

# Public Document Pack

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

Date: 11 January 2013



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, 21 JANUARY 2013** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

A training session for members of the Finance, Audit & Performance Committee will follow this meeting.

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 10 December 2012, copy attached.

4. INTERNAL AUDIT UPDATE REPORT (Pages 3 - 18)

5. 2013/14 GENERAL FUND BUDGET UPDATE (Pages 19 - 22)

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

6. TREASURY MANAGEMENT TO DECEMBER 2012 (Pages 23 - 32)

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

7. PERFORMANCE MANAGEMENT FRAMEWORK (Pages 33 - 50)

Report of the Chief Executive attached.

8. UPDATE ON BUSINESS RATES RETENTION AND POOLING

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

# Agenda Item 3

## HINCKLEY AND BOSWORTH BOROUGH COUNCIL

### FINANCE, AUDIT & PERFORMANCE COMMITTEE

10 DECEMBER 2012 AT 6.30 PM

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

Mrs R Camamile, Mr R Mayne, Mr JS Moore, Mr K Morrell and Mrs L Hodgkins

Also in attendance: Tim Ridout (CW Audit Services)

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

#### 292 APOLOGIES AND SUBSTITUTIONS

An apology for absence was submitted by Mr J Bannister and in accordance with Council Procedure Rule 4.1 Mrs L Hodgkins substituted.

#### 293 DECLARATIONS OF INTEREST

No interests were declared at this stage.

#### 294 MINUTES OF PREVIOUS MEETING

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

RESOLVED – the minutes of the meeting held on 29 October 2012 be confirmed and signed by the Chairman.

#### 295 AUDIT COMMITTEE EFFECTIVENESS TRAINING

Tim Ridout of CW Audit Services gave a presentation on the role of the Audit Committee.

It was agreed that members have regular refresher training. Training sessions to begin in January.

#### 296 INTERNAL AUDIT PROGRESS REPORT

Tim Ridout presented the audit report to Members.

Points highlighted were:

- It was requested, and agreed, that responses to issues identified within Audit Reports should be more informative
- In response to the Sundry Debtors Audit, the ability to extract information from the notes facility in the Civica system be explored further and any cost implications to be reported back to Committee
- Areas of Housing Responsive Repairs caused concern to Members. Officers reported that a review of the areas causing concern is being undertaken and a progress report will be presented at the next meeting of this committee
- Any unresolved issues on the audit report will be reported to Members in more depth.

297 CAPITAL PROGRAMME 2012/13 TO 2015/16

Members were presented with the Capital Programme for 2012/13 to 2014/15.

It was reported that consultation with tenants will begin in the new year to get their views on the spending options of the HRA monies available.

298 REVENUES AND CAPITAL OUTTURN 2ND QUARTER 2012/13

Members were informed of the revenue and capital outturn position at the end of the second quarter. Due to savings made, the general fund balances were in a positive position going forward to setting the 2013/14 budget.

Members were asked to consider recommendations for delivery of future budgets.

299 UPDATE ON BUSINESS RATE RETENTION AND POOLING

The Deputy Chief Executive (Corporate Direction) gave an update as to the current position of the Business Rate Retention and Pooling scheme. The current position is still for the Council to remain in the scheme but will be looked at again in January when budget figures are fully known.

(The Meeting closed at 8.15 pm)

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CHAIRMAN

Hinckley & Bosworth Borough Council

Internal Audit  
Progress Report 2012/13

January 2013



## 1. Introduction

This report summarises the work of Internal Audit for the period to the end of December 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 190 days of work against the plan to end of December 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				
Council Tax	This audit examined the overall control framework in place regarding Council Tax operated by the Leicestershire Revenues & Benefits Partnership on behalf of HBBC (as well as other partners). A Significant Assurance Opinion was provided, with 1 medium level and 7 low level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	<b>Significant</b>				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. Suitable, authorised policies and procedures are in place covering Council Tax processing, and staff are aware of these and that they need to comply with them.		√				
2. Relevant property records are accurately, comprehensively and efficiently maintained and updated.		√				
3. Council Tax liability is determined efficiently and in line with statutory requirements for all properties.		√				
4. Billing procedures are in accordance with statutory regulations and amounts due in respect of each chargeable property have been correctly calculated and promptly demanded from the person or persons liable.	√					
5. The application of discounts/exemptions is authorised in accordance with statute, the authority's policy and is supported by documentary evidence.		√				
6. Secure and efficient arrangements are made for all collections, and all collections are promptly posted to the correct tax payers' accounts.	√					
7. Collection rates and other key performance indicators are regularly monitored.	√					
8. Refunds are in accordance with regulations and the Council's Standing Orders and Financial Regulations and all refunds are valid and authorised.	√					
9. Recovery and enforcement procedures are managed efficiently and in accordance with statutory requirements.	√					
10. Non-recoverable debts are written-off in accordance with policy and with suitable authorisation.		√				
11. There is a routine reconciliation between the main accounting system, the Council Tax system and the Cash Receipting system.	√					

The 1 medium level risk issue and management's response are set out below:

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

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>1.1 Policies and Procedures</u></b>	As recommended during the previous audit, standard procedure notes should be developed to ensure that a consistent approach to CT processing is undertaken across all three councils within the partnership. This is included on the Partnership's Service Improvement Plan for 2012/13 which is monitored on a monthly basis. The expected completion date is March 2013.	Inconsistencies	3	Every effort should be given to ensuring that the completion date of March 2013 for the standardised procedure notes is achieved.	Our plan is that processes and procedures are harmonised by 31 <sup>st</sup> March 2013.  Where processes relate to implementation of Capita products in 2013/14 processes will be reviewed accordingly	Sue Williams-Lee	31 <sup>st</sup> March 2013



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

The 1 medium level risk issue and management's response are set out below:

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

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b><u>1.1 Policies and Procedures</u></b>	As recommended during the previous audit, standard procedure notes should be developed to ensure that a consistent approach to business rates processing is undertaken across all three councils within the partnership. This is included on the Partnership's Service Improvement Plan for 2012/13 which is monitored on a monthly basis. The expected completion date is March 2013.	Unintended inconsistencies in processing	3	Every effort should be given to ensuring that the completion date of March 2013 for the standardised procedure notes is achieved.	Our plan is that processes and procedures are harmonised by 31 <sup>st</sup> March 2013.  Where processes relate to implementation of Capita products in 2013/14 processes will be reviewed accordingly	Sue Williams-Lee	31 <sup>st</sup> March 2013  Ongoing

Review	Summary	Level of assurance				
Benefits	This audit examined the overall control framework in place regarding Housing & Council Tax Benefits operated by the Leicestershire Revenues & Benefits Partnership on behalf of HBBC (as well as other partners). A Significant Assurance Opinion was provided, with 4 medium level recommendations made. The individual level of assurance for each system control objective reviewed is provided below.	<b>Significant</b>				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1 Suitable, authorised policies and procedures are in place covering Benefits processing, overpayments and counter fraud, and staff are aware of these and that they need to comply with them.		√				
2 Processes are in place to ensure all benefit claims are processed and payments made in accordance with regulations and relevant policies, and are legitimate and appropriate.		√				
3 All relevant records and accounts are accurately updated in a timely manner to record all benefits transactions (including reconciliations to feeder and other systems).	√					
4 All payments and associated output are timely, recorded securely and data protected against unauthorised access.		√				
5 Overpayments of benefit are identified and accounted for in accordance with legislation/regulations, the organisation's policy, standing orders and financial regulations, and recovery (and where non-recoverable, write off) arrangements are efficient and effective.	√					
6 Fraud investigation is in accordance with statute, professional guidelines and the organisation's Standing Orders, Financial Regulations and relevant policies.	√					
7 Processing times, accuracy, overpayment levels, fraud case outcomes and other key performance indicators are regularly monitored.	√					

The 4 medium level risk issues and management's response are set out below:

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

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.1 Policies and Procedures</b>	As recommended during the previous audit, standard procedure notes should be developed to ensure that a consistent approach to benefits processing is undertaken across all three councils within the Partnership. This is included on the Partnership's Service Improvement Plan for 2012/13 which is monitored on a monthly basis. The expected completion date is March 2013.	Unintended inconsistencies in processing	3	Every effort should be made to ensure that the completion date of March 2013 for the standardised procedure notes is achieved.	Our plan is that processes and procedures are harmonised by 31 <sup>st</sup> March 2013.  Where processes relate to implementation of Capita products in 2013/14 processes will be reviewed accordingly	Leigh Butler	31 <sup>st</sup> March 2013  Ongoing

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

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>2.1 New claim processing</b>	All new claims tested for all three partners had a completed application form and supporting documentation on file. Of the sample of 75 claims tested (25 for each partner authority) 14 had been processed outside the 23 day turnaround target, although the average processing time for the whole sample was 10.4 days.	Targets not met.	3	Continue to monitor and improve processing deadlines of new benefit claims.	We are aware of performance and will continue to make changes required to improve on this.  Benefit Team Leaders have and will continue to improve turnaround times.  We are working with the DWP Performance Division to improve processes of Atlas/ETD	Leigh Butler & Benefit Team Leaders	31 <sup>st</sup> March 2013 and ongoing

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
					data which in turn will assist new claim time		
2.2 <u>Change of circumstance processing</u>	All changes of circumstances had been processed correctly and the claimant had been notified in all cases. Of the sample of 75 claims tested (25 for each partner authority) 10 had been processed outside the 17 day turnaround target, although the average processing time for the whole sample was 6.3 days.	Targets not achieved. Overpayments may be generated.	3	Continue to monitor and improve processing deadlines of changes of circumstances.	We are aware of performance and will continue to make changes required to improve on this.  Benefit Team Leaders have and will continue to improve turnaround times.  We are working with the DWP Performance Division to improve processes of Atlas/ETD data which in turn will assist new claim time	Leigh Butler & Benefit Team Leaders	31 <sup>st</sup> March 2013 and ongoing

