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Chief Executive

Date: 30 November 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 on **MONDAY, 10 DECEMBER 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 29 October 2012, copy attached.

4. **INTERNAL AUDIT PROGRESS REPORT** (Pages 3 - 30)

5. **CAPITAL PROGRAMME 2012/13 TO 2015/16** (Pages 31 - 42)

Copy of the report of the Deputy Chief Executive (Corporate Direction) attached.

6. **REVENUES AND CAPITAL OUTTURN 2ND QUARTER 2012/13** (Pages 43 - 62)

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

7. **UPDATE ON BUSINESS RATE RETENTION AND POOLING**

The Deputy Chief Executive (Corporate Direction) will give a verbal update.

8. **AUDIT COMMITTEE EFFECTIVENESS TRAINING**

Agenda Item 3

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

FINANCE, AUDIT & PERFORMANCE COMMITTEE

29 OCTOBER 2012 AT 6.30 PM

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

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

Also in attendance: Mark Watkins (CW Audit Services)

Officers in attendance: Katherine Bennett, Julie Kenny and Sanjiv Kohli

220 DECLARATIONS OF INTEREST

No interests were declared at this stage.

221 MINUTES OF PREVIOUS MEETING

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

RESOLVED – the minutes of the meeting held on 10 September 2012 were confirmed and signed by the Chairman.

222 INTERNAL AUDIT PROGRESS REPORT

Mark Watkins of CW Audit Services presented the report to Members. Members requested that a more detailed format be used on future reports and this was agreed.

Areas covered by the audit report were

Housing Repairs – No specific issues or recommendations identified that management are not already aware of and moving towards bringing in line with Council policies. It was suggested that an officer from the Housing Repairs team attend the next meeting of this committee to explain how the service is being improved in line with audit recommendations.

Contract Management (Parks) – The findings confirmed that this area is working in an open and transparent manner.

Risk Management – This review looked at four different control objectives and confirmed that a robust management system is in place.

Training is being undertaken for officers responsible for recommendation tracking.

223 ANNUAL AUDIT LETTER & ISA260 UPDATES

Mark Jones of Price Waterhouse Coopers summarised the report and as stated at the last meeting the findings were very positive. The Council are on target to achieve internal controls and use of resources.

It was proposed by Mr Mayne and seconded by Mr Bannister that draft be removed and the document approved for public inspection.

224 PROTOCOL INTERNAL AUDIT

Members were presented with the internal/external auditors liaison protocol agreement. The recent change of internal auditors presented an ideal opportunity to refresh the agreement. The joint agreement highlights the shared understanding of effective working practices.

225 BUDGET STRATEGY 2013/14

The committee were informed of the setting of the budget strategy for 2013/14. It was reported that until the final settlement from central government is announced the budget setting can only be reported as projected figures.

226 2ND QUARTER TREASURY MANAGEMENT REPORT

Members were informed of the council's treasury management activity during the half year to 30 September 2012. Mr Moore asked if UK banks were to be downgraded how would that affect the council's borrowing strategy. It was reported that if this was the case a report would need to be submitted to Council requesting permission to change the strategy.

227 STOCK VALUATION UPDATE

As requested at the last meeting of this committee a concise report of the stock validation exercise undertaken was presented to Members. The data would now be kept up to date and monitored at regular intervals. All departments of the council would be able to feed into the data and both Members and the auditors were in agreement that this was a useful resource for the council.

228 UPDATE ON BUSINESS RATE RETENTION AND POOLING

Members were informed that the deadline for submission to the DCLG of a pooling proposal has been extended to 6 November.

229 WORK PROGRAMME

It was agreed that the audit committee effectiveness training be undertaken at the 10 December meeting of this committee.

(The Meeting closed at 8.05 pm)

CHAIRMAN

Hinckley & Bosworth Borough Council

Internal Audit Progress Report 2012/13

December 2012



1. Introduction

This report summarises the work of Internal Audit for the period to mid November 2012. The purpose of the report is to update the Committee on progress made in delivering the 2012/13 audit plan.

2. Progress summary

The agreed internal audit plan for the 2012/13 year totals 255 days. Additional provision of 25 days (relevant proportion to be recharged to partners) was previously reported to this Committee in relation to Leicestershire Revenues & Benefits Partnership (LRBP) systems. Section 5 provides details of all of the audit assignments included in the 2012/13 year, together with details of the quarter in which the assignments are planned for delivery and an update on progress where assignments have commenced. We have delivered 140 days of work against the plan to mid November 2012, which is in line with our planned profile at this stage of the year.

3. Summary of reviews completed

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

Review	Summary	Level of assurance			
Treasury Management	This audit aimed to provide assurance on the control objectives set out below in relation to the Council's Treasury Management function and activities. A Significant Assurance Opinion was provided, with 4 low risk level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	Significant			
Key control objective		Level of Assurance			
		Full	Significant	Moderate	No
1. All expenditure on investments is properly authorised and reconciled to the bank.		✓			
2. Investments are properly accounted for in accordance with current legislation and governing instruments within a written policy agreed by the Council.			✓		
3. Investment performance and compliance with Strategy and Prudential indicators is effectively monitored.		✓			
4. The accounting system is such that accurate accounts can be prepared.		✓			
5. System and control procedures and relevant management reports and other information are kept under regular management review.			✓		
6. All investment records are physically secure.		✓			
7. A detailed register of loans is maintained which records interest and repayment terms for all loans.		✓			
8. Outstanding loans and loans repaid are readily identifiable and regularly reconciled to bank/control accounts.		✓			
9. All long term borrowing, including PWLB is authorized by the s151 officer or other nominated officer and short-term borrowing is set out in written financial instructions.		✓			

Review	Summary	Level of Assurance				Level of assurance
Main Accounting System (General Ledger)	This audit aimed to provide assurance on the control objectives set out below in relation to the Council's Main Accounting System (the Civica general ledger). A Significant Assurance Opinion was provided, with 2 low risk level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	Full	Significant	Moderate	Limited	Significant
Key control objective						No
1. All input is properly controlled and verified and processing is complete, accurate and timely.			✓			
2. All output is appropriate and enables the production of accurate final accounts.			✓			
3. Access to system functions is restricted to authorised personnel and the security and integrity of the system is maintained.		✓				

Review	Summary	Level of Assurance				Level of assurance
Choice Based Lettings	This audit aimed to provide assurance on the control objectives set out below in relation to the arrangements for Choice Based Lettings of Council housing. A Full Assurance Opinion was provided, with just 1 low risk level recommendation made. The individual level of assurance for each system control objective reviewed is provided below.	Full	Significant	Moderate	Limited	Full
Key control objective						No
1. There is a clear policy in place with supporting procedures covering allocation through Choice Based Letting.		✓				
2. Arrangements for receiving applications, assessing and banding applicants ensure compliance with allocations/CBL policy and procedures.		✓				
3. Arrangements ensure all relevant and available properties are advertised in a timely fashion and that suitable applicants have appropriate access to bid.		✓				
4. Arrangements for allocating properties to prospective tenants, ensure compliance with policy, i.e. take proper account of the prospective tenants band and the suitability of the properties in question.		✓				
5. There are sufficient IT controls in place to ensure the integrity and security of data held on the CBL and other relevant systems.		✓				
6. There are adequate arrangements for monitoring and reporting on performance on housing allocations.			✓			

Review	Summary	Level of assurance			
Debtors & Debt Recovery	<p>This audit aimed to provide assurance on the control objectives set out below in relation to Debtors & Debt Recovery arrangements. A Significant Assurance Opinion was provided, with 3 medium risk and 1 low risk recommendation made. Notwithstanding this opinion we also highlighted the following issue which needed to be addressed:</p> <ul style="list-style-type: none"> there is scope for more regular and effective progression of sundry debts following initial reminder letters, which would help to tackle the current level of aged debts. <p>The individual level of assurance for each system control objective reviewed is provided below.</p>	Significant			
Key control objective	Level of Assurance				
1. All potential sources of income are identified and investigated to ensure that the organisation receives the maximum income available.	Full	Significant	Moderate	Limited	No
2. Debt recording, collection, recovery, and write-off procedures are sufficient to ensure prompt payment and effective collection.	✓				
3. Adequate and timely management information is generated in respect of past and future income to provide a sound basis for control and decision making.	✓	✓			
4. Systems and control procedures are kept under regular management supervision and review to maintain internal control, not withstanding changes to systems and personnel.		✓			
5. There is adequate segregation of duties and the system is secure against unauthorised access, data loss and theft.	✓				
6. All invoices and receipts are accurately and completely accounted for.	✓				

An extract from the audit report setting out the 3 medium risk level issues and management's agreed response is set out in Appendix 1.

Review	Summary	Level of assurance		
Income Management & Cash Receipting	This audit aimed to provide assurance on the control objectives set out below in relation to the Councils management of income and corporate arrangements for receipt of cash. A Significant Assurance Opinion was provided, with 1 medium level risk and 1 low risk level recommendation made. The individual level of assurance for each system control objective reviewed is provided below.	Significant		
Key control objective		Level of Assurance		
1. The organisation has up to date policies and procedures relating to income management and cash receipting		Full	Significant	Moderate
2. Robust processes are in place for cash and bank reconciliations		✓	✓	
3. Processes are in place to ensure the complete, accurate and timely collection/receipt, banking and recording of all cash and cash equivalents due to the organisation		✓	✓	
4. Adequate physical security measures exist to protect both relevant employees, cash and controlled stationery		✓		
5. Appropriate insurance arrangements are in place to cover risks relating to income, cash receipts and related staff risks		✓		

An extract from the audit report setting out the medium risk level issue and management's agreed response is set out in Appendix 2.

Review	Summary	Level of assurance				
Creditors	<p>This audit aimed to provide assurance on the control objectives set out below in relation to the Councils management of creditor payments. A Significant Assurance Opinion was provided, with 1 high, 2 medium and 1 low risk level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.</p> <p>Notwithstanding this opinion we also highlighted the following issue which needed to be resolved:</p> <ul style="list-style-type: none"> While management are taking steps to deal with an issue identified in the previous year's Internal Audit review relating to orders only being raised on receipt of invoices for the relevant good/service, such practices are still continuing. Management's work to deal with this matter is ongoing. 	Significant				
Key control objective		Level of Assurance				
		Full	Significant	Moderate	Limited	No
1. Requisitions and orders are raised by authorised staff in respect of all goods and services in accordance with Financial Regulations.				✓		
2. VAT is correctly accounted for and paid in accordance with HMRC rules.		✓				
3. Payment runs are subject to prior authorisation, independent evidenced review and access to BACS and other payments is restricted to authorised personnel.			✓			
4. All credit notes are valid, appropriately authorised and processed against the correct supplier at the correct value.		✓				
5. Output from the creditors system is complete, accurate and regular and is subject to independent review and monitoring by management.		✓				
6. Creditor payments systems are adequately documented and staff receive appropriate training.		✓				
7. Payments are accurate, timely, properly accounted for and only made in respect of authorised invoices and for goods and services received.		✓				
8. Any additions or changes to creditors' standing data are appropriately authorised and independently reviewed.			✓			
9. The system is protected against unauthorised access/ processing and is secure against loss or damage of data.		✓				

An extract from the audit report setting out the 1 high and 2 medium risk level issues and management's agreed response is set out in Appendix 3.

