



Hinckley & Bosworth Borough Council

Value for Money Interim Report

**Years ended 31 March 2021, 31 March 2022 and 31
March 2023**

30 October 2024



Members of the Audit Committee
Hinckley and Bosworth Borough Council
Hinckley Hub
Rugby Road
Hinckley
LE10 0FR

30 September 2024

Dear Audit Committee Members

Value for Money Report up to and including 2022/23

We are pleased to attach our interim commentary on the Value for Money (VFM) arrangements for Hinckley & Bosworth Borough Council. This commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit years 2020/21, 2021/22 and 2022/23.

The Ministry of Housing, Communities and Local Government has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. The 2024 Code has reduced the scope of the VFM reporting up to and including the 2022/23 financial year. However, in the February 2024 consultation on the new Code, the NAO stated that where auditors have begun or already undertaken work that no longer falls under the reduced scope, they may still report on it in accordance with paragraph 13 of Schedule 3 of the 2024 Code. EY are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

This report is intended solely for the information and use of the Audit Committee and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at a future Audit Committee meeting.

Yours faithfully

Hayley Clark

Partner

For and on behalf of Ernst & Young LLP

Encl

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/auditquality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to Audit Committee and management of Hinckley & Bosworth Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee and management of Hinckley & Bosworth Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of Hinckley & Bosworth Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



BOARDROOM

01 Executive Summary



Executive Summary

Purpose

Auditors are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditor's provide an annual commentary on arrangements published as part of the Auditor's Annual Report. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

The purpose of this interim commentary is to explain the work we have undertaken during the period 2020/21, 2021/22 to 2022/23 and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit years 20/21 to 22/23. The NAO has confirmed that where VFM reporting is outstanding for more than one year, the auditor can issue one report covering all years.

The Ministry of Housing, Communities and Local Government has worked collaboratively with the Financial Reporting Council (FRC), as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. The 2024 Code has reduced the scope of the VFM reporting up to and including the 2022/23 financial year. However, in the February 2024 consultation on the new Code, the NAO stated that where auditors have begun or already undertaken work that no longer falls under the reduced scope, they may still report on it in accordance with paragraph 13 of Schedule 3 of the 2024 Code. EY are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

The report sets out the following areas which have been assessed up to the point of issuing this interim report:

- Any identified risks of significant weakness, having regard to the three specified reporting criteria;
- An explanation of the planned responsive audit procedures to the significant risks identified;
- Findings to date from our planned procedures; and
- Summary of arrangements over the period covered by this report (Appendix A).

We will summarise our final view of the value for money arrangements as part of the Audit Completion Report in closing out our audit opinion and reporting for 2020/21, 2021/22 to 2022/23.



Executive Summary (continued)

Risks of Significant Weakness

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Council committee reports;
- meetings with the Head of Finance (S151 officer) and the Accountancy Manager;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council management and the finance team.

We completed our risk assessment procedures and did not identify any significant weaknesses in the Council's VFM arrangements.

As a result, we have no matters to report by exception at this stage of the audit and we will update our interim reporting as part of issuing the final commentary in the Auditor's Annual Report later in the year.

Executive Summary (continued)

Reporting

Our interim commentary for 2020/2021, 2021/2022 and 2022/23 is set out over pages 10 to 12. The interim commentary on these pages summarises our understanding of the arrangements at the Council based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2020/2021, 2021/2022 and 2022/23. We include within the VFM commentary below the associated recommendations we have agreed with the Council.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria.

In accordance with the NAO's 2020 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this interim report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No risks of significant weaknesses identified	No significant weakness identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	No risks of significant weaknesses identified	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No risks of significant weaknesses identified	No significant weakness identified



Executive Summary (continued)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 01/04/2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2023

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023: [EY UK 2023 Transparency Report | EY UK](#)



02

Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

At the conclusion of our work we concluded that we had seen adequate evidence that the Council adhered to governance processes for setting a balanced budget and Medium Term Financial Strategy (MTFS) in 2020/21, 2021/22 and 2022/23. The budgets were underpinned by assumptions that were deemed reasonable and supportable for all financial years that this report covers. The budgets were based on the best available information to the Council at the time.

