

**To: Deputy Leader and Members of the Resources Board  
Councillors D Wright, Chambers, Davey, Davis,  
N Dirveiks, Henney, Lea, Simpson and Waters**

**For the information of other Members of the Council**

**For general enquiries please contact Emma Humphreys/Amanda Tonks on 01827 719221 or via email – emmahumphreys@northwarks.gov.uk or amandatonks@northwarks.gov.uk.**

**For enquiries about specific reports please contact the Officer named in the reports.**

**This document can be made available in large print and electronic accessible formats if requested.**

## **RESOURCES BOARD AGENDA**

**6 September 2016**

The Resources Board will meet in the Committee Room at The Council House, South Street, Atherstone, Warwickshire on Tuesday, 6 September 2016 at 6.30pm.

### **AGENDA**

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Disclosable Pecuniary and Non-Pecuniary Interests.**

4 **Minutes of the Resources Board held on 18 April and 23 May 2016** – copies herewith, to be approved as a correct record and signed by the Chairman.

5 **Public Participation**

Up to twenty minutes will be set aside for members of the public to ask questions or to put their views to elected Members. Participants are restricted to five minutes each. If you wish to speak at the meeting please contact Amanda Tonks/Emma Humphreys on 01827 719221 or email [democraticservices@northwarks.gov.uk](mailto:democraticservices@northwarks.gov.uk).

6 **Presentation from Sue Garner, Assistant Director (Finance and Human Resources) on the work of her Division.**

**ITEMS FOR DISCUSSION AND DECISION  
(WHITE PAPERS)**

7 **Treasury Management Update 2016/17** – Report of the Deputy Chief Executive

**Summary**

This report shows the Treasury Management activity for the period up to the end of July 2016.

The Contact Officer for this report is Stephen Robbins (719337).

8 **Capital Programme 2016/17 Period 4 Update** – Report of the Assistant Director (Finance and Human Resources)

The report updates Members on the progress of the 2016/17 Capital Programme in terms of expenditure up to the end of July 2016.

The Contact Officer for this report is Stephen Robbins (719337).

9 **General Fund Budgetary Control Report 2016/17 Period Ended 31 July 2016** – Report of the Assistant Director (Finance and Human Resources)

**Summary**

The report covers revenue expenditure and income for the period from 1 April 2016 to 31 July 2016. The 2016/17 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

The Contact Officer for this report is Nigel Lane (719371).

- 10 **Housing Revenue Account Budgetary Control Report 2016/2017 Period Ended 31 July 2016** – Report of the Assistant Director (Finance and Human Resources)

### **Summary**

The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 July 2016.

The Contact Officer for this report is Nigel Lane (719371).

- 11 **Internal Audit Performance for First Quarter 2016 – 17** – Report of the Deputy Chief Executive

### **Summary**

The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year.

The Contact Officer for this report is Barbara Haswell (719416).

- 12 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - June 2016** - Report of the Chief Executive and the Deputy Chief Executive – TO FOLLOW

### **Summary**

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to June 2016.

The Contact Officer for this report is Robert Beggs (719238).

- 13 **Online Services Update and Plans for Promoting and Increasing Use** – Report of the Assistant Director (Corporate Services) and Assistant Chief Executive (Community Services)

### **Summary**

This report gives an update on the use of the Council's Website and those services we deliver online, via the Internet. The report also provides information on how we plan to promote, increase and improve the use of the internet for those services that can be most effectively provided online.

The Contact Officer for this report is Linda Bird (719327).

- 14 **Internal Audit – Performance for 2015-16** – Report of the Deputy Chief Executive

**Summary**

The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year.

The Contact Officer for this report is Barbara Haswell (719416).

- 15 **Recovery of Council Tax and Non-Domestic Rates – Court Authorisation** – Report of the Assistant Chief Executive (Community Services)

**Summary**

This report requests that authorisation be granted to officers below to prosecute or defend on the Council's behalf or appear in proceedings before a Magistrate Court in relation to the recovery of Council Tax and Non-Domestic Rates in accordance with Section 223 of the Local Government Act 1972.

The Contact Officer for this report is Bob Trahern (719378).

- 16 **Risk Management Annual Report 2015/16** – Report of the Assistant Director (Finance and Human Resources)

**Summary**

This report is to inform Members of risk management actions undertaken during 2015/16 and the risks identified for 2016/17.

The Contact Officer for this report is Sue Garner (719374)

**EXEMPT INFORMATION  
(GOLD PAPERS)**

- 17 **Exclusion of the Public and Press**

**Recommendation:**

**That under Section 110A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

18 **Irrecoverable Local Taxation Debts** – Report of the Assistant Chief Executive (Community Services).

The Contact Officer for this report is Bob Trahern (719378).

19 **Land Sales** – Report of the Assistant Director (Streetscape)

The Contact Officer for this report is Richard Dobbs (719440).

JERRY HUTCHINSON  
Chief Executive

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE RESOURCES BOARD

18 April 2016

Present: Councillor D Wright in the Chair

Councillors Davey, N Dirveiks, Henney, Reilly, Simpson, Smith, Smitten, and E Stanley

Apologies for absence were received from Councillors Davis (Substitute Councillor Smith) and Waters (Substitute Councillor Reilly)

Councillors Chambers, Humphreys, Jarvis, Lea and Phillips were also in attendance. With the consent of the Chairman Councillor Chambers spoke on Minute No 77 (Borough Care Service).

#### 73 **Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

#### 74 **Minutes of the Resources Board held on 25 January 2016**

The minutes of the meeting of the Board held on 25 January 2016, copies having previously been circulated, were approved as a correct record and signed by the Chairman.

#### 75 **Public Participation**

Pamela Green raised a number of concerns in respect of the proposed introduction of charges for the Borough Care Service and presented a petition to the Chairman of the Board.

#### 76 **Presentation on the Work of the Housing Division**

The presentation by The Assistant Director (Housing) on the work of her Division was deferred.

#### 77 **Borough Care Service**

The Assistant Director (Housing) detailed the feedback that the Council had received from its customers in response to the consultation letter about the proposal for introducing a charge for the service.

It was proposed by Councillor Henney and seconded by Councillor E Stanley

**“That this item not be resolved by the Resources Board at this meeting but recommended to Full Council in order to give Councillors a chance to debate the effect on their constituents of the implementation of charges for the Borough Care Service.”**

Upon being put to the meeting the Chairman declared the proposed recommendation to be lost.

In accordance with Standing Order No 29 the vote was recorded as follows:

**For the recommendation** – Councillors N Dirveiks, Henney and E Stanley.

It was then proposed by Councillor Davey and seconded by Councillor Smitten and

**Resolved:**

- a That the consultation feedback be noted;**
- b That the recommendations agreed by the Executive Board at its meeting held on 9 February 2016, as detailed in paragraph 3.2 of the report to this Board of the Assistant Director (Housing) be agreed, subject to the charge for current customers being implemented from 1 September 2016.**
- c That alternative methods of payment to Direct Debit be offered to current customers by agreement and exception on request;**
- d That customers who currently pay for the service be charged the same as other current customers following the Resources Board’s decision as proposed in paragraph 6.2 of the report of the Assistant Director (Housing);**
- e That the principle of full cost recovery be used when applying a charge to other organisations for their customers as proposed in paragraph 6.3 of the report of the Assistant Director (Housing); and**
- f That the principle of full cost recovery be used when applying a charge to legacy customers who live outside of North Warwickshire as proposed in paragraph 6.4 of the report of the Assistant Director (Housing).**

In accordance with Standing Order No 29 the vote was recorded as follows:

**Against the recommendation** – Councillors N Dirveiks, Henney and E Stanley.

(The Chief Executive has subsequently received a notice signed by Councillors Henney, E Stanley and N Dirveiks under Standing Order No 30(1)(b)(Minority Report) with regard to the decision of the Board on this matter and it is therefore referred to Council for determination.)

**78 Internal Audit – Performance for Third Quarter 2015-16**

The Deputy Chief Executive detailed the progress of the Council's Internal Audit function against the agreed plan of work for the year.

**Resolved:**

**That the progress of the Council's Internal Audit function against the agreed plan of work for the year be noted.**

**79 Adoption of a Revised Discretionary Housing Payment Policy**

The Assistant Chief Executive (Community Services) sought Members' approval for a revised Discretionary Housing Payment Policy (DHP) following an update of the Discretionary Housing Payments Guidance Manual issued by the Department of Works and Pensions in February 2016.

**Resolved:**

**That the Discretionary Housing Payment (DHP) policy as attached at Appendix A to the report of the Assistant Chief Executive (Community Services) be approved.**

**80 Safeguarding Adults – Policy Update**

The Assistant Director (Housing) provided Members with information about how the Borough Council supported the work of the Warwickshire Safeguarding Adults Board and set out a revised Policy for consideration.

**Resolved:**

**That the revised Safeguarding Policy for Adults with Care and Support needs as attached at Appendix B to the report of the Assistant Director (Housing) be approved.**

**81 Homelessness Service Update**

The Assistant Director (Housing) provided an update on the current homelessness service and current trends, reported progress against the Housing Strategy Action Plan and proposed a way forward for the review of the service.