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

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
4.1 Declaration of interests	We confirmed through discussion with the Partnership Manager that a declaration of interests has not been completed for all HBBC and NWL staff; for the HDC staff a declaration has been signed but was completed in 2010. This matter was raised in the previous year's Internal Audit report and agreed to be addressed by January 2012.  Management noted in response to the previous audit report that "There is an audit log held within the Capita Academy systems	Employees could access and process claims/ transactions involving family and friends without the Partnership or relevant Council having any knowledge.	3	a) Arrangements should be put in place as soon as practicable to ensure all staff declare any interests they may have.	A response from Unison is due imminently – end of December 2012.  Work with HR teams to agree process for this.  Also HR will include within their own policies to ensure staff who claim benefit / any claims maintenance will	Leigh Butler & HR Managers	31 <sup>st</sup> March 2013 (Agreement with HR managers concerning forms and procedures to be adopted)

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	<p>of who has viewed and updated records. Additionally, a further system control already exists which prevents users from accessing pre-determined accounts. It should be noted that staff are made aware when they commence employment / sign their contract that accessing the system for non work related or fraudulent purposes will lead to disciplinary action, which could result in dismissal." Clearly these are mitigations however the need for a declaration of interests remains.</p> <p>The Partnership Manager advised that the proposal currently is that HDC's declaration of interest form and NWL's declaration statement will be used for all staff within the Partnership. The Partnership Manager is currently discussing the declaration with all 3 council's Human Resource Managers and Unison to agree the contents of and approach to the declaration.</p>			<p>b) Staff should be prevented from working on or accessing any cases in which they have declared an interest.</p> <p>c) In advance of the arrangements for formal declarations being made by all staff, it would be prudent for a reminder to be issued to all staff regarding their contractual obligations regarding accessing the benefits system/data and the possible consequences of a breach.</p>	<p>be undertaken by benefit team leader and must go through that channel.</p> <p>Staff and system users will be informed to include completion of declaration</p> <p>Staff who have declared an interest will not have access to claim records and this is controlled within the benefit application.</p> <p>Staff will be informed before procedure is implemented of the contractual responsibility to inform and advise accordingly. This will be coordinated through HR teams</p>		<p>31<sup>st</sup> May 2013 (Anticipated)</p> <p>30th April 2013 (Anticipated)</p>

## 4. Recommendation tracking

CW Audit Services has implemented a system for tracking the actioning of agreed Internal Audit recommendations, as a management assurance tool for the Council and specifically this Committee. Managers are responsible for updating actions taken and other key information directly on the system. A further update for the Committee is provided below. This refers to all actions agreed and due by 1/1/13 in relation to audit reports issued in the current year up to now, 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 1/1/2013, the second table the age of the outstanding recommendations (based on the original date due for implementation). The status shown is as advised by the relevant manager/Head of Service and does not imply that Internal Audit have verified the status.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 1/1/2013	-	-	21	11	32
Implemented	-	-	12	8	20
Closed (effectively implemented or system changed)	-	-	-	-	-
In progress but not complete	-	-	4	1	5
Outstanding (not started)	-	-	5	2	7

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

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
3 – 6 months	-	-	3	-	3
Greater than 6 months	-	-	2	1	3
Total	-	-	9	3	12

The 3 issues more than 6 months overdue are as follows:

Review	Recommendation	Risk Rating	Response	Current Status per update
2011/12 Homelessness	<u>Plain English letters</u>  The Council should review and amend the letters provided to applicants in regards to their application. Decision Letters should be concise and provide all the relevant information and all the statutory requirements.	4	Letters will be reviewed and training undertaken with Officers.  January 2012 - Jo Wykes	Officers have attended letter writing courses and have made progress on some letters. All letters are to be completed by the end of the financial year - rescheduled to be completed by 31/3/13
2011/12 Homelessness	<u>Orchard System</u>  The Council should ensure there is a review of the effectiveness of the Orchard system for the Homelessness function.	3	A review of the Orchard system was planned.  January 2012 - Jo Wykes	A full review of Orchard will take place before the end of the financial year – rescheduled to be completed by 31/3/13
2011/12 Financial Regulations	<u>Orders</u>  a) It is recommended that the Financial Procedure Rules be	3	Will be considered during next revision of FPR. Dec 2011 - Julie Kenny	The revisions to Finance Procedures have been drafted and are being presented to Council in



Review	Recommendation	Risk Rating	Response	Current Status per update
	<p>reviewed to include a paragraph regarding the 'Orders for Work, Goods and Services'. The regulation could be worded to state that:</p> <p>"Orders for work, goods and services must be made by the person receipting the goods or services. Orders must subsequently be authorised in accordance with authorised approvers and their approval limits".</p> <p>b) Instances of non-compliance should continue to be monitored and appropriate action taken.</p> <p>c) Management should consider introducing a statement where staff members sign to confirm that they have read and understood the Council's Financial Procedure Rules. This can also be achieved via a centralised policy acceptance system.</p>			January 2013.

## 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)			✓		Final report issued	Significant
Business Rates (see note above re LRBP)			✓		Final report issued	Significant
Benefits (see note above re LRBP)			✓		Final report issued	Significant
Benefit Fraud Investigation ( joint review with OWBC)			✓		Draft report issued	
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 issued	
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				✓		
Argents Mead				✓		
Town Centre Regeneration (joint review with Oadby & Wigston)				✓		
Housing Repairs		✓			Final report issued	Significant

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Fuel Controls		✓			Draft report issued	
Contract Management (Grounds Maintenance)	✓				Final report issued	Significant
Additional review: Housing Repairs			✓		Complete	N/A
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	



**2013/14 GENERAL FUND BUDGET UPDATE**  
**REPORT OF DEPUTY CHIEF EXECUTIVE – (CORPORATE**  
**DIRECTION)**

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1. **PURPOSE OF REPORT**

- 1.1 To update members on the 2013/14 budget process and to provide a briefing on the outcome of the Local Government Finance Settlement.
- 1.2 Draft budget papers for the General Fund, Housing Revenue Account and Capital Programme are to be presented to Scrutiny Commission on 31<sup>st</sup> January 2013. Members of this committee are invited to attend this meeting to receive these reports. The final budget will be approved by Council on 28<sup>th</sup> February 2013.

2. **RECOMMENDATION**

- 2.1 That the committee notes the contents of this report

3. **BACKGROUND TO THE REPORT**

- 3.1 Work has commenced on the 2013/14 Budget in accordance with the 2013/14 Budget Strategy presented to this committee on 31<sup>st</sup> October 2012.
- 3.2 On 18 July 2011, the Department for Communities and Local Government (DCLG) published proposals for business rates retention, as part of the Local Government Resource Review. From 2013/14, local authorities will retain 50% of the non-domestic rates they collect locally; 50% will be paid over to CLG and will be returned to Councils as Revenue Support Grant (RSG). A system of top-ups and tariffs will be established to allow locally retained business rates to be redistributed to balance yield. In addition to the standard allocation, a number of other non-ringfenced grants will be “rolled in” to the Business Rates allocation. These include:
- Council Tax freeze grant - this is the 2<sup>nd</sup> year allocation for the freeze in 2011/12
  - Council Tax Support Grant – allocated to Councils to compensate for the loss in Council Tax income created by the removal of Council Tax Benefit. An element of this grant is recommended for parish councils
  - Homelessness Prevention
- 3.3 The provisional Local Government Finance Settlement was published by the Department of Communities and Local Government (DCLG) on 19<sup>th</sup> December 2012 and provided details of the funding allocation for all Councils for the forthcoming year.
- 3.4 From a national perspective the key features of the settlement were:
- The 2013-14 Start-Up Funding Assessment is £26.07bn, and the 2014-15 Start-Up Funding Assessment is £23.85bn
  - Total Revenue Support Grant is £15.2bn and £12.6bn in 2013-14 and 2014-15 respectively
  - From April 2013, Councils will directly retain nearly £11bn of business rates instead of returning it to the Government
  - The maximum levy on the local share of business rates is 50p in the pound. This means that at least 25p in each extra pound of business rates generated locally will be retained locally.
  - The level of the relative resource amount is in line with that for 2010-11

- The Business Rates safety net has been fixed at 7.5%

3.4 The total core funding for Hinckley & Bosworth Borough Council for 2013/14 is £5,682,811 split as follows:

	£		£
<b>Revenue Support Grant</b>	<b>3,412,540</b>	<b>Baseline Funding (NNDR)</b>	<b>2,270,271</b>
Of which:		Of which:	
Formula Funding	2,992,354	Formula Funding (NNDR)	1,990,732
2011-12 Council Tax Freeze	63,001	2011-12 Council Tax Freeze	41,913
Council Tax Support	327,160	Council Tax Support Funding	217,651
Homelessness Prevention	30,025	Homelessness Prevention	19,975

3.5 This funding can be compared to 2012/13, along with the additional elements of financing as follows:

<b>Financing</b>	<b>2012/13 (£)</b>	<b>2013/14 (£)</b>	<b>Mvt (£)</b>	<b>Mvt (%)</b>
Council Tax Support Grant	0	544,811	544,811	n/a
Council Tax Payer	3,614,949	3,296,339	-318,610	-8.81%
Council Tax Freeze Grant (2011/12)	105,810	104,914	-896	-0.85%
Council Tax Freeze Grant (2013/14)	0	42,579	42,579	n/a
RSG	102,163	2,992,354	2,890,191	
NNDR Baseline	5,270,283	1,990,732	3,279,551	-7.25%
New Homes Bonus	711,292	1,023,258	311,966	43.86%
Collection Fund Surplus	20,777	4,139	-16,638	80.08%
<b>Total Financing</b>	<b>9,825,274</b>	<b>9,999,126</b>	<b>173,852</b>	<b>1.77%</b>