Leadership have adequately dispensed their responsibility in ensuring a budget with prudent levels of reserves and their use following a mandated process. The budget and performance against it is monitored and reviewed by the overview & scrutiny committee. As part of this role funding gaps and potential savings are identified. This process of review and scrutiny has led to the Council demonstrating budgetary control throughout the reporting period. The budgets take into account various inputs including government policy changes towards the New Homes Bonus and the impact of Covid-19 on the Council's streams of income such as leisure centres.

For the financial year 2020/21, the Council approved the original budget on 25/02/2020 and the revised budget due to Covid-19 on 23/02/21 alongside the 21/22 budget. The original budget did not take into account Covid-19 as at the time no official lockdowns had occurred. Unlike many other authorities the Council did not adjust their budget within the year. In fact, it wasn't until the publication of the budget and MTFS for 2021/22 that the budget was revisited. In the year there was no refresh of the MTFS, rather the MTFS starting in financial year 2016/17 - 2020/21 was used. Thus, for the financial year 2020/21 without the refresh it was a short-term financial strategy rather than the intended medium-term. Towards the end of the year a new three-year MTFS was published to restore the appropriate horizon for financial planning and outlook. Support provided by Central Government in this period sheltered the Council from any exposure or threats to its funding streams or to increased expenditure.

For all periods this report covers the Council met their self-imposed general fund balance targets. These were for:

- 2020/21 - General Fund balances being held at a minimum of 15% of the General Fund net budget requirement
- 2021/22 & 2022/23 - General Fund balances being held at a minimum of 10% of the General Fund net budget requirement and an average of 15% over the duration of the MTFS

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2020/21, 2021/22 and 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services

Value for Money Commentary (continued)

Governance: How the Council ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Council had arrangements in place to ensure it made informed decisions and risks were properly managed from financial year 2020/21 through to 2022/23.

The Performance and Risk Management Framework sets out the risks and the planned responses to each of these risks. Performance and Risk Management is embedded into all the Council's business activities in a structured and consistent manner. All Service Improvement Plans which include Performance Indicators and Risks are held and managed on the council's performance management system.

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

The risks and performance are monitored via Service Improvement plans, these are agreed upon at full council.

The Council's internal auditors provide an independent appraisal function for the review of internal control systems. Internal Audit undertakes reviews of the main financial and operational systems of the Council, based on a risk analysis of the functions undertaken by service areas. Certain aspects of key financial systems are reviewed on an annual basis. This element of its work also contributes to the maintenance of a sound system of internal financial control. The internal audit review gave a year end opinion of satisfactory assurance. We have noted that in the periods of our review, there have been limited assurance ratings awarded with recommendations and findings raised, we have not yet seen clear evidence that these findings have been acted on nor a follow-up report taken to committee. The internal audit plan for 2021/22 was not delivered until July 2023, with some reports deferred into the following year. Likewise, the 2022/23 plan was not delivered until April 2024. A change in Internal Auditors following 2020/21 has contributed to part of these delays. We have also noted that in the periods of our review there have been limited assurance ratings awarded with recommendations and findings raised where we have not seen evidence of these findings having been acted on, nor a follow-up report taken to committee. Whilst the findings identified in these reviews are not significant, and our discussions with management have identified that actions are being taken, it is important that follow up reviews and reporting back into the committee is undertaken to demonstrate effective organisational improvement and governance.

Throughout the three years covered by this report, of nineteen scheduled meetings of the Audit Committee, eight have been cancelled, the majority of which were due to no reports to be presented. We have raised a recommendation in relation to this in Appendix B.

The outturn is reviewed on a quarterly basis by the Finance and Performance Scrutiny panel. Where the outturn position varies from the budget greatly, an emergency meeting of the Finance and Performance Scrutiny panel is convened to investigate the reasons behind the variance(s). During these emergency meetings the panel has the powers to discuss and approve corrective measures to bring the outturn position and the budget back into acceptable levels of variance.