**Resolved:**

- a That the progress against the 2012-2015 Homelessness Strategy be noted;**
- b That the current homelessness situation and trends be noted; and**
- c That the proposals set out in Section 6 of the report of the Assistant Director (Housing) be agreed.**

**82 Exclusion of the Public and Press**

**Resolved:**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**83 Housing Management Section – Review of Tenancy and Neighbourhoods Service**

The Assistant Director (Housing) sought approval for a change in structure for the Tenancy and Neighbourhoods Team which had been agreed by the Council's Special Sub-Group at its meeting on 8 March 2016.

**Resolved:**

- a That the challenges facing the Housing Management Section be noted;**
- b That the number of Tenancy Services Officers be increased from 4 to 5;**
- c That the roles of Tenant Participation Officer and Neighbourhood Services Officer be combined;**

- d That a post of Tenancy Sustainment Officer be created for a temporary period of 2 years; and**
- e That the in-house communal area cleaning service be managed within the Tenancy and Neighbourhoods Team.**

D Wright  
CHAIRMAN

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE RESOURCES BOARD

23 May 2016

Present: Councillor D Wright in the Chair

Councillors Bell, Chambers, Davey, Davis, N Dirveiks, Henney, Lea and Waters.

An apology for absence was received from Councillor Simpson (Substitute Councillor Bell).

Councillors Farrell, Humphreys, Phillips and Smith were also in attendance.

#### 1 **Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

#### 2 **Presentation from Linda Bird, Assistant Director (Corporate Services) on the work of her Division.**

The Assistant Director (Corporate Services) provided a presentation on the work of her Division.

#### 3 **Annual Treasury Report 2015/2016**

The Deputy Chief Executive reported on the out-turn for 2015/16 and highlighted any areas of significance.

##### **Resolved:**

- a **That the Annual Treasury Report for 2015/16 be noted;  
and**

##### **Recommended:**

- b **That the Annual Treasury Report be approved.**

#### 4 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2015 – March 2016**

The Chief Executive and Deputy Chief Executive informed Members of the progress with the achievement of the Corporate Plan and Performance Indicator Targets relevant to the Resources Board for April 2015 to March 2016.

**Resolved:**

**That the report be noted.**

**5 Members' Allowances Out-Turn for 2015/16**

The Assistant Director (Finance and Human Resources) advised Members of the allowances paid for 2015/16, which the Council had a duty to publish under the Members' Allowances Scheme.

**Resolved:**

**That the report be noted.**

**6 HEART Shared Service to deliver home adaptations (including Disabled Facilities Grants)**

The Assistant Director (Housing) asked the Board to consider a Business Case which would lead to the formalisation of the shared service the Council had been part of to deliver home adaptations to support people to remain independent at home.

**Resolved:**

- a That the Business Case outlined in Appendix 1 to the report of the Assistant Director (Housing) be agreed;**
- b That delegated authority be given to the Assistant Chief Executive and Solicitor to the Council to develop and enter into a partnership agreement contract to support the delivery of the Business Case;**
- c That the Business Case and the Partnership Agreement would enable the Council to enter into a shared services agreement with willing partner authorities who have agreed to proceed (as highlighted in the report of the Assistant Director (Housing)) to discharge those Councils' functions related to the Care Act 2014 and Disabled Facilities Grants and housing renewal and other relevant functions in accordance with Section 101 of the Local Government Act 1972 and of the Local Government (Arrangements for the Discharge of Functions) (England) Regulations 2000;**
- d That the necessary arrangements be made and implemented to second staff to the shared service structure; and**

- e That during the establishment of the shared service, in order to cover appropriate posts currently working within the service as determined by the current project management board, ring fencing and recruitment opportunities be extended from the host authority to partner authorities.

## 7 Syrian Refugees

The Assistant Director (Housing) provided information about the Government's requirements for Local Authorities to assist with rehousing Syrian refugees.

### **Resolved:**

- a That the requirement by the Government for all Local Authorities to contribute to the rehousing of Syrian refugees be noted;
- b That in order to contribute to the sub regional approach to resettle refugees, the Housing Division continue to work closely with other Local Authorities in Warwickshire; and
- c That a commitment to rehouse 3 refugee households over the next five years be considered.

## 8 Broadband Update Report

The Assistant Director (Corporate Services) provided an update on the progress made so far and the future plans to improve broadband coverage and speed in the Borough.

### **Resolved:**

**That the report be noted.**

## 9 Internal Audit – Plan of Work for 2016-2017

The Deputy Chief Executive reported on the basis upon which the Audit Plan for 2016-2017 had been developed, using a variety of sources of information to ensure that all appropriate aspects of service activity continued to be embraced as part of the approved three year review programme.

### **Resolved:**

**That the Audit Plan for 2016-2017 be approved.**

## 10 Corporate Debt Strategy

The Assistant Chief Executive (Community Services) provided the Board with an update to the previous Corporate Debt Strategy which was adopted by the Board in March 2013. The Strategy outlined how the Council would approach customers who owe multiple debts to the Council.

### **Resolved:**

**That the revised Corporate Debt Strategy, as attached as Appendix to the report of the Assistant Chief Executive (Community Services), be adopted with immediate effect.**

## 11 Tenant Partnership Agreement 2016/2017

The Assistant Director (Housing) presented to the Board the Council's Tenant Partnership Agreement for their consideration and provides additional background information regarding the regulatory framework for social housing landlords.

### **Resolved:**

- a That the HCA regulatory requirements applicable from 2012 be noted;**
- b That the revised Tenant Partnership Agreement be approved;**
- c That the tenant participation activities undertaken during 2015-2016 highlighted within the Tenant Partnership Agreement be noted; and**
- d That, in the spirit of the Tenant Partnership Agreement, consideration be given by Members to how they can work with the Borough Wide Tenants Forum.**

## 12 Exclusion of the Public and Press

### **Resolved:**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**13 Adoption of an Updated Write Off Policy**

The Assistant Chief Executive (Community Services) presented to the Board an updated Write Off Policy to ensure consistent practices were followed in respect of the debts administered within the Community Services Division.

**Recommended to the Council:**

- a That the updated Write Off Policy as attached at Appendix A to the report of the Assistant Chief Executive (Community Services) be adopted;**
- b That, the delegated authority given to the Assistant Chief Executive (Community Services) to write off debts in respect of Council Tax, Non Domestic Rates, Former Tenant Arrears and Housing Benefit Overpayments, be increased to £5,350 with immediate effect; and**
- c That, in line with the annual average increase in the actual Council Tax, the delegated write off level continue to be increase annual from 2017/18 onwards.**

**14 Irrecoverable Local Taxation Debts**

The Assistant Chief Executive (Community Services) detailed the amounts recommended for write off in accordance with the write of policy agreed by the Board on 25 March 2013.

- a That the write off of balances over £5,000 totalling £46,842.78, in respect of unpaid Non Domestic Rates be authorised; and**
- b That the total amount of write-offs in the year to date, and over the last years which included those written off by the Assistant Chief Executive (Community Services) under delegated powers, be noted.**

D Wright  
CHAIRMAN

## **Agenda Item No 7**

### **Resources Board**

**6 September 2016**

**Report of the  
Deputy Chief Executive**

**Treasury Management Update  
2016/17**

## **1 Summary**

- 1.1 This report shows the Treasury Management activity for the period up to the end of July 2016.

### **Recommendation to the Board**

**That the Treasury Management Report for the period up to the end of July 2016 be noted.**

## **2 Introduction**

- 2.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before maximising investment return.
- 2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 2.3 The Council uses the Code of Practice for Treasury Management issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) to ensure best practice is followed. The Code suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This report follows the guidance of the Code.

## **3 Economic Forecast**

- 3.1 The 2016/17 financial year to date has been a period of great change and turmoil, following the referendum result which saw the people of Britain vote for Great Britain to leave the European Union. The full economic impact of this decision is yet to be felt but the economy and the markets are now starting to respond to the uncertainty which has abounded since the result was declared.
- 3.2 On Thursday 4 August, the Bank of England decided unanimously to cut interest rates for the first time since 2009 to 0.25% from the historical low of 0.5%. Given recent economic releases the Bank of England said it expected the economy to suffer weak growth throughout 2016 and the rest of next year. Additionally, Monetary Policy Committee members expected further action later in the year if the economy performed as poorly as forecast.
- 3.3 The Council's Treasury Advisor, Capita, has undertaken a review of its interest rate forecast and these are summarised below:

	<b>Bank Rate Forecast</b>	<b>10 Year PWLB</b>	<b>25 Year PWLB</b>	<b>50 Year PWLB</b>
Q3 Jul 16 to Sept 16	0.25%	1.60%	2.40%	2.20%
Q4 Oct 16 to Dec 16	0.10%	1.60%	2.40%	2.20%
Q1 Jan 17 to Mar 17	0.10%	1.60%	2.40%	2.20%
Q2 Apr 17 to June 17	0.10%	1.70%	2.50%	2.30%
Q3 Jul 17 to Sept 17	0.10%	1.70%	2.50%	2.30%
Q4 Oct 17 to Dec 17	0.10%	1.70%	2.50%	2.30%
Q1 Jan 18 to Mar 18	0.10%	1.70%	2.50%	2.30%
Q2 Apr 18 to June 18	0.25%	1.80%	2.60%	2.40%

## 4 Treasury Management Strategy Statement

### 4.1 Review of Annual Investment Strategy

4.1.1 The Treasury Management Strategy Statement (TMSS) for 2016/17 was approved by Resources Board on 25 January 2016. The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:

- Security of Capital
- Liquidity
- Yield

4.1.2 The Council will aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate generally to keep investments short term, and only invest with highly rated financial institutions, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita.