The following points should be noted:

- Business Rates and RSG have been compared cumulatively in order to identify a total movement in block funding.
- The reduction in core funding for the Council i.e. RSG plus NNDR is therefore £389,360 or 7.25%. The Councils Medium Term Financial Strategy modeled the results for both a 5% and 10% decrease in funding and therefore sufficient resource has been planned for this movement in 2013/14
- Of the £544,811 allocated through Council Tax Support Grant, £143,000 will be allocated to parish councils. The decrease in Council Tax created by the reduction in Council Tax Base has been fully compensated by the General Fund element of the Council Tax Support Grant (£401,811)
- The Council Tax Freeze Grant for 2013/14 is 1% compared to the previous settlements of 2.5%. This grant will be confirmed following approval of the Council Tax for 2013/14
- At an overall financing level, the Council's funding is moderately comparable to prior year. This position has been achieved in part by the level of New Homes Bonus allocated in year. 25% of this funding will be transferred to parish councils

3.5 The current draft proposed budget for 2013/14 at the time of writing this report is based on an estimated net budget requirement of £10,046,901, meaning that

£47,775 will be taken from reserves to fund this expenditure. The General Fund budget includes £600,300 of savings and reductions to the base budgets.

- 3.6 The draft budget also forecasts that £251,840 will be taken to reserves in 2013/14 to be earmarked for future expenditure. This creates a forecast earmarked reserves balance of £5,276,000 as at 31<sup>st</sup> March 2014.
- 3.7 The settlement announced an aggregate level of business rates nationally of £10,898,554,444. The “proportionate share” of this amount for Hinckley & Bosworth BC is £13,626,547, of which 20% is allocated to the major preceptors. On this basis, the “business rates baseline” for this Council is £10,901,238. This is compared to a “funding baseline” of £2,270,270 to calculate a “tariff” payment of £8,630,967.
- 3.8 The settlement announced that the safety net threshold for all Councils would be 7.5%. On this basis, this Council would need to loose £170,270 of Business Rates before a safety net payment will be made. The level rate for this Council is set at £0.50 which will be applied to any business rate growth. Business Rates forecasts for 2013/14 will be presented to Executive on 30<sup>th</sup> January 2013 in order to calculate any growth for the forthcoming year. Following collation of this information for all Leicestershire districts, a decision will be made on operation of a Business Rates pool by 15<sup>th</sup> January 2013. A verbal update on this decision will be made at this meeting.

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 the budget.

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 Councils budget position	SK

the Medium Term Financial Strategy	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.	
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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  
Provisional Local Government Finance Settlement 2013/14

Author:                           Katherine Bennett Head of Finance ext 5609

Executive Member:           Councillor KWP Lynch



## FINANCE, AUDIT AND PERFORMANCE COMMITTEE – 21 JANUARY 2013

### REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION) RE: TREASURY MANAGEMENT TO 31 DECEMBER 2012

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#### 1. PURPOSE OF REPORT

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

#### 2. RECOMMENDATION

That the Select Committee note the report.

#### 3. BACKGROUND TO THE REPORT

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

This report sets out the Treasury Management activities for the first half of 2012/13 and shows that they are in line with the limits set out in the Policy.

Treasury Management covers two main areas:-

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

#### Economic Background

##### UK

In 2012/13 has seen a continuing period of low interest rates. The UK Bank Rate has now been at 0.5% for over 3 years. The Bank of England's Inflation report in November has pushed back the timing of the return to growth. It now looks like quarter four in 2012 will see a return to negative growth. Estimates are currently showing a 0.4 percent drop in GDP in the last quarter, which would leave growth as a whole at about -0.1% in 2012. According to the Bank of England, banks were keeping financially weak firms on life support by allowing them to breach borrowing. This may mean more viable firms with expansion plans are being starved of credit.

The Chancellor's autumn statement recognised that the Government is not going to achieve its budget deficit timetable. The timetable has been extended accordingly. The Housing market remains weak and the construction industry is still contracting. Export markets are set to remain weak. A fair proportion of UK GDP is dependant on trade with the US and the Eurozone. Therefore the UK economy is likely to register weak growth in 2013 and 2014. Consumers are likely to remain focused on paying down debt. This together with job security fears will act to keep consumer expenditure suppressed.

### Eurozone

Although market anxiety about Greece has subsided after the further support package of nearly 50bn Euros markets are still concerned that the eventual end game will be that Greece is forced to exit the Eurozone. The bailout and assistance given to Spanish banks has meant market have been subdued in the short term.

### USA

Growth is likely to remain weak at around 2% but still higher then the Eurozone. The Federal Bank has indicated it is unlikely to increase rates until 2015 wants to focus on unemployment falling to 6.5% before rates are raised. The fiscal cliff has only partially been dealt with. Increasing the debt ceiling and agreeing expenditure

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

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

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

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

### Investment Activity

The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on time, then ensuring

adequate liquidity, with the investment return being the final objective. Following the economic background above, officers are implementing an operational strategy which tightens the controls already in place in the approved investment strategy.

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

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

- **Money Market Funds – AAA**
- **UK Government** (including gilts and the DMADF)
- **Local Authorities, Parish Councils etc**
- **Supranational institutions**

Funds for investment come from the following Sources

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

At 31 Dec 2012 the Council held the following investments totalling £12,930,000

Counterparty	Investment Date	Maturity Date	Amount	Interest Rate
Coventry BS	03/12/2012	03/01/2013	1,000,000	0.4100
Hinckley & Rugby BS	20/12/2012	21/01/2013	2,000,000	0.5000
Hsbc Call Account	31/12/2012	02/01/2013	2,280,000	0.3500
Nationwide BS	03/12/2012	03/01/2013	2,000,000	0.4000
Newcastle BS	05/12/2012	07/01/2013	500,000	0.4500
Newcastle BS	13/12/2012	03/01/2013	1,500,000	0.4500
Principality BS	07/12/2012	17/01/2013	1,650,000	0.3200
Skipton BS	17/12/2012	17/01/2013	500,000	0.4000
Skitpton BS	28/12/2012	28/01/2013	1,500,00	0.4000

Details of all investments held from April 2012 to 31st December 2012 are included in Appendix A attached.

Details of the weighted average investment to December 2012 are shown in the table below together with the average overnight, 7 day and 1 month London Inter Bank Offer Rates (LIBOR) as a bench mark to the rates received by the Council.

Period	Weighted Average invested	Average period (days)	Average Return	Overnight LIBID	7 Day LIBID	1 Month LIBID
April to Dec 2012	6,064,502	11.25 days	0.5059	0.3913	0.4055	0.4481

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

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

Due to current economic conditions officers have decided to limit investment to less than one month and not to invest with banks other than with the Council's Bank. This together with mergers of Building Societies has meant the Counter

Party invest list of organisations has shrank. Average investments returns are however still higher then the comparable inter bank rate (return of 0.05059% compared against 0.04481%). The benchmarking rates in the table above are higher then the industry averages used by some local authorises. If industry benchmarks are used our average return is even more favourable. Industry average benchmark for 1 month rates are currently 0.037% compared against our average rate of 0.05059%.

### Borrowing Activities

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

Excluding the HRA self financing element the Council has a Capital Financing Requirement of around £18m which arises from previous decisions to incur Capital Expenditure that was not financed immediately by internal resources e.g. Capital Receipts or Grants giving rise to the need to borrow to finance the expenditure. This borrowing requirement can either be met by long or short term external borrowing or by internal borrowing i.e. using the cash behind the authority's balances and reserves and foregoing investment income. At the present time the interest payable on long term borrowing is significantly greater than the returns the Council could expect on its investments and therefore the Council has adopted a policy of being "underborrowed" with only £4.3m of long term loans on its books. Short term loans from the PWLB currently cost 1% so if the Council was fully funded with short term money and was receiving investment income of 0.4% there would be a cost of £82,200 pa. With longer term rates at about 4.0% the additional cost would be £548,000pa. In these circumstances the Council has not undertaken any long term borrowing in the current year and has relied on short term borrowing to meet cash flow needs.

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

#### *Short term borrowing to cover cash flow shortfalls.*

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

Amount outstanding at 1 April 2012	£2,600,000
Plus Total Amount borrowed to Dec 2012	£5,240,000
Less Total Amount repaid in year	£7,840,000
Amount outstanding at 31 Dec 2012	Nil
The average amount borrowed was	£115,671
Average period of loans	5.6 Days
Number of occasions	5
Average rate of interest paid	0.4458%

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

5. **FINANCIAL IMPLICATIONS (IB)**

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

5. **LEGAL IMPLICATIONS (AB)**

There are no legal implications arising directly from this report.