Outside of the formal review of performance the Council has protocols in place where performance (and by extension risk) are reviewed on a daily basis within each service section and on a monthly basis within each service area.

Continued overleaf...

Value for Money Commentary (continued)

The management framework is overseen by the Audit Committee whose other functions include but are not limited to overseeing audits and monitoring compliance with recommendations and monitoring the counter-fraud strategy.

The Council financial statements have not been prepared and published in accordance with the requirements of the Accounts and Audit Regulations 2015. We noted the following;

- The 2020/21 financial statements were published in August 2021, however, the inspection notice period for was set for only 15 working days instead of 30 working days as required by the regulations.
- The 2022/23 financial statements were published in June 2023, however, the inspection notice period for was set for only 8 working days instead of 30 working days as required by the regulations.

We have concluded that these breaches of the regulations, which have since been corrected, were inconsequential to our opinion.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2020/21 to 2022/23 to make informed decisions and properly manage its risks.

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Council has arrangements in place to improve economy, efficiency and effectiveness. These derive from the Corporate Plan, setting out the Council's priorities and objectives. The Council's Executive monitors progress against the key projects, budgets and performance measures on a regular basis.

To track performance and judge how well the Council are delivering their services, they measure their key activities and set performance targets using performance indicators. Performance information is collated, particularly in the form of the Service Improvement Plans and discussed to identify areas for improvement.

The Council produces a range of commitments and measures each year within its Service Improvement Plans. This is a document that helps to explain what the aims and objectives are.

A notable project to improve economy and effectiveness whilst driving efficiency is a partnership between Harborough, Hinckley and Bosworth and North West Leicestershire Councils. It was formed a partnership in 2011 for the delivery of Revenues and Benefits services. The operations of the partnership are overseen by the management board, which meets monthly. This board comprises senior officers from all three councils and a joint committee, which meets quarterly and reviews the financial and operational performance of the partnership. The partnership is hosted by Hinckley and Bosworth Borough Council. The overarching purpose of the partnership is to *'provide a high-quality Revenues and Benefits service to residents and businesses at an economical cost and in accordance with the principles of continuous improvement and changing requirements.'* The partnership allows for a dynamic workforce to be employed across the three constituents of the partnership who are poised to respond to the ever changing needs of the councils. The partnership also allows for the streamlining and standardisation of processes leading to economies of scale and efficiencies.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2020/21 to 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.



03

Appendices

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

Arrangements in place

Every year the Council reviews its overall expenditure to identify efficiencies and ensure it can deliver services to local residents. The revenue budget process is prepared in light of the continued need to make reductions in expenditure, but ensuring the Council priorities are progressed. The General Fund revenue budget is prepared with clear links to the Council's strategic and service objectives. As well as reviewing revenue the Council also ensures capital development priorities are included in the Capital Programme which is approved at the same time as the revenue budget.

The functions of the Executive include, but are not limited to:

- Recommending the capital and revenue budget to Council
- Determining borrowing policy and investment treasury management on advice of the Head of Finance

Whilst the majority of decisions can be taken by the Executive, by law the functions of budget and council tax setting, the strategic plan framework, planning and licensing, elections, staffing, bylaws and local legislation can only be carried out by Council.

Approving or adopting the budget, including:

- The allocation of financial resources to different services and projects
- Setting the council tax
- Decisions relating to control of the council's borrowing requirements
- Control of capital expenditure
- Setting of delegation and virement limits (financial procedure rules)
- Medium Term Financial Strategy
- Treasury management, including approving the annual strategy
- Approval of fees & charges for non-Executive functions
- Decisions contrary to or not wholly in accordance with the budget are the responsibility of Council, subject to the urgency procedure contained in the relevant part of this constitution

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

Arrangements in place

How the body plans to bridge its funding gaps and identifies achievable savings

Within the current framework it is the responsibility of leadership to ensure a budget with prudent levels of reserves and their use following a mandated process. The budget and performance against it is monitored and reviewed by the overview & scrutiny committee. As part of this role funding gaps and potential savings are identified.

Budgets are approved for the Council and the Special Expenses area. The budgets takes into account government policy changes towards the New Homes Bonus and the impact of Covid-19 on the councils streams of income such as leisure centres.