4.1.3 Investment rates fluctuated between April and July 2016 as the markets sought to find a new equilibrium following the historic decision to 'Brexit' the European Union. Rates available dipped somewhat as uncertainty over the

timing of a future interest rate cut, alongside dampened economic growth, saw banks and other financial institutions tighten their belts.

4.1.4 Following the Bank of England’s decision to cut interest rates at the start of August, interest rates available to all institutions have reduced dramatically. In the short term, this should not affect the majority of investments held by this Authority as many of our investments are tied up for up to 12 months at fixed interest rates. However, once these mature (which the bulk are due to in Q3 2016/17), we may struggle to find comparative interest rates while staying true to the Council’s investment priorities.

4.1.5 The average level of funds available for investment purposes during the April to July period was £19.013 million. These funds were available on a temporary basis and the level of funds available for investment purposes was mainly dependent on the timing of precept payments, the receipt and payments of grants and the timing of both capital and revenue expenditure. Officers can confirm that the approved limits within the Annual Investment Strategy have not been breached.

4.1.6 Interest gained on investments up to the end of July 2016 totalled £52,386, slightly below the profiled position of £60,000. The average interest rate on investments for this period was 0.89% compared to the benchmark of the 7 day LIBOR rate of 0.46%. (See Appendix A)

4.1.7 The performance of the Council’s Treasury Management function has surpassed the model performance of the Capita Benchmarking Group, of which North Warwickshire Borough Council is a member.

## 4.2 Borrowing

4.2.1 The Council’s Capital Financing Requirement (CFR) for 2016/17 was estimated at £68.8 million. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

4.2.2 The table below shows the Council’s external borrowings and the utilisation of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

	2016/17 Original Estimate £m	2016/17 Estimated Out-turn £m

External borrowing – Housing	53,159	53,115
Internal borrowing – General Fund	15,657	15,782
<b>CFR (year end position)</b>	<b>68,816</b>	<b>68,897</b>

4.2.3 The Council has not needed to borrow any funds on a short term basis during the year to date.

#### 4.3 Prudential Indicators

4.3.1 It is a statutory duty for the Council to determine and keep under review its “Affordable Borrowing Limits”. The Council’s authorised Borrowing Limit and Operational Boundary Limits for 2016/17 were set at £84.954 million and £69.415 million respectively. Activity has remained within these limits for the months from April to July.

### 5 Report Implications

#### 5.1 Finance and Value for Money Implications

5.1.1 Up to 31 July 2016, interest earned on investments was £52,386. The Council has not needed to borrow during the first four months of the year, to fund any temporary shortfalls in the day to day cash flow.

5.1.2 Temporary internal borrowing has been possible due to the revenue and capital reserves currently being held. Once these are used, the Council will need to replace internal borrowing with external borrowing. The use of temporary internal borrowing for capital expenditure has reduced the cost of capital in the General Fund in the short term.

#### 5.2 Environment and Sustainability Implications

5.2.1 By having effective and prudent treasury management, this contributes towards sustainability and providing services that improve the quality of life for the communities of North Warwickshire.

#### 5.3 Risk Management Implications

5.3.1 Credit ratings are used in assessing the institutions on the authorised lending list and the maximum investment level permitted.

5.3.2 Specialist advice was taken from our Treasury Management consultants to ensure that our debt profile for HRA self financing has an appropriate balance between long and short term borrowing.

5.3.3 Continuous monitoring of the Council’s treasury position will allow external borrowing to be taken out to cover the loss of internal borrowing, at the appropriate time.

The Contact Officer for this report is Stephen Robbins (719337).

### Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

INVESTMENT OUTSTANDING

CURRENT LOANS & INVESTMENTS

31-Jul-16

Name of Borrowing Authority Investment General Account	Investment or Loan No.	Amount	% Invested	Type of Investment	Current Interest Rate	Date of Investment	Maturity Date
Lloyds	10524151LS	1,000,000.00	5.11%	Fixed	1.05	22-Jan-16	23-Jan-17
Lloyds	10253014LS	1,500,000.00	7.66%	Fixed	1.00	10-Sep-15	09-Sep-16
Lloyds	10815743	1,000,000.00	5.11%	Fixed	1.05	13-Oct-15	13-Oct-16
Lloyds		1,000,000.00	5.11%	Fixed	0.80	15-Apr-16	14-Oct-16
Lloyds	10384213LS	1,000,000.00	5.11%	Fixed	1.05	16-Nov-15	16-Nov-16
Nordea AB	Cert of Deposit	1,000,000.00	5.11%	Fixed	0.62	03-May-16	01-Nov-16
Santander		1,000,000.00	5.11%	Fixed	0.70	16-May-16	16-Nov-16
Toronto Dominion Bank	Cert of Deposit	1,500,000.00	7.66%	Fixed	0.97	15-Dec-15	13-Dec-16
Santander	180 Day Call	1,000,000.00	5.11%	Call	1.15	02-Nov-15	28-Oct-16
Santander	365 Day Call	1,000,000.00	5.11%	Call	1.30	14-Jan-16	16-Jan-17
RLAM Cash Plus	0000057323	2,000,000.00	10.22%	eMMF	0.8400	22-Jan-14	
Federated MMF	0000228	1,760,700.00	9.00%	MMF	0.5114		
Ignis MMF (Bank of New York Mellon) - class 2	0000554-001	4,809,200.00	24.57%	MMF	0.5243		
<b>TOTAL CURRENT GENERAL INVESTMENTS</b>		<b>19,569,900.00</b>			<b>0.89</b>		

## **Agenda Item No 8**

### **Resources Board**

**6 September 2016**

#### **Report of the Assistant Director (Finance and Human Resources)**

#### **Capital Programme 2016/17 Period 4 Update**

### **1 Summary**

- 1.1 The report updates Members on the progress of the 2016/17 Capital Programme in terms of expenditure up to the end of July 2016.

#### **Recommendation to the Board**

**That progress made against the 2016/17 Capital Programme is noted.**

### **2 Introduction**

- 2.1 The Executive Board approved the Council's Capital Programme of £6,944,170 for 2016/17 in February 2016.
- 2.2 At the Executive Board on 14 June, it was agreed to carry forward £4,259,580 of unspent 2015/16 budget. Additionally, the 2016/17 budget for the replacement of General Fund vehicles was reduced by £65,480, to reflect the early replacement of the Compact Sweeper in 2015/16. This gives a total approved capital programme for 2016/17 of £11,138,270 (Appendix A).
- ...

### **3 Budget Profiling**

- 3.1 A schedule of works is arranged by each budget holder and each of the schemes are timetabled for completion throughout the year. This schedule is monitored on a monthly basis and discussed with Budget Holders.

### **4 Housing Schemes**

- 4.1 The original budget for 2016/17 is £5,895,460 and there is an agreed carry forward of £3,506,396 which provides a total Housing Capital budget of £9,401,856 (Appendix A).
- 4.2 There has been a total of £2,714,847 spent or committed on the housing capital programme during the first four periods of 2016/17; this is compared to a profiled budget of £3,613,621.

- 4.3 The first tranche of invoices relating to the New Build programme have been received and paid. This programme will deliver new properties at Lister Road, Atherstone and Spon Lane, Grendon.
- 4.4 Contracts for the schemes to cover Kitchen Replacements and Electrics are due to go out to tender in August and contracts for the Roofing programme are in the process of being awarded with work to commence shortly afterwards. Design specifications for essential works at Alder and Heather Court Flats are currently being reviewed. The schemes to cover External Wall Insulation, Heating and Multi Trade Contracts are ongoing and progressing.

## **5 General Fund Schemes**

- 5.1 The original budget for 2016/17 was £1,048,710 and there is an agreed carry forward of £753,184, alongside the aforementioned budget reduction of £65,480, providing a total General Fund Capital budget of £1,736,414 (Appendix A).
- 5.2 There has been a total of £466,384 spent and committed against the general fund capital projects for 2016/17, compared to a profiled budget of £734,551.
- 5.3 The first invoice for cladding works at Innage Park has been paid and work is progressing towards completion.
- 5.4 Some additional expenditure on work at Abbey Green Park, Polesworth and Mobile CCTV at Long Street Recreation Ground, Dordon will be funded through the use of earmarked reserves.
- 5.5 The overspends on IT schemes relating to the Academy Server Replacement and Leisure Booking System Replacement will be offset by an in year, one-off, underspend on the Infrastructure Improvements scheme, the funding for which will be directed towards the aforementioned schemes.

## **6 Report Implications**

### **6.1 Finance and Value for Money Implications**

- 6.1.1 Capital schemes will contribute to services provided by the Council, from maintaining decent Council homes, assisting in carrying out adaptations to resident's houses to helping to fund efficient heating systems to promote carbon reduction and encouraging fitness and wellbeing.