The following reviews were completed prior to the previous meeting of this Committee and reported as part of our progress report at that time, however you asked us to provide further detail on these reviews equivalent to that for the above reviews re any high and medium risk issues raised, and this is set out below and in the Appendices referred to:

Review	Summary	Level of assurance				
Housing Responsive Repairs	<p>This audit aimed to provide assurance on the repairs function which had been brought in-house in September 2011. A Significant Assurance Opinion was provided, with 10 medium level recommendations made, however, notwithstanding this opinion we also highlighted the following issues which needed to be addressed:</p> <ul style="list-style-type: none"> • Further steps to demonstrate value for money in the use of specialist contractors would be beneficial. • Performance management information at this stage is not being regularly monitored and reported upon • Management information does not yet fully take into account commitments and work in progress • No tenant rechargeable repairs policy is in place • Proposals to automate aspects of the repair request and administration system should be an important step in reducing current paper-based and relatively labour-intensive processes, which also increase the potential for error. <p>The individual level of assurance for each system control objective reviewed is provided below.</p>	Significant				
System control objective		Level of Assurance				
		Full	Significant	Moderate	Limited	No
1. Housing repairs are carried out in accordance with relevant legislation and formally agreed procedures.			✓			
2. Responsive repair requests are properly recorded and assessed to ensure that they are valid.			✓			
3. There are appropriately detailed records kept to demonstrate that repairs are delivered in a prompt and cost effective manner to a satisfactory standard of quality.				✓		
4. Housing repair costs are effectively controlled in accordance with an agreed budget and are accurately recorded in the financial ledger.			✓			
5. There are sufficient IT controls in place to ensure the integrity and security of data held on the housing repairs system.		✓				

An extract from the audit report setting out the 10 medium risk level issues and management's agreed response is set out in Appendix 4.

Review	Summary	Level of Assurance				Level of assurance
Contract Management (Parks)	This audit examined the arrangements for letting and managing Parks and Open Spaces contracts. A Significant Assurance Opinion was provided, with 2 medium level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	Full	Significant	Moderate	Limited	Significant
System control objective						
1. Parks and Open Spaces contracts are tendered in accordance with the Council's Standing Orders and Financial Instructions.			✓			No
2. Successful contractors are selected in a fair and transparent manner.			✓			
3. Contracts are subject to ongoing monitoring to ensure proper delivery of goods and services in accordance with an agreed specification.		✓				

An extract from the audit report setting out the 2 medium risk level issues and management's agreed response is set out in Appendix 5.

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

An extract from the audit report setting out the 2 medium risk level issues and management's agreed response is set out in Appendix 6.

4. Recommendation tracking

CW Audit Services has recently implemented a system for tracking the actioning of agreed Internal Audit recommendations, as a management assurance tool for the Council and specifically this Committee. Managers are responsible for updating actions taken and other key information directly on the system. The first update for the Committee is provided below. This refers to all actions agreed and due by 31/10/12 in relation to audit reports issued in the current year up to mid-November, and any remaining legacy actions carried forward from reviews carried out by the previous Internal Audit provider. These latter issues have been referred to specifically in previous reports to this Committee at the end of 2011/12.

The first table below represents the status of agreed actions due to be implemented by 31/10/2012, the second table the age of the outstanding recommendations (based on the date due for implementation). The status shown is as advised by the relevant manager/Head of Service and does not imply that Internal Audit have verified the status.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 31/10/2012	-	-	12	6	18
Implemented	-	-	6	5	11
Closed (effectively implemented or system changed)	-	-	-	-	-
In progress but not complete	-	-	1	1	2
Outstanding (not started)	-	-	5	-	5
Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	-	4	-	4
3 – 6 months	-	-	-	-	-

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Greater than 6 months	-	-	2	1	3
Total	-	-	6	1	7

The 3 issues more than 6 months overdue relate to matters agreed following audits in 2011/12 on Homelessness and Financial Regulations, and we are advised that these are in progress or planned to be dealt with. Further information can be supplied as required.

5. 2012/13 Internal audit plan

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Budgetary Control				✓	Timing and high level scope discussed	
Main Accounting			✓		Final report issued	Significant
Capital Accounting				✓	Timing and high level scope discussed	
Council Tax (see note above re LRBP)			✓		Work underway	
Business Rates (see note above re LRBP)			✓		Work underway	
Benefits (see note above re LRBP)			✓		Work underway	
Benefit Fraud Investigation (joint review with OWBC)			✓		Draft report imminent	
Creditors			✓		Final report issued	Significant
Debtors			✓		Final report issued	Significant
Treasury Management			✓		Final report issued	Significant
Income Management & Cash Receipting			✓		Final report issued	Significant
Corporate Governance (standards of conduct)				✓	Timing and high level scope discussed	

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Risk Management		✓			Final report issued	Significant
Customer Services (reception)			✓	✓	Work underway	
Anti-Fraud & Corruption		✓			Draft report imminent	
Payroll & Expenses			✓		Scoping review	
Legal Services (IT audit - case management system)			✓		Work underway	
Allocations – Choice Based Lettings	✓				Final report issued	Full
Housing Rents			✓		Work underway	
Tenant Scrutiny				✓		
Sheltered Housing				✓		
Argent's Mead				✓		
Town Centre Regeneration (joint review with Oadby & Wigston)				✓		
Housing Repairs		✓			Final report issued	Significant
Fuel Controls		✓			Draft report issued	

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Contract Management (Grounds Maintenance)	✓				Final report issued	Significant
Recommendation Tracking		✓	✓	✓	Ongoing throughout year	
Follow Up Reviews					Timing and coverage to be agreed	
Audit Needs Assessment, Planning & Annual Report	✓	✓	✓	✓	Ongoing throughout year	
Audit Committee/External Audit/Senior Team meetings	✓	✓	✓	✓	Ongoing throughout year	
Contract Management & ad hoc advice	✓	✓	✓	✓	Ongoing throughout year	

Debtors & Debt Recovery

System Control Objective 2: Debt recording, collection, recovery, and write-off procedures are sufficient to ensure prompt payment and effective collection.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
2.1 - Recovery action	<p>Although the Council has an automated process for sending out reminder letters when sundry debt becomes overdue by 14 and 28 days, beyond this not all sundry debt appears to be chased effectively. Sample testing identified cases where no recovery action had been taken since 2011 and as such the debt remained outstanding.</p> <p>In addition it was noted that limited use is being made of the notes functionality within Civica to record what recovery action is being taken in regards to sundry debt.</p>	<p>If sundry debt is not chased in a timely manner there is less likelihood of collection.</p>	3	<p>Management should ensure that all sundry debt appearing upon monthly arrears reports is regularly followed up and chased with notes of actions being taken recorded upon Civica.</p>	<p>We accept that evidence of debt chasing was not available for all of the sample tested. The notes facility within Civica will be used to record all debt recovery activity although this functionality is limited as it cannot be reported upon.</p>	Julie Kenny	December 2012
2.2 - Debt Collection Agents	<p>At present the Council does not enlist the services of third party debt collection agents for chasing of overdue sundry debt.</p> <p>At the time of the review, management were in the process of reviewing the feasibility of implementing such arrangements for certain types of debt but further work was needed to establish exact requirements.</p>	<p>Level of debt recovered is not being maximised.</p>	3	<p>Management should consider enlisting the support of debt collection agents to chase certain categories of overdue debt such as those relating to industrial units, market stalls, licensing and building control etc, prior to considering court proceedings or debt write off.</p>	<p>This was already underway at the time of the review.</p>	Julie Kenny	December 2012

System Control Objective 4: Systems and control procedures are kept under regular management supervision and review to maintain internal control, not withstanding changes to systems and personnel.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
4.1 - Aged debt	The value of total sundry debt as at the end of September 2012 stands at £1,128,569 and over 18% of this is over 120 days old. In addition there appears to be an increasing number of invoices that are 90 days or over with an increase from 319 in January 2011 to 576 as at the end of September 2012. This coupled with the recent change in staffing responsible for debt recovery will need to be closely monitored to ensure position does not deteriorate and actions are taken to reduce aged debt.	The profile of aged debt is increasing and if not recoverable could lead to significant write off in future.	3	Management will need to keep a close eye on level of sundry aged debt and introduce further measures to tackle this. The impact of recent changes to debtor team will also need to be closely monitored to ensure the aged debtor position does not worsen as a result.	Accepted, however, the value and profile of debt can change significantly at any one point in time. The debt must be reviewed against the type of debt and managed accordingly.	Julie Kenny	December 2012

Income Management & Cash Receipting

System Control Objective 3: Processes are in place to ensure the complete, accurate and timely collection/receipt, banking and recording of all cash and cash equivalents due to the organisation

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
3.1 - Refunds	Currently ad-hoc refunds made by cashiers are processed through a chip and pin machine based upon verbal instruction from Council staff and the customer advising of credit/debit card details. Although a log of all refunds is kept, there is no evidence on file within Finance to support the validity and accuracy of the transaction.	Refunds could be made without appropriate justification or for incorrect amounts.	3	Prior to processing refunds through the chip and pin machine it would be prudent to obtain confirmation from the officer requesting the refund detailing value and reason prior to processing and a copy of the instruction retained on file. It is appreciated that this may not always be possible for pest control refunds which are often requested whilst the officer is out on site, but confirmation could be obtained retrospectively in these cases.	Accepted	Julie Kenny	November 2012

Creditors

System Control Objective 1: Requisitions and orders are raised by authorised staff in respect of all goods and services in accordance with Financial Regulations.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
1.1 - Tenders / Quotations	Testing of a sample of 20 transactions that required either formal tender or quotations to be obtained as per Financial Regulations identified one case where the quotes provided to support the transaction dated back to Jan 2011, whereas the order was raised in June 2012.	Non compliance with Financial Regulations and value for money may not have been obtained.	3	In order to demonstrate continued value for money previously obtained quotations should not be used to justify future purchases unless items required are similar and only a short time has elapsed since obtaining original quotes.	Accepted. Staff involved in procurement will be reminded of the relevant procedures and practices.	Julie Kenny	December 2012

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
1.2 – Invoices without orders	During our testing we identified that on a number of occasions (11 of the 30 transactions we tested) orders are being raised retrospectively on Civica ie after invoices have been received. This weakness was also highlighted in the prior year's review and since then action has been taken in the form of a quarterly report being submitted to COB highlighting non compliances within their departments so that management can take appropriate action. This ongoing management action should help to mitigate somewhat the risk of this control weakness in that such transactions are identified and reviewed.	Expenditure is committed without appropriate approval being given.	2	Management should continue to review cases where orders are being raised retrospectively and evaluate whether improvements are being made following introduction of the report to COB members. If no improvement is made then consideration should be given to bringing to account those officers responsible for non compliance with Financial Regulations.	Agreed. Will continue to monitor and a further report will be presented to COB.	Julie Kenny	March 2013

System Control Objective 8: Any additions or changes to creditors' standing data are appropriately authorised and independently reviewed.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
8.1 - Segregation of duties	A member of the finance team with responsibility for processing amendments to the creditor master file also on occasion will carry out creditor processing along with generating payment runs. The officer responsible for generating payment runs also has a responsibility to review changes to the supplier masterfile and as such a lack of segregation exists. We accept that the small size of the team prevents an ideal level of segregation; the key minimum control is that changes to the masterfile are demonstrably independently	Reduced assurance that controls to detect possible fraud or error are operated.	3	Amendments to the supplier masterfile should be independently reviewed and a record of this review retained as evidence.	Independent review of the creditor control report check will be recorded through a signed note on the BACS payment report.	Julie Kenny	Immediate (from 30 Oct 2012)

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	<p>reviewed to ensure their suitability. At present this review is not documented.</p> <p>In addition our testing of amendments made to the supplier masterfile identified an instance where a supplier's bank details had been amended based upon details recorded upon an invoice, without any confirmation checks being performed to verify the change with the supplier.</p>	<p>Lack of suitable check with supplier could allow fraudulent amendment to bank details.</p>		<p>In all cases where amendments are made to supplier bank details these should be confirmed with the supplier on known contact details (eg known address/telephone number) prior to updating.</p>	<p>Accepted.</p>	<p>Julie Kenny.</p>	<p>November 2012</p>

