	0
ssj	GIS Upgrade	0	0	0	0	0
ssk	Public & Consultee ICT Access Upgrade	0	0	0	0	0
ssx	Rolling Server Review	30,000	73,230	7,506	0	7,506
		<b>44,000</b>	<b>161,700</b>	<b>11,007</b>	<b>4,483</b>	<b>6,524</b>
suh	Shared Revenues and Benefits	0	0	0	0	0
stp	Flexible Working/Relocation	0	0	0	0	0
stt	Mobile Working/Flexible Working Project	0	0	0	0	0
suq	Transformation	0	5,000	0	(134)	134
suk	Revenues and Benefits Relocation	0	0	0	0	0
		<b>0</b>	<b>5,000</b>	<b>0</b>	<b>(134)</b>	<b>134</b>
		<b>2,453,100</b>	<b>2,865,097</b>	<b>491,244</b>	<b>470,187</b>	<b>21,057</b>

30th Jun 2012

HRA

Code	Description	Orig Budget	Latest Budget	Budget to Date	Actual	Variance
saa	Adaptation Of Dwellings	357,150	357,150	59,525	32,933	26,592
sae	Major Void Enhancements	744,150	744,150	124,025	-14,086	138,111
saf	Programmed Enhancements	252,730	318,730	42,122	15,157	26,965
sah	Electrical Testing/Upgrading	109,110	109,110	18,185	19,641	-1,456
sai	Windows : Single to Double Glazing	20,000	20,000	3,333	1,004	2,330
sak	Re-Roofing	32,910	32,910	5,485	-872	6,357
sbh	Kitchen Upgrades	293,210	293,210	48,868	-39,833	88,701
sbw	Boiler replacement	282,620	282,620	47,103	24,792	22,311
sbx	Low maintenance doors	31,160	31,160	5,193	4,957	237
san	Tenant Led Community Projects	0	20,000	0	0	0
sum	Housing Repairs Software System	0	70,000	0	0	0
sap	Orchard System Upgrade	111,290	111,290	18,548	0	18,548
	<b>Total</b>	<b>2,123,040</b>	<b>2,279,040</b>	<b>353,840</b>	<b>43,693</b>	<b>310,147</b>

The "Latest Budget" include carry forward requests from 11/12

Majority of costs for the first 3 months to be recharged.

Housing Revenue Account

Code		2012/13 ORIGINAL ESTIMATE £	2012/13 BUDGET To Jun 12 £	2012/13 ACTUAL To Jun 12 £	VARIANCE TO DATE £	F'CASTED YEAR END VARIANCE £	Ref
	<b>SUMMARY HOUSING REVENUE ACCOUNT</b>						
	<b>INCOME</b>						
iab/t1005	Dwelling Rents	(11,608,250)	(2,902,063)	(2,896,552)	(5,511)	-	
iac, iae, iag t-codes	Non Dwelling Rents	(72,380)	(25,658)	(26,819)	1,161	-	
iaa/t5025, t5030, t5035	Contributions to Exp	(15,830)	(3,959)	(3,958)	(1)	-	
ykb?/t5020	Transfer from Major Repairs Reserve	(818,740)	(204,685)	(204,685)	-	-	
		<b>(12,515,200)</b>	<b>(3,136,365)</b>	<b>(3,132,014)</b>	<b>(4,351)</b>	<b>-</b>	
	<b>EXPENDITURE</b>						
bg10	Supervision & Management (General)	1,421,930	429,299	308,438	120,861	13,000	1
bg12	Supervision & Management (Special)	593,220	144,787	30,051	114,736	37,000	1
iaa/c8000	Contribution to Housing Repairs A/C	2,400,000	600,480	600,000	480	-	
iaa/q1015	Depreciation (Item 8 Debit)	2,935,470	734,454	733,868	586	-	
iaa/q1020	Capital Charges : Debt Management	3,770	7,260	6,819	441	-	
iaa/g9045	Increase in Provision for Bad Debts	50,000	(9,640)	(9,640)	-	-	
iaa/q2010	Interest on Borrowing	1,808,580	439,998	(22,880)	462,878	-	2
		<b>9,212,970</b>	<b>2,346,638</b>	<b>1,646,656</b>	<b>699,982</b>	<b>50,000</b>	
	<b>Net Cost / (Income) of Services</b>	<b>(3,302,230)</b>	<b>(789,727)</b>	<b>(1,485,358)</b>	<b>695,632</b>	<b>50,000</b>	
iaa/t3030 & t3049	Interest Receivable	(650)	(9,640)	(1,361)	(8,279)	-	
b70	FRS17 Adjustment / Accumulated Absences	(2,120)	(530)	(530)	-	-	
	<b>Net Operating Expenditure / (Income)</b>	<b>(3,305,000)</b>	<b>(799,897)</b>	<b>(1,487,249)</b>	<b>687,353</b>	<b>50,000</b>	
	<b>CONTRIBUTIONS</b>						
q9960	Contribution to Piper Alarm Reserve	10,400	2,600	2,600	-	-	
	Contribution to Pension Reserve	12,890	3,223	3,223	-	-	
	Transfer to Regeneration Reserve	2,719,720	-	-	-	-	
	<b>Deficit / (Surplus)</b>	<b>(561,990)</b>	<b>(794,074)</b>	<b>(1,481,427)</b>	<b>687,353</b>	<b>50,000</b>	