### **6.2 Environment and Sustainability Implications**

- 6.2.1 Expenditure incurred as part of the Council's Capital Programme enables the Council to continue to improve and deliver a range of services to the people of North Warwickshire. The implementation of the capital programme will lead to improvements in the quality of life for the communities of North Warwickshire.

### **6.3 Risk Management Implications**

- 6.3.1 Failure to make reasonable adjustments to ensure our buildings and facilities are accessible could expose the Council to potential litigation and risks damage to its reputation.

### **6.4 Equality Implications**

- 6.4.1 The Council is required to ensure it meets the requirements of the Equality Act 2010. The Act brings together all previous equality legislation and includes a public sector duty (the equality duty) replacing separate duties relating to race, disability and gender equality. The capital programme includes some provision for improving accessibility as previously required under the Disability Discrimination Act. The DDA defines discrimination in a number of ways and outlines four specific types of discrimination: direct discrimination, failure to make reasonable adjustments, disability-related discrimination and victimisation.
- 6.4.2 Failure to make reasonable adjustments could result in limiting access to services provided from our buildings and facilities by disabled people and the potential for legal challenges being taken against the Council.

The Contact Officer for this report is Stephen Robbins (719337).

**Capital Budgetary Control Summary 2016/17 - as at P4**
**APPENDIX A**

				(A)	(B)	(C)	(D)
Cost Centre Description	Original Budget 2016/17	Budget Brought Forward from 2015/16	Virements & Supplementary Budgets	Total 2016/17 Approved Budget	Profiled Budget	Total Yr To Date	Total v Profiled Bud
Hsg Disabled Facility Adaptation CH	175,000	-		175,000	58,333	29,954	(28,379)
Hsg Kitchens	450,000	-		450,000	150,000	-	(150,000)
Hsg Insulation	500,000	627,212		1,127,212	248,851	248,852	1
Hsg Roofing	750,000	925,488		1,675,488	558,498	84,666	(473,832)
Hsg Heating	300,000	770,000		1,070,000	356,667	261,344	(95,323)
Hsg Electrics	150,000	-		150,000	50,000	-	(50,000)
New Build Housing Project	2,801,030	942,541		3,743,571	1,841,054	1,739,813	(101,241)
Multi Trade Contract	300,000	179,266		479,266	263,960	263,960	0
Replace HDW Vehicles	51,120	61,889		113,009	46,820	46,821	1
Alder & Heather Court Flats - Essential Works	300,000	-		300,000	-	-	0
Hsg Capital Salaries	118,310	-		118,310	39,437	39,437	(0)
<b>Total HRA</b>	<b>5,895,460</b>	<b>3,506,396</b>	<b>-</b>	<b>9,401,856</b>	<b>3,613,621</b>	<b>2,714,847</b>	<b>(898,774)</b>
DDA	-	318,507		318,507	106,170	8,800	(97,370)
Electrical Work to Council Premises	-	86,442		86,442	28,813	-	(28,813)
Enhancement to Parks and Playing Fields	29,670	-		29,670	-	-	0
General Leisure Equipment	20,000	-		20,000	20,000	19,992	(8)
Polesworth Abbey Green Park	-	-		-	-	7,552	7,552
Dordon Long Street Recreation Ground	-	7,290		7,290	7,290	7,291	1
Bretts Hall Recreation Ground	30,000	-		30,000	10,000	-	(10,000)
Innage Park Cladding	265,000	5,000		270,000	126,000	99,413	(26,587)
Hurley Kings FC - Daw Mill Recreation Ground	-	10,285		10,285	7,885	7,885	0
Computer Software	30,000	-		30,000	-	-	0
Infrastructure Improvements	20,000	-		20,000	6,667	4,279	(2,388)
Academy Server Replacement	-	15,000		15,000	15,000	17,950	2,950
IT Replace Leisure booking system	-	-		-	-	1,100	1,100
IT Backup Disaster & Recovery	25,000	-		25,000	25,000	25,770	770
Customer Relationship Manager	11,870	-		11,870	11,870	11,890	20
Life Lines	23,000	-		23,000	7,667	3,775	(3,892)
Mobile CCTV	-	-		-	-	5,311	5,311
Transport	215,100	-	65,480	149,620	132,279	132,280	1
Disabled Facilities (expenditure)	300,000	164,425		464,425	154,810	96,892	(57,918)
Decent Homes Standard Assistance	57,500	146,235		203,735	67,910	9,016	(58,894)
Capital Salaries	21,570	-		21,570	7,190	7,190	0
<b>Total General Fund</b>	<b>1,048,710</b>	<b>753,184</b>	<b>- 65,480</b>	<b>1,736,414</b>	<b>734,551</b>	<b>466,384</b>	<b>(268,167)</b>
<b>Total Expenditure</b>	<b>6,944,170</b>	<b>4,259,580</b>	<b>- 65,480</b>	<b>11,138,270</b>	<b>4,348,172</b>	<b>3,181,231</b>	<b>(1,166,941)</b>

## **Agenda Item 9**

### **Resources Board**

**6 September 2016**

#### **Report of the Assistant Director (Finance and Human Resources)**

#### **General Fund Budgetary Control Report 2016/17 Period Ended 31 July 2016**

### **1 Summary**

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2016 to 31 July 2016. The 2016/17 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

#### **Recommendation to Resources Board**

**That the report be noted and that the Board requests any further information it feels would assist it in monitoring the budgets under the Board's control.**

### **2 Consultation**

- 2.1 Councillors D Wright, Lea and Chambers have been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

### **3 Introduction**

- 3.1 Resources Board is responsible for monitoring the Council's overall financial position on the General Fund, and this report gives details of the position at 31 July.
- 3.2 The Board is also directly responsible for a number of internal and front line services. Accounting rules require front line services to show the total cost of providing the service, which includes support costs such as finance and IT services, as well as costs and income directly incurred.
- 3.3 Internal service costs are therefore recharged to all the services they support, both those that remain within Resources Board and those which are the responsibility of other Boards. This report provides some detail on both the front line services relating to this Board and the internal service costs that are recharged, at 31 July 2016.
- 3.4 Where possible, the year-to-date budget figures have been calculated with some allowance for seasonal variations, in order to give a better comparison with actual figures.

## 4 **Services Remaining Within Resources Board**

4.1 The total expenditure for those services that remain within Resources as at 31 July 2016 is £1,326,402, compared with a profiled budgetary position of £1,343,202; an under spend of £16,800 for the period. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

### 4.2 **Democratic Process**

4.2.1 There are under spends to date on members special responsibility allowance, training and allowances.

### 4.3 **Council Tax Collection**

4.3.1 There is currently an under spend on Council Tax Collection as a result of legal fee income being above the profiled level.

### 4.4 **Finance Unused Land and Assets**

4.4.1 The over spend relates to the Business Rates payable and professional fees incurred to date on the sale of the old Coleshill Leisure Centre.

### 4.5 **Rent Allowances**

4.5.1 The current over spend relates to lower than expected recovery of Housing Benefit overpayments and rent allowances being higher than expected.

### 4.6 **Rent Rebates**

4.6.1 The current under spend relates to higher than expected recovery of Housing Rent Rebates overpayments.

## 5 **Services Recharged to Other Directorates and Services**

5.1 Net expenditure for those services that are recharged to other Directorates and Services, as at 31 July 2016, is £5,081, compared with a profiled budgetary position of £57,878; an under spend of £52,797 for the period. Appendix B to the report gives the profiled and actual positions for the period for each service, together with the variance.

### 5.2 **Directorate Budgets**

5.2.1 The Council's budget requirement for 2016/17 assumed that there would be a salary vacancy saving in the year of £150,000 and this was included as a central amount. The central vacancy factor has been added into the budget columns shown in Appendix B, to enable easier comparison with the actual position. Current vacancy levels within the Directorates mean that we have exceeded the profile target, taking into account the use of temporary and agency staff to cover key duties and any recruitment costs resulting from these vacancies, and excluding vacancies that relate to the Housing Revenue Account.

5.2.2 The areas with vacancies are Heritage and Conservation, Partnership and Development, Financial Services and Leisure Facilities. Most of these remain unfilled. The table below relates to the General Fund only.

	£
Current agency staff variance	62,880
Current professional fees variance	3,350
Current salaries underspend	(173,730)
<b>TOTAL</b>	<b>(107,500)</b>

## 6 Performance Indicators

6.1 In addition to the financial information provided to this Board, when the budgets were set in February, performance indicators were included as a means of putting the financial position into context. These are shown at Appendix C.

6.2 The majority of the Performance Indicators are comparable with the profiled position.

6.3 The main reason for the variance in the performance figures for rent allowances is due to an increase in rent allowances and lower recovery of housing benefit overpayments, therefore resulting in a higher administration cost per claimant.

6.4 The main reason for the variance in the performance figures for rent rebates is due to higher recovery of housing rent rebates overpayments, therefore resulting in a lower administration cost per claimant.