Housing Responsive Repairs

System Control Objective 1: Housing repairs are carried out in accordance with relevant legislation and formally agreed procedures.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
1.1 - <u>Policy and Procedures</u>	Although housing repair procedures exist, housing repairs staff we dealt with during the audit were not aware of or able to access these; they were not kept in an easily accessible central location.	An inconsistent approach may be taken in the absence of procedural guidelines.	3	Management should ensure that all staff are made aware of housing repair procedures, they are readily accessible, and that these are adhered to.	Procedures have been placed on the Intranet for everyone to access and the matter has been raised at the team meeting.	Ian Parsons	September 2012
1.2 - <u>Tenant Recharge Policy</u>	There is currently no formal policy in place to recharge tenants for repairs that have arisen due to their negligence. It is understood consideration is being given to including reference to tenant recharges in the updated conditions of tenancy, which would require policy agreement by members.	Costs incurred undertaking repairs due to tenant negligence are being paid by the Council.	3	The Council should consider introducing a tenant recharge policy that holds tenants accountable for the cost of repairs that have arisen through their negligence and ensure that processes are in place to enforce this.	A Recharge Policy will be introduced as part of the revised conditions of tenancy.	Ian Parsons	November 2012

System Control Objective 2: Responsive repair requests are properly recorded and assessed to ensure that they are valid.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
2.1 - Repairs administration	The administrative processes around repairs and maintenance appear to be very labour intensive and due to the amount of manual input could be prone to inputting errors. This is especially so for raising work tickets, processing variations, inputting completion and timesheet data along with the cost of any materials used. The Council is in the process of procuring a system of hand held devices, which once implemented should remove much of the administrative burden from the team.	Inefficient processing of repairs and manual intervention increases risks of inputting errors.	3	The Council should ensure that when implementing hand held devices, it automates as many processes as possible in order to reduce current administrative burden and improve overall efficiency.	The new Orchard Direct Works Module has been procured to assist with streamlining processes. Once in place, this should reduce the amount of manual processes as handheld devices will be used by engineers to receive and complete jobs.	Ian Parsons	April 2013.

System Control Objective 3: There are appropriately detailed records kept to demonstrate that all repairs are delivered in a prompt and cost effective manner to a satisfactory standard of quality.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<u>3.1 - Performance management</u>	Currently there is very little performance management information being routinely produced and reported upon in relation to the performance and quality of work delivered by the housing repairs section. It is understood that this has partly been due to problems in obtaining reliable and accurate information when running Business Objects reports. The Principal Housing Repairs Officer has been tasked with producing reports from August 2012.	Service standards could deteriorate if performance is not effectively being monitored and reported upon.	3	Management should ensure that performance targets are set for the housing repairs function and these are regularly monitored and reported upon. In addition consideration should be given to monitoring and reporting upon the performance of contractors separately.	Regular performance management information needs to be widened to cover the major aspects of the service. Currently customer satisfaction information is collected and recorded. The Principal Housing Repairs Officer will ensure regular updating of information on the Council's TEN	Ian Parsons	September 2012
<u>3.2 - Contractor Market Testing</u>	The Housing repairs team estimates that during 2012/13 it will sub contract around 20% of its work to specialist preferred contractors. For the first quarter of 2012/13 it will have allocated work in excess of £85k in total to these contractors. Just over half of this amount has been spent with a roofing contractor that was market tested as part of planned maintenance works. In addition some contractors have agreed to use the same schedule of rates as those used by the in house maintenance team. However, not all contractors have recently been market tested or agreed to use the schedule of rates.	The housing repairs team cannot demonstrate it is obtaining VFM from all of its preferred contractors.	3	The Housing repairs team should ensure that it has market tested its key preferred contractors to ensure that it is obtaining VFM in relation to the work they perform.	Sub-contractors used have been part of a competitive evaluation for planned major works. A review of Contractors used, and the associated spend, will take place to further ensure value for money is achieved.	Ian Parsons	January 2013.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
3.3 - Housing repairs (in house)	<p>During testing of a sample of 10 housing repair jobs performed by the in house maintenance team the following points were noted:</p> <ul style="list-style-type: none"> 3 instances where the priority rating for a day works job had not been amended and as such it was incorrectly flagged; 2 cases where the time entered onto Orchard for undertaking work did not agree back to timesheets; an instance where a priority 3 job had not been completed to target and took an additional 4 days to complete; in 1 case a post inspection had been performed almost 3 months after the completion of the job; and 1 case where the practical completion date recorded upon Orchard was a day earlier than actual. 	<p>If data is not accurately recorded within Orchard this could distort the accuracy of performance monitoring reports. In addition delay in performing post inspections could lead to sub standard work not being identified promptly and action taken to address.</p>	3	<p>a) The housing repairs team should ensure that data is being accurately recorded upon Orchard for all work performed</p> <p>b) Every effort should be made to ensure jobs are completed to target</p> <p>c) Post inspections should be promptly performed.</p>	<p>These type of errors will be reduced when the new Direct Works System is introduced. Until then, random checks of data quality will take place.</p> <p>Performance indicators will be regularly monitored to measure performance against job completions targets.</p>	Ian Parsons Ian Parsons Ian Parsons	September 2012 September 2012 September 2012
3.4 - Housing repairs (contractor)	<p>During testing of a sample of 10 housing repair jobs allocated to contractors the following points were noted:</p> <ul style="list-style-type: none"> all work issued to contractors was set up on a nil cost basis within Orchard. It is formally authorised as a variance once work is completed and being invoiced, although a quotation is normally obtained for larger works; 	<p>Value for money may not be obtained and payment of invoices is delayed.</p>	3	<p>a) Management should review the total value of expenditure on contractors to ensure that the council is obtaining value for money in respect of their services.</p> <p>b) Contractor performance should be monitored and reported upon</p> <p>c) Every effort should be made to ensure post</p>	<p>A review of Contractors used, and the associated spend, will take place to ensure value for money.</p> <p>These type of errors will be reduced when the new Direct Works System is introduced. Until then, random checks of data quality</p>	Ian Parsons Ian Parsons	January 2013. September 2012

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	<ul style="list-style-type: none"> on 1 occasion the job was not completed by the target date. This was a priority 4 job that was completed a week later than anticipated; and although an internal target has been set to complete post inspections within 5 days of receipt of invoice, we noted 3 occasions where this was not achieved. However, in all cases inspections were performed prior to invoices being passed for payment. 	Until jobs are closed amendments can be made that could distort reporting.	3	<p>inspections are completed in a timely manner.</p> <p>a) The housing repairs team should ensure that it is able to clear the back log of jobs that need to be flagged as ready for invoice and look at other options for closing jobs promptly.</p> <p>b) Discussions should be held with relevant suppliers to seek inclusion of the cost of materials on their advice notes, as this would allow for Orchard to be updated with actual costs on a timely basis.</p>	will take place.	Ian Parsons	September 2012
3.5 - <u>Delay in completion status of repairs</u>	<p>The housing repairs team is unable to close jobs promptly as there is up to a 6 week delay between materials being purchased to complete works and the actual invoice being received from Procurement For Housing. As such costs cannot be accurately allocated and jobs closed until all materials costs are known and Orchard has been updated.</p> <p>At the time of this review (start of July 2012) the team were still closing down April 2012 repairs. Although advice notes are obtained when materials are signed for and collected, these do not detail the cost of the items and as such cannot be used to input the materials costs.</p>	Until jobs are closed amendments can be made that could distort reporting.	3	<p>a) The housing repairs team should ensure that it is able to clear the back log of jobs that need to be flagged as ready for invoice and look at other options for closing jobs promptly.</p> <p>b) Discussions should be held with relevant suppliers to seek inclusion of the cost of materials on their advice notes, as this would allow for Orchard to be updated with actual costs on a timely basis.</p>	The backlog of jobs that need to be completed has been reduced.	Ian Parsons	September 2012

System Control Objective 4: Housing repair costs are effectively controlled in accordance with an agreed budget and are accurately recorded in the financial ledger.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
4.1 - <u>Leasehold property recharges</u>	During testing of repairs made to a sample of 20 sold or leasehold properties an instance was noted where roofing repair work had been performed to a leasehold property (117 Brookside) in 2011/12, but no recharge had been made in relation to this. The total cost of the repair was £320, of which the leaseholder would be expected to pay the full amount or a proportion of it if other property also benefited from the repair.	The Council is incurring costs that it is not liable for.	3	<p>a) Management should ensure that the cost of work incurred upon leasehold property is being captured within reports from Orchard so that necessary recharges are made.</p> <p>b) Action should be taken to recharge the cost referred to in this case to the relevant leaseholder.</p>	<p>This practice should be in place and the situation will be monitored.</p> <p>An invoice will be raised to recoup the costs of works carried out. The procedure has been reissued for clarity.</p>	<p>Ian Parsons</p> <p>Ian Parsons</p>	<p>September 2012</p> <p>September 2012</p>
4.2 - <u>Monthly Management Reporting</u>	Due to the delay in getting invoices and material cost information, jobs cannot be closed promptly and data transferred through the weekly interface between Orchard and Civica (Financial Ledger) and as such a delay of at least 6 weeks is usually encountered. This has had an impact upon the subsequent management accounts that are produced from Civica as there is a considerable amount of work in progress (WIP) upon the Orchard system that has not always been reflected in monthly reports for housing repairs. Work is currently ongoing to obtain accurate WIP information from Orchard that can subsequently be used when compiling management accounts for July 2012 onwards.	Performance against budget is not accurately reflected within management accounts.	3	Management should ensure that monthly budget reports for housing repairs are as accurate as possible and include all costs incurred to date along with the income generated by the in-house repairs team up to the date of preparation.	Joint work will take place between the service and finance to provide up to date and accurate financial information.	Ian Parsons / Katherine Bennett	November 2012

Contract Management – Parks & Open Spaces

System Control Objective 1:- Parks and Open Spaces contracts are tendered in accordance with the Council's Standing Orders and Financial Instructions.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
1.1 Tendering & Quotation Receipts	Formal receipts are not issued for competitive quotations submitted electronically.	Bidders may perceive that their quotations have not been received or assessed competitively along with other quotations.	3	Quotation bids received electronically should be formally receipted and a confirmation issued to the bidder.	Agreed, this will be put in place.	Caroline Roffey, Public Spaces Manager	September 2012

System Control Objective 2:- Successful contractors are selected in a fair and transparent manner.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
1.1 Assessing and selecting tenders & quotations	Sample testing highlighted that only one officer was involved in the assessment and selection process for quotations received in respect of bedding plants and mechanical plant.	Bidders may claim that selection process is subject to bias if only one officer involved.	3	Two officers should be involved in the assessment and selection process for competitive quotations. This could be achieved by maintaining a register for all quotations received (whether electronically or by post), which can be countersigned by a second officer to demonstrate that they are in agreement with the assessment and selection process.	Agreed, this will be put in place.	Caroline Roffey, Public Spaces Manager	September 2012

Risk Management

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

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<u>3.1 Risk Identification</u>	Although the Risk Management Strategy sets out the key risk categories to be considered when identifying risks, there is no evidence of robust processes in place to ensure that these are taken into consideration during the annual Service Improvement Planning process. Discussions with various service managers revealed differing approaches are being used to identify risks.	Risks may be missed and therefore not managed appropriately.	3	Processes should be introduced to ensure that risk identification is robust and consistent across the Council. Considering should be given to re-establishing the annual process whereby corporate services facilitated risk brainstorming sessions.	In order to ensure consistency Corporate Services will ensure that during the service improvement process a systematic approach to assessing and identifying risks for each action is used. This will lead to the ability to complete the additional column in the SIP	Louisa Horton	April 2013

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

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<u>4.1 Committee Reports</u>	Although the template used to produce all committee reports includes a "Risk Implications" section which prompts authors to ensure that risks are captured on project, service or corporate risk registers, no evidence was seen that there is a robust process in place to ensure that this happens in practice. Some service managers consulted agreed that this was not necessarily always the case.	Risks may not be managed	3	A process should be developed to ensure that all applicable risks identified on reports to committees and groups are linked back to the risk registers.	A manual system involving officers in corporate services will commence this process, to ensure that the risks identified in reports feed into service risk registers. At first this will be prompts and lead to embedding the process as standard	Louisa Horton	Immediate

FINANCE, AUDIT AND PERFORMANCE COMMITTEE– 10 DECEMBER 2012

REPORT OF THE DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

RE: CAPITAL PROGRAMME 2012/2013 TO 2015/16

1. PURPOSE OF REPORT

- 1.1 To consider the Capital Programme for the years 2012/13 to 2014/15.