6. **CORPORATE PLAN IMPLICATIONS**

This report supports the following Corporate Aims

- Thriving Economy

7. **CONSULTATION**

None

8. **RISK IMPLICATIONS**

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

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

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

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

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

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

10. **CORPORATE IMPLICATIONS**

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

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

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Background papers: Investment and borrowing records

Contact Officer: Ilyas Bham, Group Accountant ext 5924

Executive Member: Cllr Keith Lynch

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TEMPORARY ADVANCES 2012 - 2013

Appendix A

APRIL TO DECEMBER 2012

DATE	BROKE R	RATE %	AMOUNT £	BORROWER	NO DAYS	INTEREST 2012/13	DATE REPAID	OUTSTANDING INVESTMENT
01/04/12	Direct	1.5000	2,000,000	Hinckley & Rugby	52	4,273.97	23/05/12	
01/04/12	Sterling	1.0000	500,000	NewCastle BS	30	410.96	01/05/12	
02/04/12	Sterling	0.3500	724,000	NewCastle BS	1	6.94	3/4/12	
02/04/12	Prebon	0.4000	1,650,000	Skipton BS	10	180.82	12/4/12	
03/04/12	Sterling	0.3500	504,000	NewCastle BS	2	9.67	5/4/12	
05/04/12	Sterling	0.3500	813,000	NewCastle BS	5	38.98	10/4/12	
10/04/12	Hsbc	0.2500	293,000	Hsbc Money Mkt	1	2.01	11/4/12	
11/04/12	Hsbc	0.2500	486,000	Hsbc Money Mkt	1	3.33	12/4/12	
12/04/12	Sterling	0.3500	520,000	NewCastle BS	1	4.99	13/4/12	
12/04/12	Sterling	0.4000	1,000,000	Coventry BS	11	120.55	23/4/12	
13/04/12	Hsbc	0.2500	388,000	Hsbc Money Mkt	3	7.97	16/4/12	
16/04/12	Hsbc	0.3500	1,857,000	Hsbc Money Mkt	1	17.81	17/4/12	
16/04/12	Sterling	0.4000	1,500,000	NewCastle BS	7	115.07	23/4/12	
17/04/12	Hsbc	0.3500	807,000	Hsbc Money Mkt	2	15.48	19/4/12	
17/04/12	Sterling	0.4000	1,000,000	Coventry BS	3	32.88	20/4/12	
18/04/12	Hsbc	0.3500	278,000	Hsbc Money Mkt	1	2.67	19/4/12	
19/04/12	Hsbc	0.3500	445,000	Hsbc Money Mkt	1	4.27	20/4/12	
20/04/12	Hsbc	0.3500	1,022,000	Hsbc Money Mkt	3	29.40	23/4/12	
23/04/12	Hsbc	0.3500	1,462,000	Hsbc Money Mkt	1	14.02	24/4/12	
01/05/12	Sterling	0.4000	1,274,000	Coventry BS	2	27.92	3/5/12	
01/05/12	Sterling	0.5500	500,000	NewCastle BS	28	210.96	29/05/12	
01/05/12	Sterling	0.6200	1,000,000	West Brom BS	28	475.62	29/5/12	
15/05/12	Sterling	0.4000	1,000,000	Coventry BS	7	76.71	22/5/12	
15/05/12	Sterling	0.4000	1,000,000	Coventry BS	10	109.59	25/5/12	
15/05/12	Sterling	0.4500	1,190,000	NewCastle BS	14	205.40	29/5/12	
23/05/12	Direct	0.6800	2,000,000	NewCastle BS	30	1,117.81	22/06/12	
28/05/12	Sterling	0.4000	1,010,000	Coventry BS	1	11.07	29/5/12	
29/05/12	Sterling	0.6000	500,000	NewCastle BS	31	254.79	29/6/12	
01/06/12	Sterling	0.4000	2,000,000	Coventry BS	5	109.59	6/6/12	
01/06/12	Sterling	0.6000	1,500,000	Principality BS	31	764.38		
06/06/12	Sterling	0.4000	1,891,000	Coventry BS	1	20.72	7/6/12	
06/06/12	Sterling	0.5500	500,000	NewCastle BS	30	226.03		
07/06/12	Sterling	0.4000	992,000	Coventry BS	1	10.87	8/6/12	
15/06/12	Sterling	0.3500	1,615,000	Skipton BS	4	61.95	19/6/12	
15/06/12	Sterling	0.5400	1,000,000	Coventry BS	31	458.63	16/7/12	
15/06/12	Sterling	0.4000	1,000,000	Nationwide	31	339.73	16/7/12	
22/06/12	Direct	0.6000	2,000,000	Hinckley & Rugby	28	920.55	20/07/12	
02/07/12	Sterling	0.3500	1,500,000	Principality BS	1	14.38	3/7/12	
02/07/12	Sterling	0.4000	1,000,000	Coventry BS	3	32.88	5/7/12	
02/07/12	Sterling	0.3000	1,000,000	Skipton BS	3	24.66	5/7/12	
02/07/12	Sterling	0.5800	500,000	NewCastle BS	31	246.30	02/08/12	
06/07/12	Sterling	0.5500	500,000	NewCastle BS	31	233.56	6/8/12	
16/07/12	Sterling	0.4700	1,800,000	Coventry BS	31	718.52	16/8/12	
16/07/12	Sterling	0.5000	1,650,000	Principality BS	31	700.68	16/08/12	
20/07/12	Direct	0.5000	2,000,000	Hinckley & Rugby	31	849.32	20/08/12	
01/08/12	Sterling	0.4000	1,000,000	NewCastle BS	8	87.67	9/8/12	
01/08/12	Sterling	0.4000	2,000,000	Skipton BS	8	175.34	9/8/12	
02/08/12	Sterling	0.5800	500,000	NewCastle BS	32	254.25	3/9/12	
15/08/12	Sterling	0.4000	2,000,000	Skipton BS	30	657.53	14/9/12	
16/08/12	Sterling	0.4000	1,000,000	Coventry BS	12	131.51		
16/08/12	Sterling	0.4600	1,650,000	Coventry BS	29	603.04	14/09/12	
20/08/12	Direct	0.5000	2,000,000	Hinckley & Rugby	30	821.92	19/09/12	
28/08/12	Sterling	0.4000	1,000,000	Coventry BS	17	186.30	14/9/12	
03/09/12	Sterling	0.4000	1,000,000	Coventry BS	11	120.55	14/9/12	
03/09/12	Sterling	0.4300	1,500,000	NewCastle BS	11	194.38	14/9/12	
03/09/12	Sterling	0.4800	500,000	NewCastle BS	30	197.26	5/10/12	
12/09/12	Sterling	0.4200	1,000,000	Nationwide BS	44	506.30	26/10/12	
14/09/12	Sterling	0.4500	1,650,000	Principality BS	31	630.62	15/10/12	
17/09/12	Sterling	0.3500	1,300,000	Coventry BS	2	24.93	19/9/12	
17/09/12	Sterling	0.4000	1,500,000	Skipton BS	31	509.59	18/10/12	
19/09/12	Direct	0.5000	2,000,000	Hinckley & Rugby	30	821.92	19/10/12	
01/10/12	Hsbc	0.3500	1,591,000	Hsbc Call Account	1	15.26		
01/10/12	Sterling	0.4000	1,000,000	Coventry BS	18	197.26	19/10/12	
01/10/12	Sterling	0.5000	1,200,000	NewCastle BS	21	345.21	22/10/12	
01/10/12	Sterling	0.4000	1,000,000	Nationwide BS	31	339.73	1/11/12	
02/10/12	Hsbc	0.3500	490,200	Hsbc Call Account	1	4.70		
03/10/12	Hsbc	0.3500	679,200	Hsbc Call Account	1	6.51		
03/10/12	Sterling	0.5000	500,000	NewCastle BS	33	226.03	5/11/12	
04/10/12	Hsbc	0.3500	764,200	Hsbc Call Account	1	7.33		
05/10/12	Hsbc	0.3500	131,200	Hsbc Call Account	3	3.77		
08/10/12	Hsbc	0.3500	250,200	Hsbc Call Account	1	2.40		
09/10/12	Hsbc	0.3500	307,200	Hsbc Call Account	1	2.95		
10/10/12	Hsbc	0.3500	422,200	Hsbc Call Account	1	4.05		
11/10/12	Hsbc	0.3500	535,200	Hsbc Call Account	1	5.13		
12/10/12	Hsbc	0.3500	456,200	Hsbc Call Account	3	13.12		
15/10/12	Hsbc	0.3500	3,370,000	Hsbc Call Account	1	32.32		