Furthermore, there is documented evidence that the council have a record strong budgetary control despite a "black swan event" such as Covid during 2020/21 and 2021/22; where there was a variance from the budget within the corporate services directorate.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

Hinckley and Bosworth Borough Council (HBBC) set out their objectives via the Corporate plan and the financial delivery to support the corporate plan is set out in the Medium Term Financial Term Strategy (MTFS) via ten strategic financial objectives. This is then reviewed on a quarterly basis by the performed management framework.

HBBC has the ability to, and does, set fees and charges (including the rate of council tax and other locally controlled licenses) for a wide range of the services and goods that it provides. The income that is generated from this is a major source of funding that helps to deliver HBBC's key priorities as set out in the Corporate Plan.

The authority prepares the Corporate Plan that sets out the vision for the coming year. It includes what the authority will do in order to deliver the vision.

The MTFS links strongly to the Corporate Plan and the Corporate Plan drives the spending priorities that inform the MTFS.

Appendix A - Summary of arrangements

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

Arrangements in place

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The corporate plan sets out the Council's objectives and the corporate plan encompasses various streams including workforce, capital and other operational matters. This is supplemented by the MTFS which translates how the finances will allow for the objectives to be met. Within the MTFS one of the purposes outlined is to ensure officers and members "own" the process to deliver the objectives and as part of this is working with and alongside members from different departments.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

The Performance and Risk Management Framework sets out the risks and the planned responses to each of these risks. Performance and Risk Management is embedded into all the Council's business activities in a structured and consistent manner. All Service Improvement Plans which include Performance Indicators and Risks are held and managed on the council's performance management system.

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

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Arrangements in place

The council has a Risk Management Strategy which sets out the framework for the monitoring and management of risks.

The risks and performance are monitored via Service Improvement plans, these are agreed upon at full council.

Performance and by extension risks are monitored on the following basis:

- On a daily basis within each section
- On a monthly basis within each service area
- On a quarterly basis through the council's decision-making process
- On an annual basis through the production of the council's 'Corporate Plan' as part of this exercise the risk register is reviewed annually assessing risk scores and whether risk owners have implemented mitigating plans as appropriate

The Council's internal auditors provide an independent appraisal function for the review of internal control systems. Internal Audit undertakes reviews of the main financial and operational systems of the Council, based on a risk analysis of the functions undertaken by service areas. Certain aspects of key financial systems are reviewed on an annual basis. This element of its work also contributes to the maintenance of a sound system of internal financial control. The internal audit review gave a year end opinion of satisfactory assurance.

Internal audit has an Annual Fraud Report to inform the Audit and Standards Committee of the outcomes of the work that they have undertaken in the year.

Furthermore, the council has a number of policies covering fraud, bribery and corruption amongst others.

How the body approaches and carries out its annual budget setting process

Every year the Council reviews its overall expenditure to identify efficiencies and ensure it can deliver services to local residents. The revenue budget process was prepared in light of the continued need to make reductions in expenditure, but ensuring the Council priorities are progressed. The General Fund revenue budget has been prepared with clear links to the Council's strategic and service objectives. The budget is monitored via the performance and scrutiny framework.

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

Arrangements in place

The finance and performance scrutiny panel review the outturn on a quarterly basis and if needed where the outturn position varies greatly from the budget they convene for an emergency session to discuss why. The normal quarterly meeting highlights any potential risks that maybe coming forth and these are communicated to the relevant department heads. If the budget has deviated greatly from the plan corrective action is discussed and approved.

Furthermore performance and by extension risks are monitored on the following basis:

- On a daily basis within each section
- On a monthly basis within each service area
- On a quarterly basis through the council's decision-making process
- On an annual basis through the production of the council's 'Corporate Plan' [as part of this exercise the risk register is reviewed annually assessing risk scores and whether risk owners have implemented mitigating plans as appropriate.