2. RECOMMENDATIONS

- 2.1 That the Committee consider the proposed Capital Programme for the years 2012/13 to 2015/16 ahead of submission to Council.

3. BACKGROUND

- 3.1 Requests for capital projects have been submitted by project officers and reflect outcomes from the officers Capital Forum Group. The attached programme in Appendix A assumes a virtual standstill position on schemes for future years. Projects have been re-profiled in line with the latest spending and external funding forecasts.
- 3.2 The pressure on future funding of the capital programme and the depletion of reserves and has been raised with members and reported to Council.
- 3.3 The programme assumes sites which have been recommended for sale by the Strategic Asset Management Group are sold between 13/14 to 15/16
- 3.4 Within the current financial year there may be an under spend on Private Sector Housing on minor and major works of around £50,000. Cases are now reported through the Papworth Trust instead of the "Care of Repair Agency". It is hoped that the time taken between approving grants and works being undertaken will reduce. Additionally Papworth will be paid on percentage basis per case. It is therefore anticipated that the referrals will be processed more efficiently. The DFG budget has therefore been adjusted to reflect this.
- 3.5 The HRA capital programme has been based on the HRA Business plan and the outcomes of the stock condition survey. The current profile of the stock condition survey is being reviewed to take into account work that has already been completed as part of the 11/12 programme. Additional schemes may be considered following the results of the tenant consultation on HRA spend.
- 3.6 The programme includes the capital cost of the new leisure centre. This has been estimated at £7,500,000 (the "essential" scheme). Short term financing arrangements will have to be put in place to cover capital costs before funding is obtained from the sale of current Leisure Centre site receipts from the Bus Station Development.

3.7 It should be noted that at the request of members, the “Members IT” capital project has been removed from the proposed programme.

4.0 Programme to 2016-17 – Funding Implications

4.1 The estimated impact of the proposed programme on the Capital Receipts reserve is summarised in Table 1. Based on Current expenditure proposals the reserve will be fully utilised in 2014/15. Receipts assumptions are based on the following:

- Right to buy sales of £100,000 per annum;
- Disposal of the current depot site in March 2014 for £2,250,000;
- A receipt of £1,800,000 for the current leisure centre site in 2015/16; and
- Bus Station Development receipts of £2,750,000 phased between 2014/15 and 2016/17.

Table 1

	2012/13	2013/14	2014/15	2015/16
	£000's	£000's	£000's	£000's
Opening Bal	1,049	449	1,591	0
Receipts	2,400	2,646	1,795	1,900
Funding used	3,000	1,504	3,386	0
Debt Repayment	0	0	0	1,900
CI (Bal)	449	1,591	0	0

4.2 Due to the phasing of capital receipts, additional short term borrowing of £2,514,000 will be needed to fund the current programme. This will have to be repaid in 2015/16 and 2016/17. The cost of this borrowing (based on current rates) is estimated to be £25,000 in 2014/15 and £88,000 in 2016/17.

5.0 New Bids

5.1 The following new capital bids were received as part of the budget setting process:-

A. Wheeled Bins

Supply of containers for new properties built for SUE's at Burwell and Earl Shelton in accordance with the April 2012 trajectory. If development takes place the gross costs are estimated to be £37,924 between 2013/14 and 2015/16. Potentially this could be funded from capital reserves.

B. Parks and Open Spaces

Upgrade Parks and Open Spaces from agreed s106 contributions. Associated maintenance costs excluding inflation have also been earmarked for 20 years.

The estimated capital costs are summarised below:-

Description	£000's 2013/14	£000's 2014/15	£000's 2015/16	£000's Total
Queens Park - Site improvements	0	0	16	16
Clarendon - Creating a community park	0	5	27	32
Richmond - Play area improvements	0	20	0	20
Preston Way - Play area and other site improvements	51	0	0	51
Waterside - Site improvements (subject to adoption)	0	1	0	1
Hollycroft - Landscaping	3	0	0	3
Brodock Rd and Langdale Landscaping	2	0	0	2
Derby Rd New play area	3	7	0	10
	59	33	43	135

6.0 Financial Implications (IB)

6.1 Capital resourcing and borrowing implications arising from this report will be reflected within the Medium Term Financial Strategy and the Prudential Code (Treasury Management) report.

General Fund

6.2 The additional cost of borrowing in 2013/14 will be £52,890 (MRP of £25,550 and estimated interest of £27,340).

6.3 If capital receipts are not realised, additional borrowing costs will be incurred. Alternately the current programme will need to be reduced. The estimated use of reserves included within the programme are as follows:-

	Current Bal £000's	yr 12/13 £000's	yr 13/14 £000's	yr 14/15 £000's	Total £000's
Commutation & Feasibility Reserve	-288	100	0	0	-188
Special Expenses Reserve	-225	75	0	0	-150
Relocation Reserve	-622	339	0	0	-283
Leisure	-1,059	100	900	0	-59
ICT Reserve	-254	41	0	0	-213
Waste Management Reserve	-243	15	26	32	-170
Grounds Maintenance	-50	14	0	0	-36
	-2,741	684	926	32	-1,099

HRA Capital

6.5 Funding for the HRA capital programme will be met from the HRA Major Repairs Reserve. The position allows the full balance of the "Regeneration Reserve" and headroom under self financing to remain available for other schemes.

7.0 Legal Implications (AB)

7.1 None arising directly from the report.

8.0 Corporate Plan Implications

8.1 The report provides a refresh of the Council's rolling Capital Programme. Any item included in the programme has to contribute to the achievement of the Council's vision, as set out in the Corporate Performance Plan.

9.0 Consultation

9.1 Expenditure proposals contained within this report have been submitted after officer consultation. Appropriate consultation with relevant stakeholders takes place before commencement of individual projects.

10.0 Risk Management

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

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

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

11.0 Knowing Your Community – Equality and Rural Implications

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

12. Corporate Implications

12.1 The Council has an agreed corporate approach to project management. This approach has been developed in collaboration with the Leicestershire and Rutland Improvement Partnership. This approach ensures that a consistent and coherent approach is applied across the Council (and across the county).

12.2 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: Capital Estimates 12/13 – 15/16

Contact Officer: Ilyas Bham ext. 5924

Lead Member: Cllr KWP Lynch

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CAPITAL ESTIMATES 2011-2012 to 2014-2015 SUMMARY

Appendix A

	TOTAL COST	ESTIMATE 2012-13	ESTIMATE 2013-14	ESTIMATE 2014-15	ESTIMATE 2015-16
	£				
SECTION 1 (Leisure and Environment)	8,699,627	651,627	2,230,000	5,606,000	212,000
SECTION 2 (Planning)	1,982,640	1,719,400	153,245	43,943	66,052
SECTION 3 (Central Services)	1,672,951	1,552,951	70,000	40,000	10,000
Housing (General Fund)	2,118,311	632,261	561,350	462,350	462,350
Sub-Total General Fund	<u>14,473,529</u>	<u>4,556,239</u>	<u>3,014,595</u>	<u>6,152,293</u>	<u>750,402</u>
Resources : Capital Receipts	3,903,802	3,000,000	403,802	500,000	0
Supported Borrowing GF	426,400	106,600	106,600	106,600	106,600
Unsupported Borrowing GF	2,001,856	781,168	489,193	119,693	611,802
Leisure Centre Reserve	1,000,000	100,000	900,000	0	0
Leisure Centre Cap Rec	2,200,000	0	1,100,000	1,100,000	0
Leisure Centre Temporary Financing	4,300,000	0	0	4,300,000	0
Contribution from reserves GF	641,471	568,471	15,000	26,000	32,000
Contribution from reserves HRA	-	0	0	0	0
	<u>14,473,529</u>	<u>4,556,239</u>	<u>3,014,595</u>	<u>6,152,293</u>	<u>750,402</u>

SECTION 1

	TOTAL COST	ESTIMATE 2012-2013	ESTIMATE 2013-2014	ESTIMATE 2014-2015	ESTIMATE 2015-2016
Parish & Community Initiatives Grants					
Total Annual Expenditure(ALL HBBC)	422,300	122,300	100,000	100,000	100,000
Parks Major works					
Total Annual Expenditure(ALL HBBC)	135,660	45,660	30,000	30,000	30,000
Richmond Park Play Area					
Total Annual Expenditure	300,000	300,000			
External Funding (FA)	(149,823)	(149,823)			
Total Annual Expenditure(ALL HBBC)	150,177	150,177	0	0	0
Burbage Common					
Total Annual Expenditure	153,820	118,820	35,000		
Less 6c's grant	(8,000)	(8,000)			
HBBC Element	145,820	110,820	35,000	0	0
Memorial Safety Programme					
Total Annual Expenditure(ALL HBBC)	5,160	5,160	0	0	0
Waste Management Receptacles					
Total Annual Expenditure(ALL HBBC)	285,940	62,940	65,000	76,000	82,000
Blue Bin Recycling					
Total Annual Expenditure(ALL HBBC)	28,700	28,700	0	0	0
Churchyard Repairs					
Total Annual Expenditure(ALL HBBC)	2,370	2,370	0	0	0
Grounds Maintenance Machinery					
Total Annual Expenditure(ALL HBBC)	16,480	16,480	0	0	0
Brodick Road Woodlands Scheme					
Total Annual Expenditure(ALL HBBC)	7,020	7,020	0	0	0
Billa Barra Improvements					
Total Annual Expenditure	10,980	10,980			
Less contributions	(10,980)	(10,980)			
HBBC ELEMENT	0	0	0	0	0
Lesiure Centre					
Total Annual Expenditure	7,500,000	100,000	2,000,000	5,400,000	
HBBC ELEMENT	7,500,000	100,000	2,000,000	5,400,000	0
TOTAL GROSS EXPENDITURE	8,868,430	820,430	2,230,000	5,606,000	212,000
LESS TOTAL CONTRIBUTIONS	(168,803)	(168,803)	0	0	0
TOTAL HBBC ELEMENT	8,699,627	651,627	2,230,000	5,606,000	212,000

SECTION 2

Borough Improvements

Total Annual Expenditure

Less Private contribution

HBBC Element

Car Park Resurfacing

Total Annual Expenditure(ALL HBBC)