15/10/12	Sterling	0.4200	1,650,000	Principality BS	31	588.58	15/11/12	
16/10/12	Hsbc	0.3500	3,236,200	Hsbc Call Account	1	31.03		
17/10/12	Hsbc	0.3500	2,314,200	Hsbc Call Account	1	22.19		
17/10/12	Sterling	0.3000	1,000,000	Coventry BS	2	16.44		
18/10/12	Sterling	0.3000	1,500,000	Skipton BS	1	12.33	19/10/12	
18/10/12	Hsbc	0.3500	2,403,200	Hsbc Call Account	1	23.04		
19/10/12	Hsbc	0.3500	206,800	Hsbc Call Account	3	5.95		
19/10/12	Sterling	0.3800	1,500,000	Skipton BS	11	171.78	30/10/12	
19/10/12	Direct	0.5000	2,000,000	Hinckley & Rugby	31	849.32	19/11/12	
22/10/12	Hsbc	0.3500	455,800	Hsbc Call Account	1	4.37		
23/10/12	Hsbc	0.3500	411,800	Hsbc Call Account	1	3.95		
24/10/12	Hsbc	0.3500	511,800	Hsbc Call Account	1	4.91		
25/10/12	Hsbc	0.3500	51,800	Hsbc Call Account	1	0.50		
26/10/12	Hsbc	0.3500	910,800	Hsbc Call Account	3	26.20		
29/10/12	Hsbc	0.3500	507,800	Hsbc Call Account	1	4.87		
30/10/12	Hsbc	0.3500	493,800	Hsbc Call Account	1	4.74		
30/10/12	Sterling	0.4000	1,500,000	Skipton BS	31	509.59	30/11/12	
31/10/12	Hsbc	0.3500	551,800	Hsbc Call Account	1	5.29		
01/11/12	Hsbc	0.3500	2,321,800	Hsbc Call Account	1	22.26		
01/11/12	Sterling	0.4000	2,000,000	Coventry BS	22	482.19	23/11/12	
01/11/12	Sterling	0.4000	1,000,000	Nationwide BS	32	350.68	3/12/12	
02/11/12	Hsbc	0.3500	1,971,800	Hsbc Call Account	3	56.72		
05/11/12	Hsbc	0.3500	2,405,800	Hsbc Call Account	1	23.07		
05/11/12	Sterling	0.4300	500,000	NewCastle BS	30	176.71	5/12/12	
06/11/12	Hsbc	0.3500	2,173,800	Hsbc Call Account	1	20.84		
07/11/12	Hsbc	0.3500	2,340,800	Hsbc Call Account	1	22.45		
08/11/12	Hsbc	0.3500	2,410,800	Hsbc Call Account	1	23.12		
09/11/12	Hsbc	0.3500	2,202,800	Hsbc Call Account	3	63.37		
12/11/12	Hsbc	0.3500	2,279,800	Hsbc Call Account	1	21.86		
13/11/12	Hsbc	0.3500	2,213,800	Hsbc Call Account	1	21.23		
14/11/12	Hsbc	0.3500	2,327,800	Hsbc Call Account	2	44.64		
15/11/12	Sterling	0.4000	1,500,000	NewCastle BS	8	131.51	23/11/12	
15/11/12	Sterling	0.3500	1,000,000	West Brom BS	8	76.71	23/11/12	
15/11/12	Sterling	0.3400	1,650,000	Principality BS	32	491.84	17/12/12	
16/11/12	Hsbc	0.3500	2,601,800	Hsbc Call Account	1	24.95		
17/11/12	Hsbc	0.3500	2,327,800	Hsbc Call Account	1	22.32		
18/11/12	Hsbc	0.3500	2,601,800	Hsbc Call Account	1	24.95		
19/11/12	Hsbc	0.3500	2,327,800	Hsbc Call Account	1	22.32		
19/11/12	Direct	0.5000	2,000,000	Hinckley & Rugby	31	849.32	20/12/12	
20/11/12	Hsbc	0.3500	2,264,800	Hsbc Call Account	1	21.72		
21/11/12	Hsbc	0.3500	2,152,800	Hsbc Call Account	1	20.64		
22/11/12	Hsbc	0.3500	1,138,800	Hsbc Call Account	1	10.92		
23/11/12	Hsbc	0.3500	5,000	Hsbc Call Account	3	0.14		
26/11/12	Hsbc	0.3500	34,000	Hsbc Call Account	1	0.33		
27/11/12	Hsbc	0.3500	5,000	Hsbc Call Account	1	0.05		
28/11/12	Hsbc	0.3500	681,000	Hsbc Call Account	1	6.53		
29/11/12	Hsbc	0.3500	862,000	Hsbc Call Account	1	8.27		
30/11/12	Hsbc	0.3500	605,000	Hsbc Call Account	3	17.40		
30/11/12	Sterling	0.4000	1,500,000	Skipton BS	28	460.27	28/12/12	
03/12/12	Hsbc	0.3500	1,980,000	Hsbc Call Account	1	18.99		
03/12/12	Sterling	0.4100	1,000,000	Coventry BS	31	348.22	3/1/13	1,000,000
03/12/12	Sterling	0.4000	2,000,000	Nationwide BS	31	679.45	3/1/13	2,000,000
03/12/12	Sterling	0.4500	1,500,000	NewCastle BS	31	573.29	3/1/13	1,500,000
04/12/12	Hsbc	0.3500	929,000	Hsbc Call Account	1	8.91		
05/12/12	Hsbc	0.3500	1,029,000	Hsbc Call Account	1	9.87		
05/12/12	Sterling	0.4500	500,000	NewCastle BS	33	203.42	7/1/13	500,000
06/12/12	Hsbc	0.3500	1,118,000	Hsbc Call Account	1	10.72		
07/12/12	Hsbc	0.3500	1,179,000	Hsbc Call Account	3	33.92		
10/12/12	Hsbc	0.3500	1,279,000	Hsbc Call Account	1	12.26		
11/12/12	Hsbc	0.3500	843,000	Hsbc Call Account	1	8.08		
12/12/12	Hsbc	0.3500	1,153,000	Hsbc Call Account	1	11.06		
13/12/12	Hsbc	0.3500	1,219,000	Hsbc Call Account	1	11.69		
14/12/12	Hsbc	0.3500	1,021,000	Hsbc Call Account	3	29.37		
17/12/12	Hsbc	0.3500	3,000,000	Hsbc Call Account	1	28.77		
17/12/12	Sterling	0.3200	1,650,000	Principality BS	31	448.44		1,650,000
17/12/12	Sterling	0.4000	500,000	Skipton BS	31	169.86		500,000
18/12/12	Hsbc	0.3500	1,877,000	Hsbc Call Account	1	18.00		
19/12/12	Hsbc	0.3500	1,957,000	Hsbc Call Account	1	18.77		
20/12/12	Hsbc	0.3500	1,798,000	Hsbc Call Account	1	17.24		
20/12/12	Direct	0.5000	2,000,000	Hinckley & Rugby	32	876.71		2,000,000
21/12/12	Hsbc	0.3500	1,732,000	Hsbc Call Account	3	49.82		
24/12/12	Hsbc	0.3500	1,820,000	Hsbc Call Account	1	17.45		
27/12/12	Hsbc	0.3500	1,886,000	Hsbc Call Account	1	18.08		
28/12/12	Hsbc	0.3500	1,930,000	Hsbc Call Account	3	55.52		
28/12/12	Sterling	0.4000	1,500,000	Skipton BS	31	509.59		1,500,000
31/12/12	Hsbc	0.3500	2,280,000	Hsbc Call Account	2	43.73		2,280,000
			<b>196,760,200</b>			<b>30,679</b>		<b>12,930,000</b>

**FINANCE, AUDIT & PERFORMANCE COMMITTEE – 21 JANUARY 2013**

**REPORT OF CHIEF EXECUTIVE**

**RE: PERFORMANCE MANAGEMENT FRAMEWORK**

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Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

1. **PURPOSE OF REPORT**

- 1.1 To provide the Council's 2nd Qtr position (2012/13) on:
- Performance Indicators
  - Service Improvement Plans
  - Corporate Risks

2. **RECOMMENDATION**

That the committee members:

- (i) Note the Council's 2nd Qtr performance information for:
  - Indicators whose performance is worse than the same period last year
  - Indicators that are predicted not to be on target at year end
  - Indicators that are below average against current benchmarking data
- (ii) Note Service Improvement Plans that show some slippage (amber) to target dates and those that will not meet (red) target dates
- (iii) Note the latest status of net Corporate/Strategic Risks

3. **BACKGROUND TO THE REPORT**

- 3.1 The council reports quarterly on progress against its Performance Management Framework and Strategic Risk Management.
- 3.2 This report considers current performance with regard to the Corporate Plan Strategic aims.

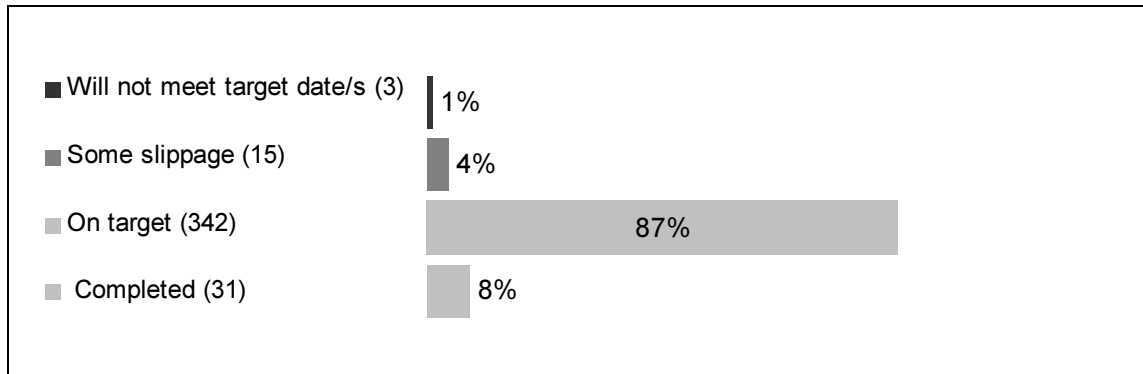
4. **OVERALL SUMMARY – April 2012 to September 2012**

- 4.1 Performance Indicators: 2<sup>nd</sup> Qtr position:

<p><b>Performance compared to same period last year – 59 indicators</b> (15 not measured as they are new for 2012/13), 6 indicators awaiting returns</p>	<table border="1"> <tr> <td>Improved (13)</td> <td>34%</td> </tr> <tr> <td>The same (1)</td> <td>3%</td> </tr> <tr> <td>Worse (24)</td> <td>63%</td> </tr> </table>	Improved (13)	34%	The same (1)	3%	Worse (24)	63%
Improved (13)	34%						
The same (1)	3%						
Worse (24)	63%						
<p><b>Year end actual v's target – 59 indicators.</b> LI175 "no of hate crimes" cannot be measured as no target has been set for 2012/13, 5 indicators awaiting returns and 2 indicators awaiting further data before entering year end estimate</p>	<table border="1"> <tr> <td>On or above target (45)</td> <td>88%</td> </tr> <tr> <td>Within 15% of target (0)</td> <td>0%</td> </tr> <tr> <td>Below 15% of target (6)</td> <td>12%</td> </tr> </table>	On or above target (45)	88%	Within 15% of target (0)	0%	Below 15% of target (6)	12%
On or above target (45)	88%						
Within 15% of target (0)	0%						
Below 15% of target (6)	12%						
<p><b>Comparable (6) indicators v's 10/11 actuals</b> (All English District councils)</p>	<table border="1"> <tr> <td>Top quartile (4)</td> <td>66%</td> </tr> <tr> <td>Below top but above average (1)</td> <td>17%</td> </tr> <tr> <td>Below average (1)</td> <td>17%</td> </tr> </table>	Top quartile (4)	66%	Below top but above average (1)	17%	Below average (1)	17%
Top quartile (4)	66%						
Below top but above average (1)	17%						
Below average (1)	17%						
<p><i>Indicators awaiting returns: LI157d (No of planning performance agreements made) LI175 (No of hate crimes reported across all agencies) LI20 (Total recorded crime offences) NI15 (Serious violent crime rate) NI16 (Serious acquisitive crime rate) NI20 (Assault with injury crime rate – LAA)</i></p>							
<p><i>Indicator with target not set: LI175 (No of hate crimes reported across all agencies)</i></p>							
<p><i>Indicators awaiting year end estimates: NI154 (Net additional homes provided) NI155 (Number of affordable homes delivered)</i></p>							
<p><i>Note on Quartile benchmarking: LGEM (local Gov &amp; East Midlands ) are currently conducting a project to capture year end 2011/12 returns throughout the region which should enable the council to benchmark some indicators against other district councils. The councils performance management system will be updated as soon as data is available</i></p>							