## 7 Overall General Fund Position

7.1 Appendix D provides an analysis of Board expenditure and the overall position for the General Fund for this report.

7.2 The actual level of Board expenditure for the period to 31 July 2016 is £3,340,954 compared with a profiled budgetary position of £3,447,438, an under spend of £106,484. The variations on Resources Board account for some of this underspend, and are detailed in sections 4 and 5. In addition income on Planning Control is ahead of target by £61,952 as a result of an increase in the number of planning applications being submitted and the receipt of a larger application. The overall underspend has been reduced due to increased costs on Refuse and Recycling on employees and higher vehicle maintenance and waste disposal costs for Cesspool Emptying.

7.3 As well as expenditure directly attributable to services, and included in the Board totals, there are a number of other amounts that need to be taken into account that provide the total net expenditure for the General Fund. This includes investment income, external interest payments and adjustments to reverse capital charges included within Board expenditure, from out of Council expenditure.

7.4 Taking these amounts into account, net expenditure for the Council to the end of July totals £2,850,191, compared with a profiled position of £2,952,396. This decreases the general under-spend for the period to £102,205.

## 8 Risks to Services

8.1 In setting the budget in January 2016, a number of key risks to the overall budgetary position of the Council were highlighted and these are shown below:-

- A higher level of maintenance on property assets and car parks, over and above that budgeted for. Some of this is driven by changes in legislation;
- An increase in the level of Local Authority error made in processing benefit payments could lead to a loss of subsidy;
- A significant increase in workload due to an increase in benefit claimants and non-payment of Council Tax and/or Business Rates;
- The effect of planned Government changes in how benefits services are delivered and the structure of benefit payments;
- A fall in the level of recovery of Housing Benefit overpayments (greater than that expected) would impact on the level of expenditure borne by the Council;
- Further reductions in benefit administration grant levels;
- Above inflation increases to contracts
- Loss of County Council funding towards Customer Contact staffing
- Further increases in the pension scheme deficit;
- Effect of an ageing population on demand for Community Support services;
- Additional increases in pension contribution rates above those already included;
- Higher than anticipated rises in utility costs (electricity, gas and water);
- Changes in legislation that effect service delivery and/or software requirements;
- Increased insurance costs, especially those relating to vehicles;
- Termination of employment costs;

## 9 Estimated Out-turn for the General Fund

9.1 The anticipated out-turn for the General Fund is detailed in the table below: -

Board		£
	<b>Approved budget 2016/2017</b>	<b>8,240,480</b>
C & E	Additional refuse and recycling employee costs, haulage disposal costs offset by lower maintenance costs	83,000
C & E	Additional savings on fuel	(16,000)
Resources	1% reduction in pay award	(97,000)
Resources	One off increase in Borough Care Income	(85,000)
C & E	Arley Sports Centre reduction in hours	(18,000)
	Reduced borrowing costs offset by a loss of investment income	(40,000)
	<b>Expected Out-turn 2016/2017</b>	<b>8,067,480</b>

## 10 Report Implications

### 10.1 Finance and Value for Money Implications

10.1.1 The Council's budgeted contribution from General Fund balances for the 2016/2017 financial year is £747,970. This is expected to decrease by £173,000, as shown above in section 9. Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board at future meetings.

### 10.2 Environment and Sustainability Implications

10.2.1 The Council has to ensure that it adopts and implements robust and comprehensive budgetary monitoring and control, to ensure not only the availability of services within the current financial year, but in future years.

The Contact Officer for this report is Nigel Lane (719371).

### Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

**SERVICE REMAINING WITHIN RESOURCES BOARD**  
**Budgetary Control Report 2016/17 as at 31 July 2016**

<b>Description</b>	<b>Approved Budget 2016/2017</b>	<b>Profiled Budget to July 2016</b>	<b>Actual to end July 2016</b>	<b>Variance to Date</b>	<b>Comments</b>
Cost of Democratic Process	569,250	194,741	187,230	(7,511)	See para 4.2
Election Expenses	22,980	11,140	11,093	(47)	
Registration of Electors	53,520	(11,839)	(12,488)	(649)	
Business Rates	52,700	61,693	60,010	(1,683)	
Council Tax Collection	267,590	113,659	91,547	(22,113)	See para 4.3
Miscellaneous Finance	470	157	2,271	2,115	
Compensation and Pension Increases	439,040	135,085	132,813	(2,272)	
Assisted Car Purchases	(450)	(150)	13	163	
Electricity at Work	23,200	10,240	6,634	(3,606)	
Finance Unused Land and Assets	2,910	970	21,967	20,997	See para 4.4
Corporate and Democratic Core	578,330	151,913	153,044	1,131	
Unallocated Central Support Services	61,310	9,867	9,863	(3)	
Coleshill Shops and Flats	(63,870)	(18,390)	(16,795)	1,595	
The Pavilions, Holly Lane	(75,860)	(33,000)	(33,000)	-	
Carlyon Road Industrial Estate	(92,930)	(35,165)	(35,685)	(520)	
Innage Park Industrial Estate	8,580	26,906	22,957	(3,949)	
Polesworth Workspace Units	(1,380)	(350)	(954)	(604)	
Maya Bar and Restaurant	(11,180)	(3,877)	(3,878)	(1)	
Homeless Persons	99,000	38,323	39,702	1,378	
Public Conveniences	89,560	249,890	249,755	(136)	
Customer Contact	82,750	15,743	13,979	(1,765)	
Rent Allowances	77,200	3,588	14,166	10,578	See para 4.5
Housing Rent Rebates	33,190	(18,947)	(27,176)	(8,229)	See para 4.6
Concessionary Fares	8,270	2,757	5,211	2,455	
Council Tax Support	247,910	79,420	77,316	(2,104)	
Car Parks	96,730	40,363	42,317	1,954	
Broadband Delivery UK	50,240	80	80	-	
Animal Control	77,910	30,283	30,160	(123)	
Abandoned Vehicles	8,860	4,053	4,065	12	
Private Sector Housing Assistance	168,660	16,387	14,266	(2,120)	
CCTV	131,240	39,313	39,198	(115)	
Borough Care	552,370	183,040	181,413	(1,628)	
North Warwickshire LEADER	21,680	45,306	45,306	-	
<b>TOTALS</b>	<b>3,579,780</b>	<b>1,343,202</b>	<b>1,326,402</b>	<b>(16,800)</b>	

**RECHARGED SERVICES**  
**Budgetary Control Report 2016/17 as at 31 July 2016**

Description	Approved Budget 2016/2017	Profiled Budget to July 2016	Actual to end July 2016	Variance to Date	Comments
Building Maintenance Fund	-	6,667	6,667	-	
Council Offices	20	22,192	21,613	(579)	
Central Telephones	-	2,826	759	(2,067)	
Recruitment	-	(423)	-	423	
Printing and Stationery	10	(442)	(120)	322	
Training	-	1,007	1,245	238	
Depot and Stores	30	11,831	10,386	(1,445)	
Postal Services	-	(1,896)	-	1,896	
Chief Executive Directorate	1,120	(290)	(2,878)	(2,587)	
Assistant Chief Executive	6,690	(1,010)	(18,984)	(17,975)	
Directorate of Community Services	9,130	3,777	5,108	1,331	
Deputy Chief Executive	10,350	799	(78,642)	(79,442)	
Corporate Services	7,140	62,632	60,216	(2,416)	
Transport	170	208	(288)	(496)	
<b>TOTALS</b>	<b>34,660</b>	<b>107,878</b>	<b>5,081</b>	<b>(102,797)</b>	
Central Vacancy Factor	(150,000)	(50,000)	-	50,000	
Insurance Premium Tax	7,340	-	-	-	
<b>TOTALS</b>	<b>(108,000)</b>	<b>57,878</b>	<b>5,081</b>	<b>(52,797)</b>	

## Performance Indicators (PIs) for budgets reporting to the Resources Board

	Budgeted performance	Profiled Budgeted performance	Actual performance to Date
<b>Registration of Electors</b>			
Cost per elector for the Electoral Register	£1.08	-£0.24	-£0.25
<b>Business Rates</b>			
% of NDR Collection Rate	99.30%	33.10%	38.03%
Cost per NDR Property	£23.36	£27.35	£26.61
<b>Council Tax Collection</b>			
% of Council Tax Collection Tax	98.00%	39.20%	39.76%
Cost per Household	£9.66	£4.10	£3.32
<b>Coleshill Shops and Flats</b>			
Occupancy Rate	100.00%	100.00%	88.89%
Annual Income per Shop	(£10,164)	(£2,926)	(£2,640)
<b>The Pavilions</b>			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Unit	(£10,661)	(£4,446)	(£4,446)
<b>Carlyon Road Industrial Estate</b>			
Occupancy Rate	81.00%	81.00%	81.25%
Annual Income per Unit	(£7,071)	(£2,973)	(£2,987)
<b>Innage Park Industrial Estate</b>			
Occupancy Rate	79.00%	79.00%	82.00%
Annual Income per Unit	(£4,408)	(£1,738)	(£1,793)
<b>Polesworth Workspaces</b>			
Occupancy Rate	75.00%	75.00%	75.00%
Annual Income per Unit	(£1,116)	(£372)	(£372)
<b>Rent Allowances</b>			
Rent Allowances per Claimant	£4,900	£1,583	£1,499
Cost of Administration per Claimant	£45.15	£2.10	£8.53
<b>Rent Rebates</b>			
Rent Rebates per Claimant	£3,881	£1,423	£1,385
Cost of Administration per Claimant	£20.94	-£11.95	-£17.58