Barwell Shop Front Improvements

Total Annual Expenditure

Less Private contribution

HBBC Element

Depot Relocation

Total Annual Expenditure

HBBC Element

Barwell Wall Improvements

Total Annual Expenditure

Less Private contribution

HBBC Element

TOTAL GROSS EXPENDITURE

LESS TOTAL CONTRIBUTIONS

TOTAL HBBC ELEMENT

	TOTAL COST	ESTIMATE 2012-2013	ESTIMATE 2013-2014	ESTIMATE 2014-2015	ESTIMATE 2015-2016
Total Annual Expenditure	216,900	66,900	50,000	50,000	50,000
Less Private contribution	(65,000)	(20,000)	(15,000)	(15,000)	(15,000)
HBBC Element	151,900	46,900	35,000	35,000	35,000
Total Annual Expenditure(ALL HBBC)	58,240	0	18,245	8,943	31,052
Total Annual Expenditure	14,500	14,500	0	0	0
Less Private contribution	(14,500)	(14,500)	0	0	0
HBBC Element	0	0	0	0	0
Total Annual Expenditure	1,758,000	1,658,000	100,000		0
HBBC Element	1,758,000	1,658,000	100,000	0	0
Total Annual Expenditure	680	680	0	0	0
Less Private contribution	(680)	(680)	0	0	0
HBBC Element	0	0	0	0	0
TOTAL GROSS EXPENDITURE	2,048,320	1,740,080	168,245	58,943	81,052
LESS TOTAL CONTRIBUTIONS	(80,180)	(20,680)	(15,000)	(15,000)	(15,000)
TOTAL HBBC ELEMENT	1,968,140	1,719,400	153,245	43,943	66,052

SECTION 3

	TOTAL COST	ESTIMATE 2012-2013	ESTIMATE 2013/14	ESTIMATE 2014/15	ESTIMATE 2015/16
Asset Management Enhancements					
Total Annual Expenditure(ALL HBBC)	98,000	38,000	60,000	0	0
General Renewals					
Total Annual Expenditure(ALL HBBC)	229,000	209,000	10,000	0	10,000
Rolling Server Review					
Total Annual Expenditure(ALL HBBC)	40,000	0	0	40,000	0
Financial System					
Total Annual Expenditure(ALL HBBC)	13,390	13,390	0	0	0
Council Office Relocation					
Total Annual Expenditure	1,090,000	1,090,000			
Less Private contribution	(3,429)	(3,429)			
HBBC Element	1,086,571	1,086,571	0	0	0
HR/Payroll					
Total Annual Expenditure(ALL HBBC)	2,090	2,090	0	0	0
Electronic Meter Reading					
Total Annual Expenditure(ALL HBBC)	20,000	20,000	0	0	0
Demolition of Argents Mead Offices					
Total Annual Expenditure(ALL HBBC)	100,000	100,000	0	0	0
Transformation					
Total Annual Expenditure(ALL HBBC)	5,000	5,000	0	0	0
Atkins partitionng Phase 3					
Total Annual Expenditure(ALL HBBC)	60,900	60,900	0	0	0
Mobile Web					
Total Annual Expenditure(ALL HBBC)	18,000	18,000	0	0	0
TOTAL GROSS EXPENDITURE	1,676,380	1,556,380	70,000	40,000	10,000
LESS TOTAL CONTRIBUTIONS	(3,429)	(3,429)	0	0	0
TOTAL HBBC ELEMENT	<u>1,672,951</u>	<u>1,552,951</u>	<u>70,000</u>	<u>40,000</u>	<u>10,000</u>

GENERAL FUND HOUSING

	TOTAL COST	ESTIMATE 2012-2013	ESTIMATE 2013-2014	ESTIMATE 2014-2015
Major Works Assistance HBBC ELEMENT	760,000	190,000	190,000	190,000
Minor Works Assistance HBBC ELEMENT	320,000	50,000	90,000	90,000
Care & Repair Improvement Agency Total Annual Expenditure(ALL HBBC)	137,050	25,000	37,350	37,350
Disabled Facilities Grants Total Annual Expenditure	1,606,000	550,000	418,000	319,000
Less Government Grant	(704,739)	(182,739)	(174,000)	(174,000)
HBBC ELEMENT	901,261	367,261	244,000	145,000
TOTAL GROSS EXPENDITURE	2,823,050	815,000	735,350	636,350
LESS TOTAL CONTRIBUTIONS	(704,739)	(182,739)	(174,000)	(174,000)
TOTAL HBBC ELEMENT	2,118,311	632,261	561,350	462,350

HOUSING REVENUE ACCOUNT (CAPITAL PROJECTS)

PROJECT	TOTAL COST	ESTIMATE 2012-2013	ESTIMATE 2013-2014	ESTIMATE 2014-2015	ESTIMATE 2015-2016
Tenant Led Community Projects	20,000	20,000	0	0	0
Kitchen Improvements	293,210	293,210	0	0	0
Central Heating Replacement	282,620	282,620	0	0	0
Low Maintenance Doors	31,160	31,160	0	0	0
Electrical Testing / Upgrading	109,110	109,110	0	0	0
Programmed Enhancements	318,730	318,730	0	0	0
Single to Double Glazing	20,000	20,000	0	0	0
Re-roofing	32,910	32,910	0	0	0
Housing Repairs Software system	70,000	70,000	0	0	0
Orchard System Upgrade	111,290	111,290	0	0	0
Major Void Enhancements	2,342,550	744,150	446,400	576,000	576,000
Adaptations for Disabled People	1,186,854	357,150	233,354	259,283	337,067
Future Major Works	7,369,566	0	1,927,111	2,371,610	3,070,845
Improvements	550,973	0	168,512	181,234	201,227
Garages	69,344	0	16,548	22,064	30,732
Exceptional Extensive items and Contingencies	722,123	0	203,097	225,664	293,362
	13,530,440	2,390,330	2,995,022	3,635,855	4,509,233

Funding

Major Repairs Reserve	13,530,440	2,390,330	2,995,022	3,635,855	4,509,233
	13,530,440	2,390,330	2,995,022	3,635,855	4,509,233

Agenda Item 6

FINANCE, AUDIT & PERFORMANCE COMMITTEE – 10 DECEMBER 2012



Hinckley & Bosworth
Borough Council

A Borough to be proud of

REVENUE AND CAPITAL OUTTURN – 2ND 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 second quarter of 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 1st April – 30th September 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 £386,319 of supplementary budgets have been approved. In addition to this, budget managers requested that the under spend in their budget(s) be carried forward to 2012/13. Requests totaling a net £136,093 were approved by Council in September 2012.

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:

	Variation to date	Outturn variances	Explanation
	£000's Under spend/(Overspend)		
Housing (General Fund) – Rent Allowances	70	10	Timing difference due to additional income received from benefit overpayments (£58,000) and discretionary housing payments (£12,000)
Leisure & Environment – Recycling	84	71	Various under spends including (year end): <ul style="list-style-type: none"> o £13,000 saving on fuel due to price reductions o £40,000 saving from deferral of food waste scheme
Leisure & Environment – Refuse	51	19	Timing variances include: <ul style="list-style-type: none"> o £20,000 salaries under spend o £16,000 saving on fuel due to price reductions (£13,000 forecast to year end)

			<ul style="list-style-type: none"> ○ £15,000 rebate from County Council (£5,000 forecast to year end)
Planning – Development Control	204	100	Additional income of £100,000 forecast to year end to reflect the receipt of large applications (e.g. Barwell SUE)
Support Services – Holding Account – Legal and Admin	60	31	Timing variances include: <ul style="list-style-type: none"> ○ £27,000 savings on salaries due to vacant posts ○ £21,000 additional income from shared service working

3.5 Based on these forecasts, the Council is projecting that £869,595 will be taken from balances (with £82,770 from special expenses). However, this movement reflects the £1,066,000 that was approved by Council to be transferred from balances to reserves in September 2012. On this basis the “true” estimated position is that **£196,405 will be taken to General Fund balances**, reflecting the under spends highlighted above.

Capital

3.6 £1,429,660 has been spent on capital schemes to the end of September 2012 against a budget for that period of £3,267,227. This is mainly due to slippages on schemes that will be deferred to later in the year. A full review of the Capital Programme has been performed as part of the budget setting process for 2013/14, the results of which are detailed in the Capital Programme contained on this meeting’s agenda.

Housing Revenue Account

3.7 At the present time it is anticipated that the HRA outturn surplus will be £1,720,325 as against a profiled budget of £1,729,448. Following the clarification of the Councils position under self financing it is forecast that £240,000 more interest will be due in year to reflect the profile of the loans. In addition, Council approved that an additional £114,280 will be taken from the HRA to the HRA Regeneration Reserve in year to provide funding for future affordable housing plans.

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
S.11 - Failure to successfully deliver the Medium Term Financial Strategy	The Councils budget position is reviewed on a monthly basis and reforecast to ascertain any impact on the Medium Term Financial Strategy. All additional budget requests (supplementary budgets) are scrutinised and authorised in line with Financial Regulations to ensure they are required.	SK

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: Civica Financial Files

Author: 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 April to September 2012

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September 2012 Budget Monitoring Summary 2012/13

Service	Supplementary Budget as per Feb 12 Budgets/Variances approved to date		Latest Budget used for Monitoring ledger		Budget per Monitoring Report		Estimated Outcome	
	Budget Book	approved to date	recharges	Monitoring Report	Variances	Estimated Outcome	Estimated Outcome	
Central Services	3,065,320	10,030	3,075,350	-1,294,020	1,781,330	2,000	3,077,350	
Leisure & Environment	6,464,520	52,067	6,516,587	-1,386,460	5,130,147	-127,000	6,389,607	
Housing (GF)	1,161,000	3,370	1,164,370	-323,890	840,480	9,000	1,173,370	
Planning	1,178,290	192,192	1,370,482	-1,070,890	299,602	-95,000	1,275,482	
Direct Services Organisation	-53,190	46,000	-7,190	-69,630	-96,820	-5,000	-12,190	
Support Services	11,060	85,040	96,100	4,164,880	4,260,980	-770,000	673,900	
Estimated Salary Savings	0	0	0	0	0	-190,042	-190,042	
Increments and Pay award budget adj	0	0	0	0	0	0	0	
Carry forwards 2011/12	0	0	0	0	0	0	0	
Corporate Savings recovered above	-100,000	0	-100,000	0	-100,000	100,000	0	
TOTAL SERVICE EXPENDITURE	11,727,000	388,719	12,115,719	0	12,115,719	-1,076,042	11,039,677	
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		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		1,881,720	
Carry forwards reserve - allocated in Sept	0		0		0		-136,093	
Use of Reserves	-228,270	-2,400	-230,670		-230,670		-51,205	
BUDGET REQUIREMENT	10,277,890	386,319	10,664,209	0	10,664,209	30,660	10,694,869	
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	
TOTAL RESOURCES (HBBC BUDGET)	9,825,274	0	9,825,274	0	9,825,274	0	9,825,274	
Movement in General Fund Balances	-452,616	-386,319	-838,935	-838,935	-838,935	-30,660	-869,595	
Special Expenses	549,500		549,500		549,500		549,500	
Expenditure	552,860		552,860		552,860		552,860	
Council Tax Income	3,360	0	3,360	0	3,360	0	3,360	
Movement in Special Expenses Balances	60,960	-5,790	55,170		55,170	177,000	232,170	
Special Expenses (if/om) Reserves	-57,600	-25,170	-82,770		-82,770	0	-82,770	
Special Expenses mvt in Balances	-510,216	-411,489	-921,705	0	-921,705	-30,660	-952,365	
Total Movement in Balances	2,175,000	0	2,175,000	0	2,175,000	0	2,175,000	
Balance at 1 April 2012 Council Feb 12	118,000		118,000		118,000		118,000	
Year 11/12 underspend	2,175,000		2,293,000		2,293,000		2,293,000	
Revised Balance 1st April 2012	1,664,784	-411,489	1,371,295		1,371,295	-30,660	1,340,635	
Balance at 31 March 2013	10,827,390	386,319	11,213,709	0	11,213,709	30,660	11,244,369	

Net Impact on Balances

Estimated use of balances Feb 12	452,616
Current Estimated use of Balances	869,595
Balances Allocated to Reserves Council September 12	1,066,000
Estimated Contribution to Balances	196,405