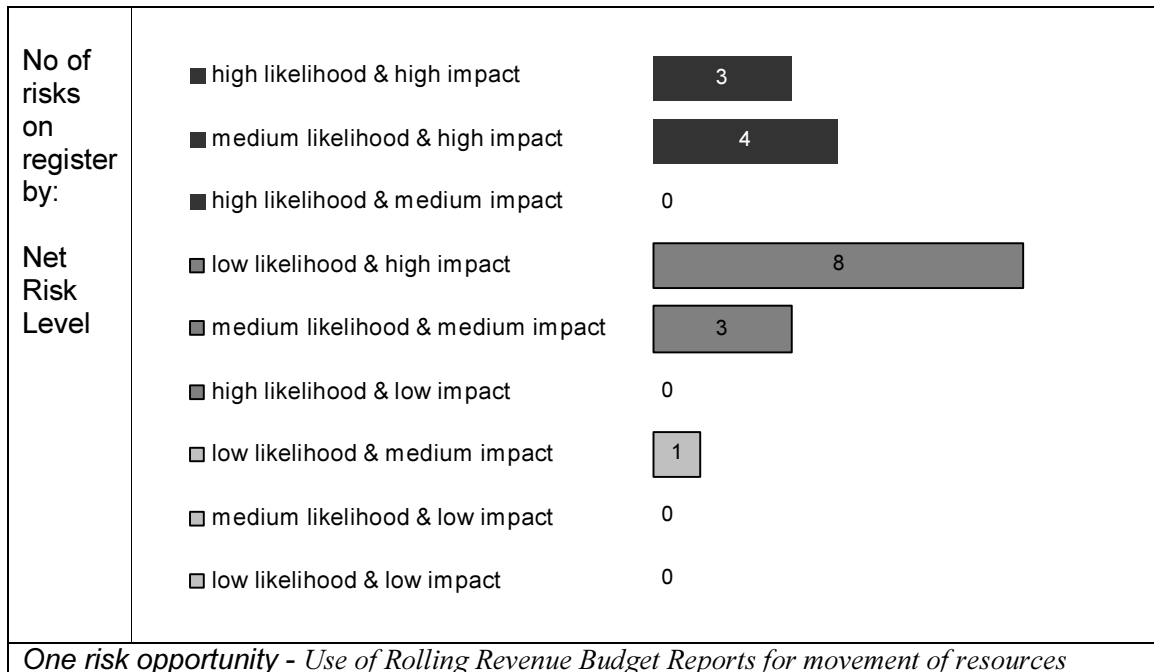
- Details of Performance Indicator exceptions are provided at appendix 1
- Indicators that are not on target
  - Indicators that are below average against quartile benchmark

4.2 Service Improvement action plans: 2<sup>nd</sup> Qtr position:



Details of Service Improvement Plan actions that are showing some slippage and/or will not meet target dates are provided at appendix 2

4.3 Corporate Risks: 2<sup>nd</sup> Qtr position:



Details of all corporate risks are provided at appendix 3

5. Performance indicators achieving high levels of performance

Ref	Description	Result
LHE20a	Percentage of reported Fly Tips Collected within 5 Days	100%
R&R1a	Total Number of justified missed bins	354 (287 less than same period last year)
LCD61	B.C.Full Plans determined and returned within 5 weeks or 2 months	100%

6. Performance indicators whose targets have been significantly reduced for 2012/13

Ref	Description	Target reduction/increase from 2011/12 to 2012/13	Result	Comments
BV204	Planning Appeals	From 25% to 65%	75%	The appeals allowed addressed mainly subjective issues where there is often disagreements. There continues to be monitoring of appeal decisions and the quality of decision making
NI 157a	Process of planning applications as measured against targets for major application types.	From 90% to 50%	66.66%	Profiling has been carried out for majors going forward. This shows that we will hit the PI within this year. Work is ongoing to roll this forward and keep monitoring major applications.

7. DATA QUALITY MANAGEMENT

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

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

8. FINANCIAL IMPLICATIONS [DB]

None arising directly from this report

9. LEGAL IMPLICATIONS [AB]

None arising directly from this report

10. CORPORATE PLAN IMPLICATIONS

The report provides an update on the achievement of the Council's vision and revised Corporate Plan 2010 – 2015. The issues covered in this report relate to, and support the achievement of all the Council's Strategic Aims:

- Cleaner and greener neighbourhoods
- Thriving economy
- Safer and healthier borough
- Strong and distinctive communities
- Decent, well managed and affordable housing.

and values:

- Life quality and the environment within our community is further improved
- Improved effectiveness working in partnership at a competitive price
- Vulnerable people are safeguarded
- Equality and fair treatment for all

11. CONSULTATION

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

12. RISK IMPLICATIONS

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

The Strategic Risk Register identifying the significant risks for the council is considered alongside the reporting of performance and financial management.

13. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Equality and Rural implications are considered as part of the implementation of the Corporate Plan. The Corporate Plan 2010-15 priorities are informed by a borough wide consultation exercise completed in summer 2009.

14. CORPORATE IMPLICATIONS

- None

15. Appendices

Appendix 1 - Indicators below average performance or will not meet target

Appendix 2 - Service Improvement Plans showing some slippage and/or will not meet target dates

Appendix 3 - Corporate Risks

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Background papers: -  
 Contact Officer: Cal Bellavia ☎5795  
 Executive Member: Councillor Ms BM Witherford

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# Appendix 1

Light grey = Green, Dark grey = Amber, Black = Red

Ref	Name	Year End Actual	Outturn Sep 12/13	Sep 11/12	Yr End Est	12/13 Target	District Top 1/4	Good Performance ?	Sep 12/13 (Row Comment)	Baseline
<b>02 Cleaner &amp; Greener Neighbourhoods - Business, Contract &amp; Streetscene</b>										
NI191	Residual household waste per household - District spatial level	451	228	224	450	450	550	LOW - Quarterly	figure relates to August 2012 and remains subject to confirmation. data includes March 2012-June 2012 MBT back allocation and 3rd party recycling	
<b>03 Thriving Economy - Corporate Direction</b>										
BV008	Percentage of Invoices Paid on Time	99.33%	98.62%	99.34%	98.00%	98.00%	N/A	High - Monthly		3478 out of 3531 invoices were paid in 30 days
LRBP8	Processing of new claims (days)	N/A	22.8		21	16	N/A	Low - Monthly	Introduction of phase 2 of Atlas by DWP means we are receiving additional 3,500 (approx) work items per month. These are duplicated as DWP continue to operate original system alongside. Indication was that this would end in July this year, but it hasn't so far. Have employed two additional staff for period of 8	1494 claims processed to date
LRBP9	Processing of Change of Circumstances (days)	N/A	17.84		16	8	N/A	Low - Monthly		10584 claims processed to date
LRBP10	Combined performance (NI181)	N/A	18.57		17	10	N/A	Low - Monthly		12419 claims/changes processed to date
LI008	Percentage of Invoices (local businesses) Paid on Time (Within 10 Days)	82.67%	68.49%	84.81%	80.00%	80.00%	N/A	High - Monthly		503 out of 752 invoices were paid within 10 days
LRBP7	Housing Benefit overpayments collection rate	N/A	33.76%		47.92%	61.00%	N/A	High - Quarterly	Values of overpayments increasing significantly. We raise in region of 300 invoices per mth with average value of 85k. From Nov 2012 will have additional person supporting this area for the partnership. Total paid =	
<b>04 Thriving Economy - Community Direction</b>										
LIB070bi	% of enforcement complaints acknowledged within 3 days	97.87%	99.22%	100.00%	95.00%	95.00%	N/A	High - Monthly		127/128 - April - September
LCD60	B.C. Completion Certificates sent within 7 working days of final completion	96.94%	90.74%	97.58%	99.00%	95.00%	N/A	High - Monthly	Appointing an additional BCO for 3 days a week until end of March 2014 to assist in performance.	196/216 - April - September
NI157b	Processing of planning applications as measured against targets for minor application types - District spatial level	93.07%	86.77%	91.80%	90.00%	90.00%	86.00%	High - Monthly	Variety of reasons for applications going out of time including applications going to committee because of number of representations or being called in. Also working constructively with legal to refine processes around legal agreements. 105/121 - April - September	
NI157c	Processing of planning applications as measured against targets for other application types	98.15%	94.53%	99.17%	95.00%	90.00%	93.00%	High - Monthly		242/256 April - September
BV066a	Rent Collection and Arrears Recovery	98.32%	97.29%	97.32%	98.16%	98.16%	N/A	High - Quarterly	Financial downturn causing tenants difficulty making regular payments also more take up of ben plus waiting for benefit payments	10.4m GBP
BV066d	Rent Collection and Arrears Recovery - Evictions	0.06%	0.09%	0.00%	0.17%	0.17%	N/A	Low - Quarterly	3 tenants evicted	3,400