**CONSOLIDATED GENERAL FUND POSITION**  
**Budgetary Control Report 2016/17 as at 31 July 2016**

Board	Approved Budget 2016/2017	Expected position at July 2016	Actual position at July 2016	Variance
Executive	580,330	211,775	214,593	2,818
Planning and Development	321,930	74,921	5,984	(68,936)
Licensing Committee	(4,320)	5,493	9,162	3,669
Community and Environment	5,316,630	1,754,169	1,779,732	25,563
Resources (including staff vacancies)	3,475,560	1,401,080	1,331,483	(69,597)
<b>Net Board Expenditure</b>	<b>9,690,130</b>	<b>3,447,438</b>	<b>3,340,954</b>	<b>(106,484)</b>
Payments to Parish Councils	70,620	70,620	70,620	-
Other Contingencies	176,710	-	-	-
<b>Net Board Expenditure</b>	<b>9,937,460</b>	<b>3,518,058</b>	<b>3,411,574</b>	<b>(106,484)</b>
Investment Income	(180,000)	(60,000)	(52,387)	7,613
Revenue Contribution to Capital Spending	119,000	39,667	39,667	-
Use of Balances	(747,970)	(249,323)	(249,323)	-
Financing Adjustment	(888,010)	(296,004)	(299,338)	(3,334)
<b>Net Expenditure</b>	<b>8,240,480</b>	<b>2,952,396</b>	<b>2,850,191</b>	<b>(102,205)</b>

Use of Balances - Original Budget	619,570
Planning and Development - Appeals	80,000
Resources - Parking Review Survey	23,400
Resources - WM Combined Auth Subs	25,000
Use of Balances - Approved Budget	747,970

## Agenda Item No 10

### Resources Board

6 September 2016

#### Report of the Assistant Director (Finance and Human Resources)

#### Housing Revenue Account Budgetary Control Report 2016/2017 Period Ended 31 July 2016

### 1 Summary

- 1.1 The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 July 2016.

#### **Recommendation to the Board**

**To consider if any further information is required.**

### 2 Consultation

- 2.1 Councillors Wright, Lea and Chambers have been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

### 3 Introduction

- 3.1 Under the Service Reporting Code of Practice (SeRCOP), services should be charged with the total cost of providing the service, which not only includes costs and income directly incurred, but also support costs relating to such areas as finance, office accommodation, telephone costs and IT services and Member costs.

### 4 Overall Position

- 4.1 The Housing Revenue Account (HRA) includes all costs and income relating to the letting and management of the Council's housing stock, and this has to be kept separate from General Fund expenditure. The actual position for the HRA for the period ended 31 July 2016 is a surplus of £394,582, compared with a forecast surplus position for the period of £397,013. Where possible, the forecast position has been profiled to reflect seasonal variations in expenditure and income, in order to give a better comparison with actual figures. The actual position is an unfavourable variance of £2,431 against the forecast position. Appendix A to this report provides details of the profiled and actual position for expenditure and income incurred by the HRA.

...

- 4.2 The contribution to the Repairs Fund is transferred from the Revenue Account on a monthly basis as profiled. The actual spend on repairs is shown within the Repairs Fund. Similarly budget provision within the Revenue

Account for capital expenditure is transferred to capital reserves, which are then utilised to fund HRA capital expenditure included in the capital programme.

4.3 Supervision and Management General – There is an under spend on Council tax paid on Void properties at this point, although this is expected to relate to timing differences. In addition there is a general underspend on supplies and services budgets.

4.4 Rents are lower because there has been a higher level of voids due to some taking longer to let, because they are flats which are part of a sheltered scheme and are not popular with applicants, as well as some properties needing extensive works and which are therefore empty for a longer time. This has been partially offset by lower than expected sales of 6 dwellings to date, against a budgeted position of 10 dwellings.

## 5 Housing Repairs Fund

5.1 The Housing Repairs Fund covers expenditure on all repairs and maintenance, both day to day and programmed whether carried out by Housing Direct Works or external contractors. This includes any surplus or deficit on the operation of Housing Direct Works.

5.2 The balance on the Fund at the start of the year amounted to £511,093. The balance can be used to cover timing issues between years. In 2016/17 the contribution to the fund is £3,066,490. Any over-spend in the repairs fund would impact on the use of Housing Revenue Account balances if it exceeded the balance on the fund and the contribution in the year. The current overspend mainly relates to the high sickness levels in Housing Direct Works which has increased the need to use subcontractors to complete outstanding works.

... 5.3 The position on the fund at the end of July is shown in Appendix B.

## 6 Housing Direct Works

6.1 There is an under spend on employee costs reflecting to the current level of vacancies and sickness, which have been partially covered by the use of sub contractors shown with in the 'Other Contractors' part of the Repairs Fund. There is a small increase to date in supplies and services due to higher use and cost of electrical materials, partially offset by lower spend to date on scaffolding and skip hire. There is an underspend on vehicle fuel due to the price per litre being lower than expected and lower vehicle maintenance due to the replacement of part of the vehicle fleet. A lower level of work has been undertaken for the General Fund Building Maintenance works and capital. Appendix C to this report provides the profiled and actual expenditure of Housing Direct Works in more detail.

...

## 7 Risks to the Budget

7.1 The key risks to the budgetary position of the Housing Revenue Account in 2016/17 include:

- The potential ongoing impact of sustaining rent income levels with the changes being implemented as welfare reforms; the implementation of the Pay to Stay regulations which will increase rent liabilities for some tenants;
- The requirement on the Council to meet statutory housing needs and support tenants to sustain their tenancies and the abolition of lifetime homes from April 2017;
- A change in interest rates, if funds need to be borrowed;
- A reduction in the rent levels assumed in the Business Plan, as this could impact significantly on the expected surpluses. More attractive Right to Buy conditions could encourage higher sales in addition there is a requirement to sell higher value voids to meet the annual Government levy set out in the Housing and Planning Act;
- The requirements of an ageing stock and the need to meet the Decent Homes Standard are likely to continue to increase the demand for capital works. Work to keep the Council's asset in good condition will be prioritised and accommodated within existing budgets;
- Any reduction in the performance of Housing Direct Works will put pressure on the Council to use external contractors and therefore will impact on the level of expenditure;
- Asbestos removal is an ongoing cost pressure over the next few years until the full picture of the level of asbestos contained in council houses and the cost of removal is assessed.

## **8 Estimated Out-turn**

- 8.1 The estimated out-turn for the Housing Revenue Account remains the same as that included in the original budget.
- 8.2 The estimated out-turn for the Repairs Fund remains the same as that included in the original budget. There is uncertainty that the current overspend will continue through the remainder of the year due to timing of work issues. However if it does continue, the fund has sufficient capacity to cover the additional costs.

## **9 Report Implications**

### **9.1 Finance and Value for Money Implications**

9.1.1 The Council is currently forecasting a contribution to the Housing Revenue Fund balance for the 2016/17 financial year of £374,760. Income and expenditure will continue to be closely managed and any issues that arise will be reported to this committee for comment.

## 9.2 **Environment and Sustainability Implications**

9.2.1 The Council has to ensure that it adopts and implements robust and comprehensive budgetary monitoring and control, to ensure not only the availability of services within the current financial year, but in future years.

The Contact Officer for this report is Nigel Lane (719371).

**HOUSING REVENUE ACCOUNT**

	<b>Original Budget 2016/2017</b>	<b>Expected Spend to July 2016/2017</b>	<b>Actual Spend to July 2016/2017</b>	<b>Variance</b>	<b>Comments</b>
<b>EXPENDITURE</b>					
Repairs and Maintenance	3,066,490	1,022,164	1,022,164	-	Comment 4.2
Supervision and Management - General	1,392,140	460,535	448,953	(11,582)	Comment 4.3
Supervision and Management - Special Services	560,890	166,309	165,747	(562)	
Provision for Bad Debts	174,140	58,047	58,047	-	
Interest on Loans	1,610,930	536,977	536,977	-	
Revenue Set Aside (debt Repayment)	1,450,000	483,333	483,333	-	
Capital Expenditure - New Build	1,136,750	378,917	378,917	-	Comment 4.2
Capital Expenditure	2,367,410	789,137	789,137	-	Comment 4.2
<b>Total Expenditure</b>	<b>11,758,750</b>	<b>3,895,418</b>	<b>3,883,274</b>	<b>(12,144)</b>	
<b>INCOME</b>					
Gross Rent Income from Dwellings	(11,609,430)	(4,111,673)	(4,097,216)	14,457	Comment 4.4
Gross Rent Income from Non-Dwellings	(356,260)	(132,634)	(129,882)	2,752	
Charges for Services and Facilities	(88,300)	(21,618)	(24,252)	(2,634)	
<b>Total Income</b>	<b>(12,053,990)</b>	<b>(4,265,925)</b>	<b>(4,251,350)</b>	<b>14,575</b>	
<b>NET COST OF SERVICES</b>	<b>(295,240)</b>	<b>(370,507)</b>	<b>(368,076)</b>	<b>2,431</b>	
Investment Income- Other	(79,520)	(26,507)	(26,507)	-	
<b>TOTAL (SURPLUS)/DEFICIT FOR THE YEAR</b>	<b>(374,760)</b>	<b>(397,013)</b>	<b>(394,582)</b>	<b>2,431</b>	