Code	Category	Sub-Category	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
2545	Central Services	Corporate Management	226,485	204,128	22,357	14,000	8,357	688,990	685,990	3,000	1.1
2540		Corporate Management (Civie)	24,379	16,516	7,863		7,863	45,130	45,130		1.2
2535		Council Tax Benefit	2,937,981	2,789,329	148,652	158,000	652	116,990	121,990	-5,000	1.3
2575		Council Tax / NNDR	189,455	72,129	127,326	120,000	7,326	297,630	297,630		1.4
2580		Emergency Planning	9,159	8,238	921		921	34,230	34,230		
2565		General Grants	219,432	213,381	6,051	5,000	1,051	455,830	455,830		
2570		Local Land Charges	3,335	3,847	-492		-492	8,880	8,880		
2560	Central Services	Register and Borough Elections	68,072	67,012	1,060		1,060	133,850	133,850		
			3,708,318	3,384,581	323,737	297,000	26,737	1,781,330	1,783,330	-2,000	
2504	Direct Services Organisation	DSO Grounds Maintenance	-12,651	-29,395	16,744		16,744	-112,750	-117,750	5,000	2.1
2505	Direct Services Organisation	DSO Housing Repairs	-109,425	722,260	-831,685	-832,000	315	15,930	15,930		
			-122,076	692,865	-814,941	-832,000	17,059	-86,820	-101,820	5,000	
2540	Housing (Gen Fund)	Benefits Fraud	16,481	-25,282	41,763	37,000	4,763	13,400	13,400		
2520		Contribution to Housing Rev Ac	10,774	10,770	4		4	21,540	21,540		
2520		Forest Road Garages	-2,550	-3,189	639		639	-5,100	-5,100		
2565		Homelessness	62,305	-14,875	77,180	70,000	7,180	150,250	150,250		3.1
2510		Housing Advances	187	189	-2		-2	250	250		
2580		Housing Strategy	23,012	22,499	513		513	45,270	45,270		
2570		Private Sector Housing	109,211	95,503	13,708		13,708	677,670	676,670	1,000	3.2
2530		Rent Allowances	-30,449	-382,948	352,499	282,000	70,499	-82,800	-82,800	-10,000	3.3
			188,971	-297,343	486,314	389,000	97,314	840,480	849,480	-9,000	
2565	Leisure & Environment	Allotments	36	-901	937		937	7,450	7,450		
2505		Cemeteries	80,224	62,975	17,249		17,249	167,610	158,610	9,000	4.1
2590		Children and Young People	1,551	14,506	-12,955	-13,000	45	45,920	45,920		
2585		Community Safety	241,932	181,593	60,339	45,000	15,339	448,382	447,382	1,000	4.2
2570		Countryside Management	68,379	53,579	14,800		14,800	126,150	126,150		4.3
2587		Creative Communities	22,937	21,204	1,733		1,733	34,250	34,250		
2545		Dog Warden Service	19,180	20,028	-848		-848	38,070	38,070		
2535		Environmental Health	254,889	254,889	8,621		8,621	538,810	536,810	2,000	4.4
2540		Land Drainage	12,224	12,292	-68		-68	26,040	26,040		
2560		Leisure Centre	166,037	169,315	-3,278		-3,278	316,450	316,450		
2589		Leisure Promotion	41,420	35,556	5,864	13,000	-7,136	66,320	72,320	-6,000	4.5
2535		Licences	12,485	9,000	3,485		3,485	-8,860	-11,860	3,000	4.6
2568		Parks	292,462	253,815	38,647	39,000	-353	583,700	583,700		
2530		Pest Control	29,764	29,057	707		707	50,800	50,800		
2510		Public Conveniences	22,124	20,103	2,021		2,021	35,870	35,870		
2520		Recycling	273,878	154,193	119,685	37,000	82,685	705,500	634,500	71,000	4.7
2515		Refuse Collection	489,734	445,082	44,652	-6,000	50,652	965,130	946,130	19,000	4.8
2583		Sports Development	41,065	40,167	898		898	113,545	113,545		4.9
2525		Street Cleaning	387,719	342,129	45,590	4,000	41,590	807,590	806,590	1,000	4.9
2503		Waste Business Improvements	17,749	-9,287	27,036		27,036	61,450	34,450	27,000	4.10
			2,484,390	2,108,284	375,096	119,000	256,096	5,130,147	5,003,147	127,000	

Outturn Explanations September 2012

Key : () = overspend

	Forecasted year end variations	Variation To Date	Forecasted Yr End Variance
1	Central Services	8,000	(2,000)
1.1	Corporate Management - £3k Salaries, £2k Audit Fees, £3k minor variances Year end - £2k Accrual input for Audit fees no longer to be invoiced for, £1k Computer Software & Maintenance Saving	8,000	3,000
1.2	Corporate Management (Civic) - £6k Salary saving, this is due to the Mayors Secretary not being replaced, £2k minor variances	8,000	0
1.3	Council Tax Benefit - Year End-Subsidy Impact - Estimated reduction in Income - Council Tax Benefit - this may fluctuate during the year but is done on an accumulative Year End basis	0	(5,000)
1.4	Council Tax/ NNDR - £6k Additional Legal costs recovered, £1k Minor Variances	7,000	0
2	Direct Service Organisations	17,000	5,000
2.1	DSO Grounds Maintenance - £5k fuel savings, £8k underspend on equipment maintenance & purchase and £4k under spend on general maintenance Year end - £5k realised saving on fuel costs (no further variances projected due to volatility of market)	17,000	5,000
3	Housing (General Fund)	70,000	(9,000)
3.1	Homelessness - Income received from Prevention & Bond repayments greater than Budget.	7,000	0
3.2	Private Sector Housing - £11k Salary savings, £2k additional income from fees & charges for immigration checks etc. £1k minor variances. Year End £1k saving on computer software maintenance.	14,000	1,000
3.3	Rent Allowances - £58k Additional recovery of benefit overpayments, £11k Additional DHP Income, £1k Minor variances Year End-Subsidy Impact - Estimated Reduction in Income - Housing Benefit - this may fluctuate during the year but is done on an accumulative Year End basis	70,000	10,000 (20,000)
4	Leisure & Environment	257,000	127,000
4.1	Cemeteries - £12k additional income in burial fees, £5k other smaller underspends, including £1.5k on computer system Year End - £7.5k Additional income, £1.5k on computer system underspend	17,000	9,000
4.2	Community Safety - £7k underspend on CCTV (£9k) overspend on equipment maintenance offset by contribution of £15k from Leicestershire Police, and net £1k in various small unders/overs). £6k savings on salaries, £2k on Training and £2k on Consultancy Fees, £2k on rent (to be vired from Barwell to Wykin Community House), £2k on Minor Projects and (£6k) minor variances. Year End - £1k variation expected as a result of possible future spends	15,000	1,000
4.3	Countryside Management - £16k Salary underspend plus £1k in small under spends, offset against £(2k) fall in income Year End - No variances forecasted as salary variances are forecast separately	15,000	0
4.4	Env Health- £5k Salary savings, £4k Additional Environmental Protection Act Income Year End - £4k Additional Income	9,000	2,000
4.5	Leisure Promotion - £(8k) overspend on NNDR (re Boys Club), £(3k) overspend on minor projects, all offset by £4k additional income from Healthy Community Grant Year End - NNDR (Boys Club) forecast to be sold by Jan 13, therefore 75% of the NNDR to be paid by HBBC and 25% to be collected from lessee (£6k)	(7,000)	(6,000)
4.6	Licences- Temporary event notice income over recovered £1k (Year end £1k), Private Hired vehicles over recovered income - £2k (Year end £2k)	3,000	3,000
4.7	Recycling - £4k saving on salaries, £7k on shared service post not yet filled, £6k on agency, £11k fuel under spend (prices lower than Budget), £11k on Equipment Purchase & Maintenance for recycling containers due to be ordered soon, £5k under spend on Brown Bin lease, £3k on bin refurbishment (Hired & Contracted), £7k saving on Palm kerbside expenditure, £4k Green waste volumes lower than Budget, £11k extra recycling income and from brown bin rental, £3k Recycling Credit volumes ahead of Budget, £12k Minor Variances £2k or less each. Year End - £13k fuel savings (prices lower than Budget), £2k Equipment Purchase savings, £1k Postage savings, £4k Brown Bin lease savings, £7k saving from Palm's Kerbside expenditure, £40k Recycling Improvements savings arising from deferral of Food Waste scheme, £4k extra income from lease of Brown Bins.	84,000	71,000
4.8	Refuse - £20k Salaries under spent, £16k fuel under spend (prices lower than Budget), £15k Partnership rebate from Leics County & extra income. Year End £13k Fuel savings, £1k Postage savings, £5k additional income from County Council refund of subscription fee.	51,000	19,000
4.9	Street Cleansing - £24k Salaries & Standby under spent pending introduction of restructure, £3k overtime, £3k agency under spent, £5k additional income from external cleaning, £3k under spend on Hired & Contracted due to fewer fly tips than budgeted, £5k minor variances <£2k each. Year End £1k minor variance. Salary savings are awaiting the implementation of the Street Cleansing restructure.	43,000	1,000
4.10	Waste Business Improvements - £3k salary savings, £27k extra income due to disposal charges lower than Budget & paper prices better than Budget. Markets: (£3k) over spend comprising salary under spends of £9k offset by Agency over spend of £12k. Year End - £27k surplus income from trade collections - income billed to year end.	27,000	27,000
5	Planning	246,000	95,000
5.1	Building Inspection - Salary Savings £11.5k due to Vacant post (interviews being held to fill), plus additional planning and inspection fee income of £23k Year end - £12k additional planning fees	34,500	12,000
5.2	Car Parks - While car park ticket income is down (£1.5k), the shortfall is supplemented by Season Ticket Income up £4k, also penalty notices income up by £7k Year end - Car Park income £2k, penalty notices £5k	9,500	7,000
5.3	Development Control - increased income £180k, underspends on salaries £14k, scanning fees £2k, printing & stationery £2k, and various smaller underspends totalling £6k Year end £100k additional income due to large applications eg: Barwell SUE	204,000	100,000