The MTFS is a three year financial projection of the Council. The annual budget setting process also informs the MTFS which is subsequently reviewed annually. Budgets are monitored by the Finance and Scrutiny Management Committee. Towards the financial year end, identified pressures during the year (noted from the budget monitoring process) are considered and factored into the MTFS.

Appendix A - Summary of arrangements

Governance (continued)

We set out below the arrangements for the governance criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

Arrangements in place

All committees have various powers within their terms of reference, including:

- To authorise, order and manage contracts for goods and services within approved budgets and subject to financial and contract procedure rules (letting and management of contracts delegated to officers)
- To manage services within approved budgets according to financial procedure rules (management of services is delegated to officers)
- To monitor service objectives and targets, programmes and strategies for the services within the terms of reference of each committee and in conjunction with the Executive (delegated to officers, with exception reporting to relevant committee).

Whilst the majority of decisions can be taken by the Executive, by law the functions of budget and council tax setting, the strategic plan framework, planning and licensing, elections, staffing, bylaws and local legislation can only be carried out by Council.

The following functions are reserved for Council, and cannot be the responsibility of the Executive. Unless otherwise stated, these will not be delegated to another council body or officer:

- Adopting and amending the constitution including procedure rules
- Approving or adopting the policy framework
- Planning, licensing and appointments

Performance of the Executive is reviewed by the performance/finance and scrutiny framework. Additionally, the risk management framework is also monitored by the audit committee. The other functions of the audit committee include:

- Approving the Annual Governance Statement and Statement of Accounts
- Approving the external auditor's annual letter
- Approving the internal audit plan and monitoring progress
- Overseeing audits and monitoring compliance with recommendations
- Monitoring the counter-fraud strategy.

Appendix A - Summary of arrangements

Governance (continued)

We set out below the arrangements for the governance criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

Arrangements in place

The Council has adopted a number of codes and protocols that govern the standards of behaviour expected of members and officers namely, Employee Code of conduct, Members Code of Conduct, Code of Corporate Governance. The Council has to maintain a Statutory Register of Member's interest, this includes the declarations from councillors of any gifts and hospitality which they have accepted over the value of £50 within 28 days of acceptance. Furthermore, the Members' Code of Conduct requires them to register their disclosable pecuniary interests and other interests. These registers are kept individually on their webpages and is also open for inspection by the public during normal office hours at the Town Hall.

Furthermore, at the beginning of each meeting, all participants are required to declare any interests that maybe related to the matters to be discussed.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

Arrangements in place

How financial and performance information has been used to assess performance to identify areas for improvement

Every year the Council reviews its overall expenditure to identify efficiencies and ensure it can deliver services to local residents. The revenue budget process was prepared in light of the continued need to make reductions in expenditure, but ensuring the Council priorities are progressed. The General Fund revenue budget has been prepared with clear links to the Council's strategic and service objectives.

Furthermore performance and by extension risks are monitored on the following basis:

- On a daily basis within each section
- On a monthly basis within each service area
- On a quarterly basis through the council's decision-making process
- On an annual basis through the production of the council's 'Corporate Plan' [as part of this exercise the risk register is reviewed annually assessing risk scores and whether risk owners have implemented mitigating plans as appropriate.

Where improvements are identified a service improvement plan is formulated and approved at council. Thereafter it is monitored via the performance and scrutiny panel.

How the body evaluates the services it provides to assess performance and identify areas for improvement

HBBC as part of their annual budget setting reviews overall expenditure to identify efficiencies and ensure it can deliver services to local residents which in conjunction with the Corporate plan sets out the objectives. This is fed into the MTFS and performance, both operational and financial is monitored via the performance and finance scrutiny panels every 8 weeks.

These are measured via the use of performance indicators with the reporting frequency being:

- 28 indicators are monitored and updated on a monthly basis
- 27 indicators are monitored and updated on a quarterly basis
- 3 indicators are updated at year end only

The MTFS links to the Corporate Plan and the Corporate Plan drives the spending priorities that inform the MTFS. This will include allocating the overall expenditure budgets for prOjects.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

Arrangements in place

Harborough, Hinckley and Bosworth and North West Leicestershire Councils formed a partnership in 2011 for the delivery of Revenues and Benefits services. The operations of the partnership are overseen by the management board, which meets monthly. This board comprises senior officers from all three councils and a joint committee, which meets quarterly and reviews the financial and operational performance of the partnership.