## Appendix B

### HOUSING REPAIRS FUND (to end of July 2016)

	£
<b>Balance available at 1 April 2016</b>	<b>511,093</b>
Contribution 2016/17 (to July 2016)	1,038,133
Expected Use of Fund (to July 2016)	(1,110,198)
<b>Surplus on the Fund at 31 July 2016</b>	<b>439,028</b>

APPENDIX C

**HOUSING DIRECT WORKS**

**Budgetary Control Report as at 31 July 2016**

	<b>Original Budget 2016/2017</b>	<b>Expected Spend 2016/2017</b>	<b>Actual Spend 2016/2017</b>	<b>Variance</b>
<b>EXPENDITURE</b>				
Employee Costs	952,550	315,210	247,592	(67,618)
Supplies and Services	510,720	170,540	175,918	5,378
Transport	121,410	40,470	28,449	(12,021)
Income	(55,630)	(18,543)	(3,115)	15,428
<b>Gross controllable Expenditure</b>	<b>1,529,050</b>	<b>507,677</b>	<b>448,844</b>	<b>(58,833)</b>
Central Support	279,360	93,120	93,120	-
<b>Housing Direct Works Expenditure</b>	<b>1,808,410</b>	<b>600,797</b>	<b>541,964</b>	<b>(58,833)</b>

## Agenda Item No 11

### Resources Board

6 September 2016

#### Report of the Deputy Chief Executive

#### Internal Audit – Performance for First Quarter 2016-17

### 1 Summary

- 1.1 The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year.

#### **Recommendation to the Board**

**That the report be noted.**

### 2 Introduction

- 2.1 The PSIAS -Public Sector Internal Auditing Standards on Internal Audit in Local Government defines standards of best practice for internal audit. The Standard requires that Members both approve the Internal Audit Section's strategic work plan and receive periodic reports on performance against plan. This report summarises performance for April 2016 to June 2016.

### 3 Summary of Work Completed

- ... 3.1 Appendix A to the report summarises progress on the approved audit plan for the period, identifying audits completed and indicating the extent of progress on those audits still outstanding. The number of major audits scheduled has reduced due to the complexity of the reviews currently being undertaken. This revised approach has been agreed with the Deputy Chief Executive as improving the efficiency and effectiveness of the internal audit function benefitting to the maximum, service provision. Appendix B provides definition for the levels of assurance applied.

- ... 3.2 Internal Audit have completed sample testing on eight key financial systems and plan to carry out intensive reviews of three major financial systems during the year, namely; creditors, council tax and housing rents. It has been agreed with the external auditors that the remaining financial systems can continue to be subjected to selected sampling in accordance with any previous audit reports produced.

- 3.3 Audits have been completed on service areas in leisure, responsive repairs, emergency planning and fly tipping.

3.4 The Internal Audit Section has undertaken an increased amount of work recorded under contingency audits namely in revenues and benefits, vehicle management and HDW. These are reviews carried out either resulting from departmental requests, external audit suggestions, counter fraud activity or monitoring of reporting information from the National Fraud Initiative.

3.5 The performance standards set by the Audit Commission require that Internal Audit complete at least 90% of planned work in the year unless there are good reasons otherwise. In calculating that statistic, planned work deferred at client request is ignored if such deferrals have appropriate justification. All client requests for deferrals have been based on sound, service based justifications.

#### **4 Report Implications**

##### **4.1 Risk Management Implications**

4.1.1 Failure to provide an effective Internal Audit Service may adversely affect the level of internal control operating within the Council and will attract criticism from external assessors.

##### **4.2 Links to Council's Priorities**

4.2.1 The audit programme agreed and delivered is aligned to both the priorities of the Council and the requirements of external assessors.

The Contact Officer for this report is Barbara Haswell (719416).

#### **Background Papers**

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>

**Planned Audits Completed first quarter 2016-17**

<b>Audit</b>	<b>Quarter Due</b>	<b>Status</b>	<b>Assurance Level</b>	<b>Tot No. of Recs</b>	<b>Priority1</b>	<b>Priority2</b>	<b>Not Agreed</b>
Emergency Planning & Business Continuity	1	Draft	Substantial	6	1	5	0
Fly Tipping	1	Draft	Substantial	4		4	0
Leisure centres	1	Final	Adequate	9	4	5	0
Responsive repairs	1	Final	Adequate	14	3	11	0

**Reasons for not providing a substantial assurance level on final reports****Leisure Centre**

some incomplete financial records causing inefficiencies in processing- attempts are being made to correct this ongoing matter; attendance data used to identify future needs was unreliable because users did not always swipe cards- this is being addressed and was due to those who had booked on line; an issue surrounding data protection came to light and although reported to the ICO, no action was taken. That matter is being addressed and steps will be put into place to minimise any future risk.

**Responsive Repairs**

Further review of the controls around the use of material procurement cards to ensure control of costs and use of materials, together with the introduction of a system of audit/inspection is required. Not all return to work interviews had been completed but improved systems are now in place. Following a review of gas safety procedure improvements have been made to work systems to ensure additional flue brackets are installed

**Progress Against Audit Plan**

<b>Audit</b>	<b>Status</b>	<b>Due</b>	<b>Audit</b>	<b>Status</b>	<b>Due</b>
Community & Corporate Plan	Ongoing	Qtr 2	Democratic Services	Ongoing	Qtr 2
Performance Information & Management	Ongoing	Qtr 2	DBS checks	Ongoing	Qtr 2
Corporate Governance	Ongoing	Qtr 2	Creditors	Ongoing	Qtr 3
Emergency Planning	Draft	Qtr 1	Fly tipping	Draft	Qtr 1
Leisure Centres	Final	Qtr 1	Responsive repairs	Final	Qtr 1

Performance of Audit 2016-17 for Quarterly Indicators			
No.	Indicator	Suggested Frequency	Performance for 2016-17
1	Performance reports to Resources Board	Quarterly	Sep-16
3	Number of audits where time taken to complete the work is more than 10% longer than planned.	Quarterly	0
4	Number of audits completed by set deadline	Quarterly	4
5	Final report issued within 4 weeks of completion of fieldwork	Quarterly	4
9	Questionnaire:Feedback obtained from report recipients is good (average 4 out of 5)	Quarterly	Good in those obtained
10	% of sickness levels within Audit is below 5%	Quarterly	0.00%



## **Agenda Item No 13**

### **Resources Board**

**6 September 2016**

#### **Report of the Assistant Director (Corporate Services) and Assistant Chief Executive (Community Services)**

#### **Online Services Update and Plans for Promoting and Increasing Use**

### **1 Summary**

- 1.1 This report gives an update on the use of the Council's Website and those services we deliver online, via the Internet. The report also provides information on how we plan to promote, increase and improve the use of the internet for those services that can be most effectively provided online.

#### **Recommendation to the Board**

**That the report is noted.**

### **2 Report**

- 2.1 This report provides an update on the development and use of online services such as those provided via the Council's website and directly through "self-service" over the Internet. A report of this type was last produced in October 2013 but will be produced annually in the future.
- 2.2 For customers and citizens being able to access Council services and information online is often more convenient for them as individuals. It can also save time for staff; which helps deliver efficiencies and cost savings for the Council. The Council's Customer Access Strategy has helped guide our work to provide online services. The Strategy is due to be updated during 2017/18 and is anticipated to build on improving online services and encouraging "channel shift".
- 2.3 There is also a Government strategy to move public services online, known as "Digital by Default". It is our intention to continue to encourage customers to move away from costly and time consuming ways of accessing service and towards more cost effective methods provided via the internet and website services. The Council, with partners, is helping to make as many residents as possible digitally ready by promoting "Learn My Way" programmes via the community hubs and the B.O.B bus.
- 2.4 The Council has taken decisions to close channels when they are no longer well used and are disproportionately costly to maintain. For example the cash office was closed, a number of years ago, and alternative payment routes were made available. These have provided a variety of payment methods,

accessible 24/7, and are meeting the expectations and needs of residents; whilst in many cases driving down operational costs. Similar decisions will be needed in the future as people move to online channels. The need and cost of maintaining channels will be reviewed regularly.

2.5 It is recognised that the internet is not, and may never be, the most appropriate way to deliver some complex or personalised services. There are people who have never used, have no intention of using, or are unable to use the internet. We need to be aware of excluding people, particularly those most disadvantaged in society, from services due to their lack of access to, or skills to use, the Internet. We need to encourage, help and if feasible incentivise people to learn about, use and benefit from internet services. “Learn My Way” and the Hub project have already been successful in getting people job ready, able to claim benefits and take more control of their lives.

2.6 However, there’s now a large and growing percentage of the population with resources and skills to use online services and younger age groups “digital natives” live in a mobile, connected and social world; in 2016 (Jan – April)<sup>1</sup>:-

- 89% of households in Great Britain had internet access.
- 82% of adults used the internet every day, for real life activities such as buying goods and services.
- 70% of adults used the internet “on the go” (away from home/work) via a mobile phone or smartphone; for the 16 – 24 age group use rises to 97%.
- 77% of adults have bought goods or services online.
- 21% of adults use a smart TV to connect to the internet.
- 50% of 18 - 24 year olds check their phone within five minutes of waking and 93% of them have at least one social media profile.