**Explanations for Variances**

1 - See page below for S&M variances

2 - Credit amount relates to prior year accrual. Interest to be paid on self financing loans every six months. Budget to be re-profiled

Housing Revenue Account

	2012/13 LATEST ESTIMATE £	2012/13 BUDGET To Jun 12 £	2012/13 ACTUAL To Jun 12 £	VARIANCE £	Ref
<b>bg10 iba-ibd</b>	<b>SUPERVISION &amp; MANAGEMENT (GENERAL)</b>				
Employees	572,570	142,520	127,246	15,274	1
Premises Related Expenditure	95,390	76,089	70,355	5,734	
Transport Related Expenditure	17,510	4,380	4,889	(509)	
Supplies & Services	116,970	40,051	1,753	38,298	2
Central & Administrative Expenses	672,420	168,215	113,467	54,748	3
<b>Gross Expenditure</b>	<b>1,474,860</b>	<b>431,255</b>	<b>317,710</b>	<b>113,545</b>	
<b>Revenue Income</b>	<b>(52,930)</b>	<b>(1,956)</b>	<b>(9,272)</b>	<b>7,316</b>	4
<b>Net Expenditure to HRA</b>	<b>1,421,930</b>	<b>429,299</b>	<b>308,438</b>	<b>120,861</b>	
<b>bg12 ica-idx</b>	<b>SUPERVISION &amp; MANAGEMENT (SPECIAL)</b>				
Employees	574,110	142,441	120,439	22,002	5
Premises Related Expenditure	380,750	104,721	61,268	43,453	6
Transport Related Expenditure	11,640	2,926	2,738	188	
Supplies & Services	134,960	21,725	8,134	13,591	7
Central & Administrative Expenses	166,870	41,859	37,752	4,107	
<b>Gross Expenditure</b>	<b>1,268,330</b>	<b>313,672</b>	<b>230,331</b>	<b>83,341</b>	
Revenue Income	(622,860)	(155,814)	(187,218)	31,404	7
Recharges	(52,250)	(13,071)	(13,062)	(9)	
<b>Total Income</b>	<b>(675,110)</b>	<b>(168,885)</b>	<b>(200,280)</b>	<b>31,395</b>	
<b>Net Expenditure to HRA</b>	<b>593,220</b>	<b>144,787</b>	<b>30,051</b>	<b>114,736</b>	
<b>Explanations for Variances</b>					
	£000's				
<b>1. Employees</b>					
Vacant posts and Holiday Pay accounting adjustment reversa	<u>15</u>				
<b>bg10</b>	<b>2. Supplies &amp; Services</b>				
Expenditure on software and Housing Stock Survey not in line with Budget profile	<u>38</u>				
Year end consultancy accrual still awaiting invoice	<u>38</u>				
<b>3. Central &amp; Admin Expenses</b>					
Support service costs awaiting recharge	<u>55</u>				
<b>bg10 iba/t4036</b>	<b>4. Revenue Income</b>				
Income from NWLDC not in line with Budget profile	<u>7</u>				
<b>5. Employees</b>					
Vacant posts and savings from staffing reorganisations	<u>22</u>				
<b>6. Premises Related Expenditure</b>					
Expenditure on gas and electricity not in line with Budget profile	<u>43</u>				
<b>7. Supplies &amp; Services</b>					
Expenditure on equipment etc not in line with Budget profile	<u>14</u>				
<b>8. Revenue Income</b>					
Leics CC Supporting People funding received ahead of Budget profile	<u>31</u>				