	Forecasted year end variations	Variation To Date	Forecasted Yr End Variance
5.4	➤ Highways Miscellaneous - Increased Street Name Numbering income £3k due to several large developments (Year End £5k), other small underspends £2k	5,000	5,000
5.5	➤ Industrial Estates - £4k Insurance, (£2k) additional electricity costs on empty industrial units, £6k Additional rental income, £3k Minor variances (No rental W/Os have been processed yet but these are likely to amount to around £6k) Year end £4k Insurance, (£2k) Additional Electricity Costs on empty industrial units	11,000	2,000
5.6	➤ Markets - reduced income (£20k) , other small underspends £2k Year end (£30k) Shortfall in income due in part to adverse weather conditions in the 1st quarter of year	(18,000)	(30,000)
5.7	➤ Miscellaneous Properties - (£6k) Additional NNDR Costs on empty shop and Atkins meeting rooms, (£2k) Premises Insurance, (£1k) Additional Cleaning Costs due to increase in office space, £6k Additional Rent for the Atkins Building, (£3k) Various Minor over spends Year end - (£6k) NNDR Costs, (£2k) Premises Insurance, (£3k) Cleaning Costs, £10k Additional rent on Atkins building	(6,000)	(1,000)
6	Support Services Holding A/c	108,000	770,000
6.1	➤ Communications - Year End £8k additional Shared Service income for Web Development support 1 day per week to other Local Authority-		8,000
6.2	➤ Corporate Management - £9k Salary savings vacant post, £2k Training underspend, £1k Minor Variances	12,000	
6.3	➤ Council Offices - (£1k) Additional NNDR cost, £1k Contribution received from Swanswell to cover additional solicitor fees to be incurred, £6k variance in utility Costs, £4k Minor Variances Year end - (£1k) NNDR Costs	10,000	(1,000)
	➤ Developer Incentive £750k, Net part year impact of Rental And Service Costs Hub (£35k), Net balance of £715k to be set aside for future rental management		715,000
6.4	➤ Finance Support- £24k Salaries- Savings on vacant posts & Maternity leave, (£12k) Agency costs covering vacant post, (£4k), Additional legal fees incurred for recovery of debts -Year End (£4k), (£1k) Reduction in recovery of Legal costs recovered - Year End (£1k), £2k Minor variances	9,000	(5,000)
6.5	➤ IT Support- £5k Salary Savings, (£4k) Telephone costs incurred following unusual activity on HBBC lines, £18k Additional Shared Service Income from new shared Service arrangements for 2012/13 only - Year End £36k, (£2k) Minor Variances	17,000	36,000
6.6	➤ Legal & Admin - £27k Salaries - vacant posts, £5k Postage savings following transfer of Revenues & Benefits postage (£6k Year End), £10k additional Legal Fees due to increase in Shared Service work (Year End £10k), £11k Shared Service income due to additional support provided to Blaby DC & additional shared service work carried out by Chief Officer (£10k Year end), £2k Annual Vacancy subscription saving - may be required to make further payments if we advertise over the set number of advertisements, £5k Minor Variances -(Year end £5k)	60,000	31,000
6.7	➤ Performance & Scrutiny - £1k Annual software saving following cancellation of Toolkit software		1,000
6.8	➤ HRA Element of Support Services - Element of Support Services savings attributable to the Housing Revenue Account.		(15,000)
	Total (over)/under spend	706,000	986,000
	Estimated salary (over)/under spend		190,042
	Forecasted year end saving		1,176,042

Summary of Timing Differences in Variations

Monthly Outturn Report 1st April to 30th September 2012

Under spends/(Overpends) caused by timing differences

Corporate Management	Bank Charges to be processed in October Delay in invoicing for salaries from September for District Council Networks	18,000 (4,000)	14,000
Council Tax Benefit	Contribution to Partnership for Quarter 2 not yet processed Contribution received for Council Tax Support Scheme, expenditure not yet incurred	74,000 84,000	158,000
Council Tax/ NDR	Contribution to Partnership for Quarter 2 not yet processed Grant received for 'New Burden Temporary Deferment Business Rate 12/13' - Expenditure not yet incurred	117,000 3,000	120,000
General Grants	1st instalment of Shopmobility Grant not yet paid	5,000	5,000
DSO Housing Repairs	Delay in allocation of jobs (WIP) from the Housing system (Orchard) due to outstanding invoices. Any balance of expenditure in the DSO cost centre is charged to Housing client codes, therefore any variance on the DSO is treated as a timing difference.		(832,000)
Benefit Fraud	Contribution to Partnership for Quarter 2 not yet processed	37,000	37,000
Homelessness	Payments to prevent homelessness (funded by DCLG grant). Budget will be spent by Year End. Mortgage Support Scheme Income received in advance. Expenditure approved by Council in June 2012. Income and expenditure budgets to be set up in October	7,000 63,000	70,000
Rent Allowances	Contribution for Employee and IT Costs in processing to Partnership Benefit Payments for September - processed in October Additional Subsidy income not yet received (Additional expenditure incurred to date - a mid year adjustment to Subsidy will be done and reconciled at year end)	57,000 280,000 (55,000)	282,000
Children & Young People	All income and expenditure from LPG will net to zero at year end as all funding is dependant on what is spent	(13,000)	(13,000)
Community Safety	Income carried forward from last year for future project spending: Area-Based Grant = £8k, Leics CC (Safe Inside/Outside project) = £7k. Hired & Contracted expenditure not yet incurred in Community Safety on new Endeavour project including interface between HBBC and police systems brought forward from 2011/12. Awaiting invoices for Anti-Social Behaviour minor project expenditure Domestic Violence income received in advance. Supplementary budget has been approved and will be set up in October. Wykin Community House income received in advance following transfer in of Budget. Beacon scheme - income received in advance. Income has to be carried forward if not spent this year.	15,000 8,000 4,000 6,000 5,000 7,000	45,000
Leisure Promotion	Income from Health & Well Being partnership - received in advance, will be spent by year end	13,000	13,000
Parks	Grounds maintenance works - works on Langdale Rec and Queens Park approved, to be invoiced Electricity - Accrual brought forward, awaiting invoices (suppliers contacted) Effluent treatment - Accrual brought forward, awaiting invoices (suppliers contacted) Equipment maintenance - Accrual brought forward, awaiting invoices (suppliers contacted)	12,000 9,000 9,000 9,000	39,000
Recycling	Awaiting invoices for agency expenditure Insurance recharges - to be recharged from refuse collection (see below) Invoices for new collection equipment not yet received Postage - expenditure incurred in October - Budgeted in September - on new calendars. Kerbside Recycling - expenditure over accrued from prior year; invoices from Palm Ltd not yet received and volumes look like being close to Budget for the year.	3,000 5,000 14,000 2,000 13,000	37,000
Refuse Collection	Vehicle repair invoices - awaiting invoices Insurance - to be recharged to recycling (see above) Income from Tipping-Away fees (County Council invoiced in October).	4,000 (5,000) (5,000)	(6,000)
Street Cleansing	Invoices awaited for new sweeper equipment	4,000	4,000
Car Parks	Cost of equipment maintenance incurred, awaiting invoices LCC Notice Processing - Accrued prior year invoices not yet received plus awaiting invoices for this year	5,000 10,000	

	Electricity - Accrued expenditure from prior year, invoices not yet received (supplier contacted) Awaiting invoices from Market Harborough for staffing recharge	3,000 9,000	27,000
Community Planning	Invoice from Rural Community Council paid in advance of Budget profile	(2,000)	(2,000)
Development Control	Shared Services Employees - salaries - awaiting costs to be billed for the first half of year Ordnance Survey - Awaiting invoice from LCC for aerial photography	14,000 4,000	18,000
Miscellaneous Properties	Atkins Utility invoices not yet received - awaiting invoices Delay in Receipt of income for Utilities due to payments not yet being made (recharges) Delay in processing Atkins Service Charge for period July to September 12 (not due to be processed until October) Outstanding Accrual re Bus Stop on Lower Bond Street (received and processed in October)	4,000 (2,000) (12,000) 7,000	(3,000)
Planning Policy	Awaiting final invoices for Strategic Transport Assessment from Capita Symonds Ltd	4,000	4,000
Asset Management	Florence House Service Charge - Adjustment to 2011/12 Invoice in dispute - Budget to be reprofiled	7,000	7,000
Finance Support	Shared services - Awaiting Invoice from Oadby & Wigston BC for shared finance posts Accountancy consultancy fee- awaiting invoice for advisory subscription Cashier Software maint- awaiting invoice from Capita Business	21,000 1,000 2,000	24,000
IT Support	Awaiting Invoices from Steria for HBBC Website support work carried out Awaiting Invoices from Steria for Search Engine support work Website Support and Development costs to be recharged to Oadby & Wigston Borough Council. Report to be submitted for additional expenditure & Income budgets for new Shared Service arrangement. Telephone Charges - Recharge not completed to charge Service areas for quarterley BT Phone costs up to September	3,000 5,000 (28,000) (2,000)	(22,000)
Legal/Administration	Medical Fees (HR) - Recharge not completed to charge Service areas for April to September Legal Fees - Accruals for Legal costs from 2011/12 for work under taken by North Warwickshire Borough Council- Invoices not yet received (Supplier has been contacted) Awaiting invoice for Annual Maintenance & support for Corporate Services Scanner	(4,000) 3,000 3,000	2,000
Support Services	HRA and Revenues and Benefits element of Support Services already posted to HRA	(41,670)	(41,670)
TOTAL TIMING DIFFERENCES			(13,670)

DSO GROUND CARE SERVICES**FINANCIAL POSITION AS AT 30 September 2012**

	Budget to Date £	Actual to Date £	Variance £	Variance %
Total Employee Costs	295,445	285,896	9,549	3.2%
Transport	70,893	59,545	11,348	16.0%
Supplies and Services	51,256	42,091	9,165	17.9%
Total Costs	417,594	387,532	30,062	7.2%
Total Income	-423,143	-424,077	934	0.2%
Position to Date	-5,549	-36,545	30,996	558.6%
Central & Administration (see detail below)	29,604	27,060	2,544	8.6%
Capital Charges	8,032	8,030	2	
Net Expenditure / (Income)	32,087	-1,455	33,542	104.5%

<u>Central & Administration Charges</u>	Budget to Date £	Actual to Date £	Variance £
Depot Recharge	6,690	5,807	883
Accountancy recharge	6,926	6,141	785
Contact Centre Recharge	3,000	2,732	268
Central Stationery recharge	12	7	5
Reprographic Section recharge	52	37	15
Central Postages recharge	48	40	8
Central IT Recharge	5,226	4,780	446
IEG Recharge	552	871	-319
Chief Exec & Sec Recharge	1,536	1,478	58
Debtors Management	312	310	2
Cashiers Dept.	60	68	-8
Communication & Promotion Recharge	1,752	1,692	60
Human Resources	2,218	2,176	42
Health & Safety	432	363	69
Performance and Scrutiny	788	558	230
	29,604	27,060	2,544

Capital Programme Summary
30th September 2012

Description	Latest Budget	Budget to Date	Actual	Variance
General Fund				
Community Direction	1,004,430	502,410	137,310	365,100
Business, Contract and Streetscene Services	741,530	297,222	216,446	80,776
Corporate Direction	2,883,090	1,309,083	713,082	591,501
	4,629,050	2,108,715	1,066,838	1,037,377
HRA				
	2,610,330	1,158,512	362,822	795,691
Grand Total	7,239,380	3,267,227	1,429,660	1,833,067

30th September 2012
Community Direction

Description	Latest Budget	Budget to Date	Actual	Variance
Major Works Grants	190,000	95,038	0	95,038 demand led budget. Currently low demand
Disabled Facilities Grant	605,000	302,618	112,364	190,254 £55k expected to be carried forward
Grant to Home Improvement Agency	37,350	18,680	5,749	12,931
Minor Works Grants	90,000	45,018	1,874	43,144 £40k underspend expected
	922,350	461,354	119,986	341,368
Wall Improvements Barwell	680	342	900	-558
Borough Improvements	66,900	33,462	11,877	21,585
Shop Front Improvements Barwell	14,500	7,252	4,547	2,705
	82,080	41,056	17,324	23,732
Grand Total	1,004,430	502,410	137,310	365,100

Business, Contract and Streetscene Services

Richmond Park Play Area	300,000	76,378	11,475	64,903
Brodick Rd Woodland & Wildlife Area	7,020	3,510	0	3,510
Burbage Common	153,820	76,940	70,731	6,209 £35k to be carried forward to 2012/13
Memorial Safety Programme	5,160	2,580	3,240	-660
Churchyard Repairs	2,370	1,188	2,581	-1,393
Grounds Maintenance Machinery	2,580	1,290	0	1,290
Parks : Major Works	45,660	22,838	9,665	13,173
Billa Barra Footpath Enhancement	10,980	5,490	0	5,490
Parish & Community Initiatives	122,300	61,172	47,821	13,351
Blue Recycling Bin project	28,700	14,354	13,104	1,250
Recycling Containers	62,940	31,482	57,829	-26,347 Budget to be repofilled
	741,530	297,222	216,446	80,776