# Appendix 1

Light grey = Green, Dark grey = Amber, Black = Red

Ref	Name	Year End Actual	Outturn Sep 12/13	Sep 11/12	Yr End Est	12/13 Target	District Top 1/4	Good Performance ?	Sep 12/13 (Row Comment)	Baseline
<b>05 Safer &amp; Healthier Borough - Community Direction</b>										
LHE32a	% Licences issued in 30 days (excluding hackney carriage driver licences)	99.50%	98.95%	99.50%	98.00%	98.00%	N/A	High - Quarterly	483 licences, permits and notices issued in the first two quarters 2012/2013.5 applications outside of P.I. due to representations against licence and application being determined by Licensing Sub-Committee.	
LHE32b	% Hackney Carriage Driver Licences issued within 60 days	95.00%	96.60%	97.50%	96.00%	96.00%	N/A	High - Quarterly	Party background checks and applicants not booking DSA driving tests soon enough.	
SAP16	Value for money based on attendances at programmes in the Sport & Physical Activity Commissioning Plan	N/A	7.35		3.28	2.28	N/A	High - 6 Monthly	Figures subject to change after locality check and challenge process. The aim is to lower this figure by year end to be within Â£1.00 of the initial vfm target.	
<b>06 Strong &amp; Distinctive Communities - Community Direction</b>										
LHS212a	Average Time to Re-let Local Authority Housing (Sheltered Housing)	83	70	59	80	80	N/A	Low - Monthly		Number of voids 17 Number of days 1195
LHS212b	Average Time to Re-let Local Authority Housing (General Needs Housing)	18	21	20	16	16	N/A	Low - Monthly	Performance affected by some minor repair void repairs that took longer than expected to complete.	Number of voids 110 Total number of days 2299
NI142	Percentage of vulnerable people who are supported to maintain independent living LAA	98.50%	97.68%	98.70%	99.20%	99.20%	N/A	High - Quarterly		% of the 362 households in sheltered housing who have maintained independent living
NI156	Number of households living in Temporary Accommodation- District spatial level	9	13	10	15	10	8	Low - Quarterly	Increase in B&B usage for families due to increase in complex cases with mixture of drugs, violence, sexual abuse, mental health and ASB issues.	
<b>07 Decent, Well Managed &amp; Affordable Homes - Community Direction</b>										
NI154	Net additional homes provided - KPI & LAA	373	135	156		450	NA	High - 6 Monthly	Return is estimate. Actual return and year end estimate will be available around mid November	Total number of households in the Borough is 45,377 (2011 census)
NI155	Number of affordable homes delivered (gross) - KPI & LAA	134	11	18		105	NA	High - 6 Monthly	Return is estimate. Actual return and year end estimate will be available around mid November	Total number of households in the Borough is 45,377 (2011 census)
<b>08 Decent, Well Managed &amp; Affordable Homes - Business, Contract &amp; Streetscene</b>										
LHS20	% of Customers satisfied with repairs		89.96%	91.79%	87.00%	87.00%	N/A	High - Monthly		968 jobs
<b>09 Continuous Organisational Improvement &amp; Support - Corporate Direction</b>										
BV012	Monthly - Working Days Lost due to Sickness Absence	6.2	4.17	2.79	7	7	NA	Low - Monthly		186.1
LCUS1a	calls answered within 45 seconds	62.23%	51.99%	64.09%	85.00%	85.00%	N/A	High - Monthly	Performance impacted by staff leaving, sickness and peak-time holidays, however customer satisfaction continues to indicate that	YTD calls answered: 65,907
LCUS3	Ensure an appropriate person will see the customer within 10 minutes	79.10%	73.70%	77.80%	85.00%	85.00%	N/A	High - Monthly	satisfaction continues to indicate that	estimated 19,200 customers per year. Actual 12,669 customers seen
LCUS6c	Customer satisfaction with web services	36.80%	30.39%	38.68%	50.00%	50.00%	N/A	High - Monthly	On going work with web editors to improve service	803 customers chosen to give feedback via govmetric

**Appendix 2 – Service Improvement Plans that are either showing signs of slippage or will not meet target dates**

**Service Improvement that will not meet target dates**

<b>Outcome</b>	<b>Action</b>	<b>Lead Officer</b>	<b>Progress</b>
Continuous organisational improvement & support	Complete telephony review and procurement of new contract by Oct 2012	Julie Kenny	Being deferred and to follow relocation
	Academy Efficiency Version [30/6/2012]	Storme Coop	The EV has been developed to make key processes within the software quicker to complete (fewer key strokes) [July 2012] We will not be moving to the EV until substantial testing has been carried out so the implementation date will be moved towards the end of the year
	Shared Desktop [May 2012]	Storme Coop	All correspondence will be actioned based upon pre-determined weightings of priority and will be accessible by all partnership staff. This is only possible when the partnership is operating from the same server. [July 2012] Shared desktop to be installed September 2012

<b>Service Improvement Plans showing some signs of slippage</b>			
<b>Outcome</b>	<b>Action</b>	<b>Lead Officer</b>	<b>Progress</b>
CP04 - Reduce CO2 emissions in the borough	Reduce CO2 emissions within the Asset Management portfolio (2014)	Matt Burns	Projects identified to reduce CO2 at Hinckley Leisure Centre do not currently have funding. The profile of our operational portfolio is however changing and the new developments including the Hinckley Hub, Jubilee Building and Leisure Centre will concentrate on CO2 reduction as a part of each project where possible
	Strive to obtain BREEAM certification for new developments (Individual Project basis - Ongoing)	Matt Burns	Hinckley Hub ongoing. New Depot not viable for BREEAM due to tight financial constraints - it is considered that the project would achieve a Good rating if it were to be formally assessed. HLC to be confirmed. PV Solar cells now introduced into the Hinckley Hub scheme now assisting to push the energy certification from B to A. (Invest to save project considered outside of the Hinckley Hub scheme)
Continuous organisational improvement & support	SA02_Upgrade Uniform 8.2 and 8.3 [5/12, 11/12]	Nicola Alexander	[12/06] Testing 8.2 - issues with unimap are preventing go-live. No critical functionality required - key date for implementation is 10/12. (NA) [12/10] Testing 8.2 - unimap issues resolved, will be installed early Nov. (NA)
CP18 - Ensure people are safer	Continue to deliver and develop consequences/schools awareness projects (March 2013)	Maddy Shellard	Quarter 1: Project on course but need to consider academy changes and the implications of this Quarter 2 as quarter 1
CP16 - Maintain high levels of performance in comparison to similar authorities particularly for publicly determined priority services	Undertake annual National Benchmarking of Property Performance Data via CIPFA website (Sept 12)	Matt Burns	Agreed to include Utilisation Data for Hub Relocation Benchmarking. Approach and methodology agreed - planned for beginning of August. Not undertaken due to seasonal fluctuations in staffing levels. Re-scheduled utilisation survey for November 2012.
CP28 - Improve neighbourhoods and quality of life for residents	Develop Neighbour Dispute tool(January 2013)	Maddy Shellard	Quarter 1: Awaiting branding finalisation for Endeavour Quarter 2: as Quarter 1

Service Improvement Plans showing some signs of slippage - continued			
Outcome	Action	Lead Officer	Progress
CP30 - Support and educate individuals to improve skills and become volunteers	Continue to support Community Action Hinckley and Bosworth in the ongoing development and sustainability of the Social Enterprise Organisation(March 2013)	Edwina Grant	<p><b>Quarter 1:</b> Ongoing support for establishment of Social Enterprise. Initial action planning meeting took place on 19th June to agree delivery plan for quarter 2 (Q1 delivery delayed to owing to ill health of Chief Officer). Payment to be on an outcomes related basis</p> <p><b>Quarter2:</b> Development of the Social Enterprise Organisation has not developed at the rate planned, owing to the ongoing ill health of the Lead Officer. Initial discussions are in track to explore the taking forward of the S.E. through the collaboration of a number of key VCS organisations in the locality. A report outlining these proposals will be finalised by the end of Sept/early Oct 2012. To date ring fenced funds has not been pass ported as this is subject to payment by results arrangement. District Lead on Working Group to review and inform the VCS Infrastructure Support contract from April 2013. Draft specification for 2013 established and currently out to consultation Now withdrawn from VAL contract at the end of June 2012. Continued attendance at partner funding meetings, in order to keep under review options for H&amp;B regarding infrastructure support services in the locality. Discussions underway with key VCS organisations in the locality to explore options for collaborative working locality. A report outlining these proposals will be finalised by the end of Sept/early Oct 2012</p>
CP02 - Improve facilities in our parks and open spaces	Improve access to Billa Barra Hill by July 2012	Paul Scragg	Not commenced due to staff shortages. Target for works December 2012
	Improve play provision at Waterside Park - due March 2014	Paul Scragg	Consultation prep not commenced as no progress with developer, and s106 not received. No progress with adoption due to lack of co-operation from developer - meeting developer Sept 2012.
	Develop 5 year green space delivery plan to implement GI strategy and PPG 17 and improve the quality of parks and open spaces - June 2012	Caroline Roffey	Slipped due to committee timetables, other priorities etc