## Housing Revenue Account

HOUSING REPAIRS ACCOUNT		2012/13 BUDGET ESTIMATE £	2012/13 BUDGET To Jun 12 £	ACTUAL TO To Jun 12 £	VARIANCE £	Note
bg50/iea	<b>Administration</b>					
iea	Employee Costs	356,960	90,615	64,246	26,369	1
iea	Transport Related Expenditure	15,340	3,837	1,660	2,178	
iea	Supplies & Services	143,365	27,515	20,384	7,131	2
iea	Central Administrative Expenses	293,900	73,528	59,331	14,197	3
iea	<b>Total Housing Repairs Administration</b>	<b>809,565</b>	<b>195,495</b>	<b>145,621</b>	49,875	
bg51: kaa,kba	<b>Programmed Repairs</b> ("Major Works" e.g. Central Heating Service)	<b>555,410</b>	<b>104,819</b>	<b>41,972</b>	62,847	4
bg52: jaa, jb_, jc_	<b>Responsive Repairs</b>	<b>1,058,655</b>	<b>266,130</b>	<b>51,140</b>	214,990	5
	<b>GROSS EXPENDITURE</b>	<b>2,423,630</b>	<b>566,444</b>	<b>238,733</b>	<b>327,712</b>	
iea/t4060	Contribution from HRA	(2,400,000)	(600,480)	(600,000)	(480)	
iea/t3030	Interest on Cash Balances	(2,020)	-	-	-	
iea/t1010 & t4062	Other Income	0	-	-	-	
iea/a5080	FRS17 Adjustment	(540)	-	-	-	
	<b>TOTAL INCOME</b>	<b>(2,402,560)</b>	<b>(600,480)</b>	<b>(600,000)</b>	<b>(480)</b>	
	<b>NET EXPENDITURE / (INCOME)</b>	<b>21,070</b>	<b>(34,036)</b>	<b>(361,268)</b>	<b>327,232</b>	

### Explanations for Variances

£000's

- Savings on salaries due to vacant posts and the restructure of the service 26
- Spending on Software and Consultancy not in line with Budget profile 7
- Under spends on Central Admin Expenses particularly IT (£8k) and Internal Audit (£5k). 14
- Under spend on Programmed Repairs - delays in completing jobs due to late receipt of supplier invoices. These delays should reduce over the next few months. 63
- Under spend on Responsive Repairs - delays in completing In-House Work in Progress largely due to late receipt of supplier invoices. These delays should reduce over the next few months. This expenditure shortfall is therefore reflected in an income shortfall in the DSO (Housing Repairs) in the General Fund. 215



# Agenda Item 10

FAP work programme 2012/13

Date of Meeting	Reports to be considered
20 August 2012	Outturn for 2011/12 Annual Governance Statement Audit Block Report (CW Audit) 1 <sup>st</sup> Quarter Treasury Management Report Business Rates Retention 1 <sup>st</sup> Quarter Outturn report
10 September 2012	ISA 260 letter (PwC) Statement of Accounts and Annual Governance Statement Audit Block Report (CW Audit) 1 <sup>st</sup> Quarter Performance Management Framework Protocol Internal Audit
29 October 2012	Audit Block Report (CW Audit) 2 <sup>nd</sup> Quarter Treasury Management Report
10 December 2012	Audit Block Report (CW Audit) Capital programme 2012/13 to 2015/16 2 <sup>nd</sup> Quarter Budget Monitoring Annual Audit Letter (PwC) Performance Management Frame work Risk Management Report (if not part of performance report) Half yearly Prudential Indicators
21 January 2013	Audit Block Report (CWAudit) Budget proposals 2013/14 (General Fund and HRA) Capital Programme 2012/13 to 2015/16 Prudential Indicators and Treasury Policy report 2012/13 to 2015/16 Annual External Audit Plan 2012/13 (PwC) MTFS 2012/13 to 2015/16
4 March 2013	Audit Block Report (CW Audit) 3 <sup>rd</sup> Quarter Budget Monitoring 3 <sup>rd</sup> Quarter Treasury Management Report Performance Management Frame work Internal Audit Plan 2013/14 (CW Audit)
15 April 2013	Internal Audit Annual Report 2012/13 (CW Audit)

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