30th September 2012
Corporate Direction

Description	Latest Budget	Budget to Date	Actual	Variance
Financial Systems	13,390	6,696	2,344	4,352
	13,390	6,696	2,344	4,352
	0	0	0	0
Atkins Building Conversion	0	0	44	-44
Atkins Top Floor Conversion P3	60,900	60,900	61,253	-353
Electronic Meter Reading	20,000	10,004	0	10,004
Asset Management Enhancement Works	98,000	64,010	5,495	58,515
Council Office Relocation	496,010	49,601	23,838	25,763
Depot Relocation	1,658,000	829,332	464,943	364,389 budget to be reprofiled
Argentis Mead Demolition	350,000	175,070	0	175,070 budget to be reprofiled
	2,682,910	1,188,917	555,573	633,344
HR/Payroll System	2,090	1,046	0	1,046
	2,090	1,046	0	1,046
General Renewal -Extensions	49,100	49,100	154,483	-105,383 IT purchased in advance to take
Members IT	39,370	19,692	0	19,692 advantage of discounts. Council
Rolling Server Review	73,230	36,630	0	36,630 report Pending
	161,700	105,422	154,483	-49,061
Transformation	5,000	2,502	682	1,820
Mobile Web	18,000	4,500	0	0
	23,000	7,002	682	1,820
	2,883,090	1,309,083	713,082	591,501

30th September 2012
HRA

Description	Latest Budget	Budget to Date	Actual	Variance
Adaptation Of Dwellings	357,150	178,646	66,843	111,803
Major Void Enhancements	624,150	372,224	33,958	338,266
Programmed Enhancements	318,730	159,424	69,747	89,677
Electrical Testing/Upgrading	184,110	54,576	49,273	5,303
Windows : Single to Double Glazing	9,000	10,004	1,984	8,020
Re-Roofing	32,910	16,460	-872	17,332
Kitchen Upgrades	438,210	146,664	-4,426	151,090
Boiler replacement	332,620	141,364	121,432	19,932
Low maintenance doors	31,160	15,584	7,611	7,973
Orchard System Upgrade	111,290	18,548	17,273	1,275
Tenant Led Community Projects	20,000	10,004	0	10,004
Sheltered Accommodation Imp	11,000	0	0	0
Additional Central Heating Upgrade	70,000	0	0	0
Housing Repairs Software System	70,000	35,014	0	35,014
Total	2,610,330	1,158,512	362,822	795,691

WIP and completed works awaiting inspection to be allocated form Orchard

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

Housing Revenue Account

Code		2012/13 LATEST ESTIMATE £	2012/13 BUDGET to Sept 12 £	2012/13 ACTUAL to Sept 12 £	VARIANCE TO DATE £	FCASTED YEAR END VARIANCE £	Ref
SUMMARY HOUSING REVENUE ACCOUNT							
INCOME							
iab/t1005	Dwelling Rents	(11,608,250)	(5,804,125)	(5,776,911)	27,214	-	1
iac, iae, iag t-codes	Non Dwelling Rents	(72,380)	(41,584)	(42,513)	(929)	-	
iaa/t5025, t5030, t5035	Contributions to Exp	(15,830)	(7,916)	(7,916)	-	-	
ykb7/t5020	Transfer from Major Repairs Reserve	(818,740)	(409,370)	(409,370)	-	-	
		(12,515,200)	(6,262,996)	(6,236,710)	26,285		
EXPENDITURE							
bg10	Supervision & Management (General)	1,431,930	667,988	611,033	(56,955)	(22,526)	2
bg12	Supervision & Management (Special)	593,220	279,459	203,788	(75,671)	(40,474)	2
	Expenditure Carried Forward from 2011/2	-	-	-	-	23,083	3
iaa/c8000	Contribution to Housing Repairs A/C	2,400,000	1,200,480	1,200,000	(480)	-	
iaa/q1015	Depreciation (Item 8 Debit)	2,935,470	1,468,322	1,467,735	(587)	-	
iaa/q1020	Capital Charges : Debt Management	3,770	1,882	1,694	(188)	-	
iaa/g9045	Increase in Provision for Bad Debts	50,000	-	-	-	-	
iaa/q2010	Interest on Borrowing	1,808,580	904,301	1,021,020	116,719	240,000	4
		9,222,970	4,522,432	4,505,270	(17,162)	200,083	
	Net (Income) of Services	(3,292,230)	(1,740,563)	(1,731,440)	9,123	200,083	
iaa/t3030 & t3049	Interest Receivable	(650)	-	-	-	-	
ykc/b7055, iea/a5080	FRS17 Adjustment / Accumulated Absences	(2,120)	(530)	(530)	-	-	
	Net Operating (Income)	(3,295,000)	(1,741,093)	(1,731,970)	9,123	200,083	
CONTRIBUTIONS							
q9960	Contribution to Piper Alarm Reserve	10,400	5,200	5,200	-	-	
	Contribution to Pension Reserve	12,890	6,445	6,445	-	-	
	Transfer to Regeneration Reserve	2,719,720	-	-	-	114,280	5
	(Surplus)	(551,990)	(1,729,448)	(1,720,325)	9,123	314,363	

Explanations for Variances

1 - Includes a £29k year end week 52 adjustment, this is for rents received prior to 31st March applicable for the first week in April

2 - See page below for S&M variances

3 - HRA expenditure carry forwards of £23,083 which are financed from balances were approved at Council on Tuesday 18 September 2012.

4 - The Interest charge is higher than budget due to a late change in loan structure for self financing and will produce a year end pressure of approx £240k

5 - The Transfer to the Regeneration Reserve of £2,834,000 was agreed by Council in September 2012.

	2012/13 LATEST ESTIMATE £	2012/13 BUDGET to Sept 12 £	2012/13 ACTUAL to Sept 12 £	VARIANCE £	Ref	F'CASTED YEAR END VARIANCE £
SUPERVISION & MANAGEMENT (GENERAL)						
Employees	572,570	289,023	267,786	(21,237)	1	(13,000)
Premises Related Expenditure	95,390	76,191	78,901	2,710		-
Transport Related Expenditure	17,510	8,758	10,516	1,758		-
Supplies & Services	126,970	75,923	53,689	(22,234)	2	-
Central & Administrative Expenses	672,420	237,298	216,134	(21,154)	3	(9,526)
Gross Expenditure	1,484,860	687,193	627,026	(60,167)		(22,526)
Revenue Income	(52,930)	(19,205)	(15,993)	3,212		-
Net Expenditure to HRA	1,431,930	667,988	611,033	(56,955)		(22,526)
SUPERVISION & MANAGEMENT (SPECIAL)						
Employees	574,110	290,672	264,617	(26,055)	4	(37,000)
Premises Related Expenditure	380,750	196,806	174,839	(21,967)	5	-
Transport Related Expenditure	11,640	5,842	5,912	70		-
Supplies & Services	134,960	40,181	48,097	7,916	6	-
Central & Administrative Expenses	166,870	83,630	78,825	(4,805)	7	(3,474)
Gross Expenditure	1,268,330	617,131	572,290	(44,841)		(40,474)
Revenue Income	(622,860)	(311,538)	(342,377)	(30,839)	8	-
Recharges	(52,250)	(26,134)	(26,125)	9		-
Total Income	(675,110)	(337,672)	(368,502)	(30,830)		-
Net Expenditure to HRA	593,220	279,459	203,788	(75,671)		(40,474)

Explanations for Variances	Current £000's	Year End £000's
1. Employees Vacant posts and Holiday Pay accounting adjustment reversal	(21)	(13)
2. Supplies & Services Computer software expenditure deferred until early 2013 = £9k Hired & Contracted - Tenant Scrutiny expenditure should be incurred in early 2013, £6k. Also under spends on Consultancy (iba) £2k, Tenant Assoc expenses (iba) £3k, Contribution to Other Funds (iba) £2k.	(22)	
3. Central & Admin Expenses Includes under spends on Public Offices £4k, Contact Centre £2k, Corporate Support £2k, Central IT £1k, Procurement £1k, Internal & External Audit £5k, Performance & Scrutiny £1k, and other small variances <£1k amounting to £5k. Year end: under spends forecasted on Public Offices, £5k and Audit, £5k.	(21)	(10)
4. Employees Vacant posts and Holiday Pay accounting adjustment reversal	(26)	(37)
5. Premises Related Expenditure Expenditure on gas and electricity: £18k not in line with Budget profile Also under spends on Council Tax expenses of £3k and small variances of £1k net.	(22)	
6. Supplies & Services Timing difference on expenditure: invoice for £27k paid twice in error. Expenditure on equipment purchase and maintenance (£17k) not in line with Budget profile and other small variances amounting to £2k.	8	
7. Central & Admin Expenses Includes under spends on Contact Centre £2k and Performance and Scrutiny £2k and other small variances amounting to £1k. Year end: under spends forecasted on Contact Centre £1.5k and Perf. & Scrutiny £1.5k.	(5)	(3)
8. Revenue Income Leics CC Supporting People funding received ahead of Budget profile	(31)	

Housing Revenue Account

HOUSING REPAIRS ACCOUNT	2012/13 BUDGET £	2012/13 BUDGET to Sept 12 £	ACTUAL TO to Sept 12 £	VARIANCE £	Note	F'CASTED YEAR END VARIANCE £
Administration						
Employee Costs	356,960	175,813	139,533	(36,280)	1	-
Transport Related Expenditure	15,340	7,672	3,269	(4,403)		(2,000)
Supplies & Services	143,365	53,482	45,309	(8,173)	2	(8,000)
Central Administrative Expenses	293,900	147,008	127,848	(19,160)	3	-
Total Housing Repairs Administration	809,565	383,975	315,959	(68,016)		(10,000)
Programmed Repairs ("Major Works" e.g. Central Heating Service)	555,410	381,026	108,704	(272,322)	4,6	(70,000)
Responsive Repairs	1,058,655	529,550	175,994	(353,556)	5	-
GROSS EXPENDITURE	2,423,630	1,294,551	600,657	(693,894)		(80,000)
Contribution from HRA	(2,400,000)	(1,200,480)	(1,200,000)	480		-
Interest on Cash Balances	(2,020)	-	-	-		-
Other Income	-	-	(1,493)	(1,493)		-
FRS17 Adjustment	(540)	-	-	-		-
TOTAL INCOME	(2,402,560)	(1,200,480)	(1,201,493)	(1,013)		-
Contribution to HRA Reserves	-	-	-	-	6	70,000
NET EXPENDITURE / (INCOME)	21,070	94,071	(600,836)	(694,907)		(10,000)

Explanations for Variances

£000's

- Savings on salaries due to vacant posts and the restructure of the service, which may be filled during this financial year following review. (36)
- Supplies & Services - under spend on Consultancy Fees of £11k (awaiting project management for the new Orchard Direct Works module and ECMK services for the Integrator system) and Health & Safety consultancy. Other small variances amounting to (£3k) net. Year End: Under spend of £8k on Consultancy. (8)
- Under spends on Central Admin Expenses particularly Internal Audit £11k, IT £5k, Postage £2k and other small variances £1k net. (19)
- Under spend on Programmed Repairs - delays in completing jobs due to late receipt of supplier invoices. The shortfall in expenditure is partly explained by the level of WIP not yet charged. Reprofiling will be done once the Stock Condition Survey has been finalised. (272)
- Under spend on Responsive Repairs - delays in completing In-House Work in Progress largely due to late receipt of supplier invoices. The shortfall in expenditure is partly explained by the level of WIP not yet charged. This expenditure shortfall is also reflected in an income shortfall in the DSO (Housing Repairs) in the General Fund. Reprofiling will be done once the Stock Condition Survey has been finalised. (354)
- The central heating service contract price (included in the Programmed Repairs Budget) was less than expected, so the Budget will be used instead for boiler renewal at Castle Court. The Contribution to Reserves will fund the new capital scheme, as approved by Council. 70