Service Improvement Plans showing some signs of slippage - continued			
Outcome	Action	Lead Officer	Progress
CP06 - Reduce waste going to landfill and reuse more materials	Continue to encourage residents to recycle over 50% of their household waste – March 2013	Darren Moore	The amount of green waste recycled for the first quarter of 2012/13 was less than for the same period last year. In addition, the changes made by the Environment Agency in respect of treatment of street sweepings will also have a negative impact on overall recycling performance for household waste in view these can no longer be recycled/counted towards recycling performance. An increase in dry recycling is evident and green waste tonnage has increased during the second quarter due to the wet weather.
CP32 - Ensure that our services meet our customers' needs	32c - Work with our Partners to deliver a Customer Services Strategy for the Place by July 2012	Lynn Fray	This remains slow progress due to Partners commitment. Decision needs to be taken to have a locality approach bearing in mind the work with the HUB. 07.12 Plan to refresh our own Customer Service Strategy in line with move to Hub early 2013 if partnership strategy has not been set up.
CP38 - Improve the quality of residents homes	Carry out open consultation regarding parking issues at Forest Close, Groby and agree a way forward	Resident Involvement officers, Tracey Hodgkins, Ian Parsons	Difficulty in gaining mutually agreeable dates for open meeting, may result in slippage
	Investigate and implement offering a central heating servicing, CP 12 certification/ break down service, to 1) leasehold residents, 2)private landlords, 3) general public	Ian parsons, Barry Rollason	Until current contract to carry out central heating servicing (CP12 certs) to Council dwellings are completely resolved, reluctant to open up to other bodies, agencies
	Provide a Handy Man scheme	Tracey Hodgkins, Ian Parsons	project being investigated,

## Appendix 3 - Corporate Risks

<b>Net risk level = 9 (High Likelihood &amp; High Impact)</b>			
Risk	Review date	Risk owner	Review commentary
S.11 - Failure to successfully deliver the Medium Term Financial Strategy	Oct 2012	S.Kohli	The final Finance Settlement is now not anticipated until mid December. There continues to be great uncertainty over the implications of Retention of Business Rates and Localisation of Council Tax Support. The latter has widespread implications for this Council. These implications are now fully documented as part of the local scheme which is being agreed within the County. The Finance Bill gets Royal assent at the end of November. Options to Pool Business Rates are also being considered and a final decision will be made once the business rates baseline and funding baselines are announced as part of the Finance Settlement. Latest estimates suggest a funding reduction of 6.1%. This is within the MTFs parameters and COB have identified £300K savings to meet any shortfall.
S.19 - Failure to improve sickness absence	Oct 2012	S.Atkinson	Concerns at the start of the new financial year have been addressed and the levels of absence are now at a similar level to the first half of 2011/12. This will be kept under monthly review for the next three months
S.33 - MIRA RGF Fund	Oct 2012	B.Cullen	BIS will consider signing off final Grant Offer at it's committee meeting on 1 Nov which will then allow HBBC to commence draw down of funds. A funding and delivery agreement is drafted and a S278 agreement which will help mitigate risks to HBBC on the delivery of the project and claw back. Draw down of funds will not commence until the agreements are formally signed off.

<b>Net risk level = 8 (Medium Likelihood &amp; High Impact)</b>			
Risk	Review date	Risk owner	Review commentary
S.04 - Damage to Reputation/adverse publicity	Oct 2012	S.Atkinson	Net positive media coverage maintained. Concentration on short term issues: Barwell SUE, Bus Station development, Police Station, Town Centre (Regent Street) and overall financing. Preparing also for potential media interest in: Council Tax Benefit, Argents Mead/Leisure Centre and Enterprise Zone.

<b>Net risk level = 8 (Medium Likelihood &amp; High Impact) continued</b>			
Risk	Review date	Risk owner	Review commentary
S.15 - Failure to successfully adopt and deliver the LDF leads to:	Oct 2012	B.Cullen	Good progress continues to be made on Evidence based documents to support the Local plan. Member workshops have convened on housing allocations and more work is required to gain political support to secure commitments to site allocations and work is programmed to achieve this. A revised and detailed project plan is in place linked to considering the Barwell SUE application which is now targeted for March 2013 determination. A draft report from consultants on the Gipsy and travellers Needs Survey is expected by early Nov.
S.29 - Loss of contract for Supporting People funded services	Oct 2012	S.Stacey	Contracts for older persons housing related support have been extended by the County council to allow time to discuss service specifications and impact on providers and customers of any proposed service. Service manager on working group looking at specificaiton. Service manager also considering alternative delivery methods - intensive housing management. Discussions with NWLDC continuing regarding control centre.
S.34 - Safeguarding Children and Young People	Oct 2012	Simon D. Jones	Safeguarding action plan being implemented by DSO's (Designated Safeguarding Officers) Linked Project Endeavour to Safeguarding Section 11 Audit undertaken - awaiting results. New employees are being trained in either Bronze, Silver or Gold standard

<b>Net risk level = 6 (Low Likelihood &amp; High Impact)</b>			
Risk	date	owner	Review commentary
S.01 - Failure to focus on priorities and initiatives	Oct 2012	S.Atkinson	Focus maintained on delivery of Bus Station Site & Hinckley Hub, both on target. Alternative proposal for Argents Mead site to be presented to Council in November. Actions to relocate Depot on target for completion march 2013. MTFs still sound & contingency plans agreed, in case of worse than predicted settlement announcement in December. Increase in Planning fees by 15%, for which HBBC lobbied strongly, will give more headroom in financial position; being pushed by DCN. Actions now advanced regarding delivery of countywide Council Tax Benefit scheme and Business Rates 'pooling' by April 2013



**Net risk level = 6 (Low Likelihood & High Impact) continued**

Risk	Review date	Risk owner	Review commentary
S.06 - Failure to implement the Town Centre Plan	Oct 2012	B.Cullen	A revised Development Agreement with Tin hat regeneration Company has been agreed in principle to underpin progress being made in 2 stages as reported 1st Quarter. This will be considered by Scrutiny and Council in November. Subject to approval by Council Tin hat propose to start stage 1 works in May 2013. Council will also be asked to consider providing a developer loan which could bring in additional income from the scheme.
S.12 - Insufficient Business Continuity Management (incl Disaster recovery) arrangements	Oct 2012	S.Atkinson	The review process is ongoing and no major issues have been identified
S.13 - Failure to Manage Partnership working	Oct 2012	B.Cullen	The LSP Annual report or 2011/12 has been signed off by SLB and the LSP and will be reported to Scrutiny in Dec. This highlights good progress from key delivery partnerships including the CSP, LPG,TCP, H&WBP and E&SP.. Steady progress continues to be made on the innovative Endeavour Project.
S.16 - Failure to adhere to Health and Safety Legislation/ Regulations	Jul 2012	R.Parkinson	The H&S Officer continues to support the depot with a minimum average of 2 days per week. The revised Corporate Health and Safety for the Council has been signed off by the Chief Executive and is to be rolled out over the next few months to all staff. Housing repairs now in house and policies, risk assessments and safe systems of work developed by a consultant. H&S audits of other work areas are continuing. Legionella risk being monitored.
S.17 - A reduction in Benefit Subsidy as a result of error and/or poor performance impacting on Medium Term Financial Strategy	Oct 2012	S.Coop	PwC have confirmed the extent of the additional testing required and the benefit team leaders are currently working through those tests. PwC will be on site week beginning 12 November 2012 to review findings.

<b>Net risk level = 6 (Low Likelihood &amp; High Impact) continued</b>			
Risk	Review date	Risk owner	Review commentary
S.27 - Failure to deliver / ensure sustainability to My Place Project	Oct 2012	B.Cullen	The centre continues to perform well and membership is over 3,000 and quarterly monitoring meetings through a joint board take place
S.30 - Review by the Equalities Commission for Human Rights of disability issues	Oct 2012	S.Atkinson	Completed work on Section 23 Agreement and submitted Action Plan, which incorporates existing activities and has been agreed by EHRC. Action Plan targets being delivered on time. No further information requested/required from HBBC by EHRC in response to follow up report in October 2012

<b>Net risk level = 5 (Medium Likelihood &amp; Medium Impact)</b>			
Risk	Review date	Risk owner	Review commentary
S.14 - Dealing with numerous Public Enquiries	Oct 2012	B.Cullen	Monitoring continues of appeals and a 6 monthly update will be reported to Scrutiny
S.22 - Failure of County Council Support/ engagement for the Local Strategic Partnership	Oct 2012	B.Cullen	The LSP now sees regular attendance from a LCC Cabinet Member and senior LCC officer
S.25 - Failure to provide a fit for purpose Leisure Centre	Oct 2012	B.Cullen	An options study has now been complete and outcomes and recommendations will be reported to Scrutiny and Council in November. Funding streams have been identified to deliver essential requirements and subject to agreement by Council on 13 November a programme for delivery is developed to secure delivery by summer 2015

<b>Net risk level = 3 (Low Likelihood &amp; Medium Impact)</b>			
Risk	Review date	Risk owner	Review commentary
S.20 - Non-compliance with Financial Regulations - Caused by: misunderstanding or non-application by officers	Oct 2012	S.Kohli	This risk was reduced to Net Amber in February 08 following a favorable Internal Audit report in respect of compliance with Financial Regulations. At the year end review Mar 09 it was considered the net likelihood of this risk occurring should be reduced to low facilitating 6-monthly review. No significant issues arose during the year. Risk reviewed in April 2012 - added progress to additional mitigation plan. The position at 30th September 2012 remains unchanged.

<b>Risk Opportunity (Low Likelihood &amp; High Impact)</b>			
Opportunity	Review date	Owner	Review commentary
S.21 - Use of Rolling Revenue Budget Reports for movement of resources	Oct 2012	S.Atkinson	Further savings opportunities agreed with SLB/COB, should they be needed in light of settlement announcement in December for 2013/14. Supported by Trade Unions and position being reviewed in October/early November 2012.

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