Council tax and business rates are administered and dealt with by the Leicestershire Revenues & Benefits Partnership. The Partnership manages Revenues and Benefits for the following Councils: Hinckley and Bosworth Borough Council; Harborough District Council and North-West Leicestershire District Council, and is hosted by Hinckley & Bosworth Borough Council. Each Council publishes its Council Tax and Non-Domestic policies and guidance on its respective website, with internal guidance documents available on shared drives. On a weekly basis, the Valuation Office (VO) posts a valuation update list on its website which details changes to rateable values of individual properties within the boroughs. The Partnership utilises the Capita Academy system as its council tax and NNDR software management system. Council Tax and NNDR parameters are updated in the Capita system annually. Residents for each authority are able to use a self-serve system to register and pay their council tax, set up direct debits, request payment arrangements, view all notices/benefit award letters and request amendments to their accounts. Each authority sets out its criteria for entitlement to discounts and exemptions on its respective website, including single person discount, disabled band reductions, and for those with severe mental impairments. Where appropriate residents are required to complete an application form and provide supporting evidence for their discount/exemption request. A review timetable is in place for all discounts and exemptions, stating when the type of discount/exemption should be reviewed.

There is an annual billing timetable in place for both council tax and business rates, with bills sent out in advance of charges becoming due. All income due should be received and recorded accurately, with the Partnership providing Finance with monthly reconciliations. Council tax and business rate refunds are processed automatically on a weekly basis. Debt management timetables are in place for both council tax and business rates which set out stages of recovery and key timescales. After the opening bill has been sent around a month later a reminder letter is sent, culminating in a summons if payment is not received. Write-off procedures are in place for debt related to council tax and business rates, with set approval levels for write offs differing per Council. Each month, the management board is advised on the Partnership's collection rate and arrears position. Financial statements are also produced and shared monthly with finance, including movement in debt by financial year.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the years 2020/21 to 2022/23.

Reporting criteria considerations

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

Arrangements in place

The council's procurement strategy is as follows:

'Procurement decisions will be made in accordance with the Procurement Framework. The process will be auditable, transparent and support the implementation of the authority's planned and strategic responsibilities (Community Plan, key strategies and so forth), ensuring challenging consideration of procurement options.'

The councils procurement practices are designed to:

- Be transparent, auditable and reasonable, taking into account examples of best practice
- Follow all relevant UK law
- Follow the council's own finance and contract procedure rules
- Support the council's strategic priorities throughout the procurement process
- Deliver outcomes that meet service needs promptly through a planned approach, ensuring legal and good practice tendering procedures are met
- Ensure value for money
- Produce tender documents that are fair and reasonable and that reflect and meet service needs
- Provide economic and efficient service administration and procurement auditing procedures
- Encourage a partnering approach in which both the council and the supplier seek to gain maximum mutual advantage through successful relationships and continuous improvement
- Reduce our existing supplier base, to maximise economies of scale and promote the development of a partnering approach whilst ensuring market stimulation and sustainability

As per the responsibilities outlined in the constitution any procurement between £25k and £50k must be signed off by a member of the executive team and larger procurement projects must be signed off by full council.

Appendix B – Summary of recommendations

Recommendations

The table below sets out the recommendations arising from the value for money work in the years covered in this report, 2021/22 to 2022/23. All recommendations have been agreed by management.

Issue	Recommendation	Management response
Governance - follow up of Internal Audit findings.	It is not clear how the Council have been acting on recommendations made by internal audit or how the Audit Committee have been addressing the findings that have been raised from their work.	The Council should take actions to follow up and address internal audit findings in a timely manner. The Council should also ensure adequate records, of steps taken to address internal audit findings, are kept and made publicly available.
A number of internal audit meetings have been cancelled over the periods of our inspection.	The committee should consider whether the current schedule of 6 to 7 meetings a year is appropriate or if this needs to be reduced.	

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