2.7 We must continue to plan online services around our ever changing customer base and increasingly for those using services ‘on the go’ using mobile devices and phones. Our own data reflects the national figure as in May 2016, 58.74% of visitors to our website were from a phone or tablet device.

2.8 Internet usage figures for the Borough are currently lower than average, due to known problems with the availability of broadband and the age profile of residents. However, with continued investment in broadband and the changing demographic of the borough, this is expected to change. Our aim is for the website to be the channel of choice and first point of call for council information and for the completion of service request.

2.9 Section 5 of this report provides information on our plans to encourage the migration to self-service via the internet and for monitoring satisfaction with this move.

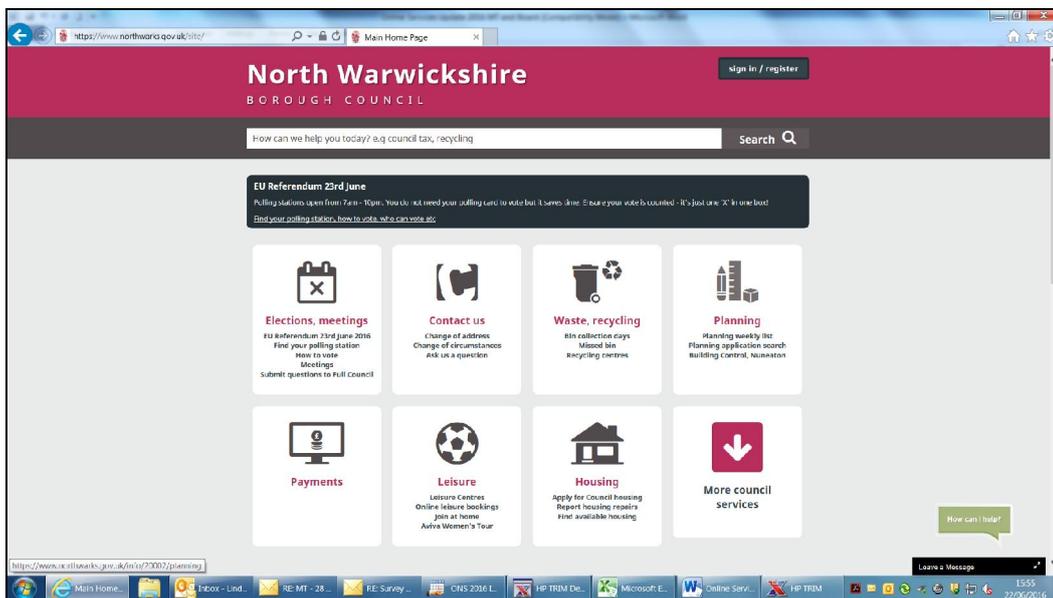
### **3 Update 2015/16**

#### **3.1 Update on the Council’s Website and Online, Self Service Forms.**

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<sup>1</sup> ONS – Internet Access – Households and Individuals: 2016, release date: 4 August 2016.

- 3.1.1 During 2015/16 we completed a major upgrade of our website to ensure that it works well on different sized screens including Smartphones and Tablet devices. We did this in partnership with Nuneaton and Bedworth BC (NBBC) using a Government “Digital Experts” grant to help fund aspects of the project.
- 3.1.2 The Council’s new website went live on the 4 November 2015, closely followed by NBBC’s in January 2016. We have had some good feedback from people who use the site and from Socitm<sup>2</sup> who carry out annual website assessments. One reviewer commented “Very easy to move through the site and find what I needed. An attractive, spacious mobile layout with large buttons and a good emphasis on top tasks. Excellent.” Also in the last three quarters the website has been ranked in the top 10, of 406 websites, in an assessment that measures accessibility, functionality and performance.
- 3.1.3 The upgrade gave services the opportunity to review and update their website content. We aimed to not transfer any old content, without it being checked by staff within each division, and we rationalised and reduced the number of pages from 11,000 to 8,500. The new site organises content based on use, with the most used services being shown first. The screenshot below is from the day before the EU Referendum when Election information was accessed most and demonstrates how it is helping customers access timely information in an intuitive way.



- 3.1.4 In addition to updating the website on a day to day basis, to keep it current and relevant, each year we aim to carry out major reviews of at least 3 areas of the website to develop and improve the content and structure. Our content priorities for 2016/17 are:

<sup>2</sup> Socitm : Society of IT Managers. Produce “Better Connected” an annual website review (since 1999)

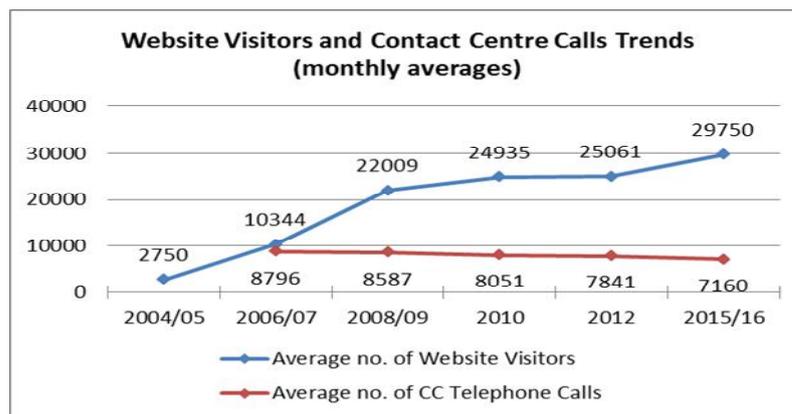
- Financial Inclusion information and improvements to Benefit forms and the associated guidance to help deliver welfare reforms which includes multi agency content.
- Regulatory information including enabling License applications.
- Leisure content to reflect the introduction of the “Learn to” module for Swimming and Gym course booking and the implementation of an online “Parent Portal” to give visibility of their child’s progress.

3.1.5 The average number of visitors per month to the Council’s website has increase as shown below:-

Website Visitors per month						
Year	2004/05	2006/07	2008/09	2010	2012	2015/16
Visitors pm	2,750	10,344	22,009	24,935	25,061	29,750

3.1.6 The number of webpages visited, in an average month, has gone up from 86,036 in 2010 to 112,727 in 2015. This is a crude measure as it includes some double counting; but it shows a growing trend. Over 51% of people accessing the website in 2016 haven’t used it before and 58% of all customers are accessing the site from a mobile phone or tablet, which reflects the growing popularity of mobile technology.

3.1.7 In general website use reduces the demand for information and services provided in paper format, via the phone or in person. The graph shows the decreasing trend in calls to the Contact Centre compared with an increase in website visitors. However, the length of time taken on calls has increased which we believe demonstrates that more complex issues are being dealt with by the Contact Centre and One Stop Shop staff. This is a better use of these resources, rather than them dealing with straightforward questions that are easily answered online.



3.1.8 The change in channel (e.g. telephone, website, post) will deliver savings or free up resource to do other work. Estimates suggest that the average cost of a digital (online) transaction is 15p, compared with £2.83 for the telephone and £8.62 face-to-face<sup>3</sup>. If, for example, just 10% of our website visitors

<sup>3</sup> Local Government Information Unit “Connected Councils” Report March 2016 quoting Society of IT Managers estimated transaction costs.

decided to telephone us, to find out the information they need, it would (based on a 2 minute call) add over 99 hours of work into the Contact Centre each month and an additional £8,420 in monthly transaction cost. This has already allowed significant reductions to the staffing level in our Contact Centre/One Stop Shop to be achieved, over the last 6 years, in response to the change in customer behaviour.

3.1.9 The table below shows, for 1 January 2016 to 30 June 2016, the services forms completed by service area in the Contact Centre, the number of self service (online) forms complete and the most frequently accessed website pages. This information demonstrates people's willingness to use the website for finding out information about our services and issues of local interest such as the Local Plan. Our challenge is to encourage people to move to the website for both simple and more complex services currently being sought through the Contact Centre or in the One Stop Shop.

Forms Completed in the CRM via Telephone & OSS	Total All Forms	Online Forms completed	Total Online Forms	Website (Pages Visited)	Total Pages
Council tax, NNDR and Recovery	4615	Contact Us	1068	ALC - swimming pools	18497
Benefits	3979	Housing Enquiry	546	Planning application search	10556
Housing incl. Allocationss, Garages, Repairs	3617	Fly Tipping, Litter etc	509	CLC fitness classes	7981
Replacement and New Bins	2365	Food Bank Referral	217	Recycling	7418
Environmental Health Incl. Pest Control & Dogs	1074	Missed Bin	189	Apply for council housing	6972
Rubbish and Recycling Info and Advice	1116	Council Tax Registration	151	Payments and parking fines	5746
Warwickshire County Council Services	866	Sports Pitch Fixture Form	105	ALC fitness class times	5567
Missed Bin	854	Pollution Control	68	Jobs	4875
Bulky Collections	675	FOI	50	Local Plan	3967
Chief Exec incl. FOI & Complaints & Info	448	Sports Pitch Hire	38	Household recycling centres	3840
Fly-Tipping	471	Compliments and Complaints	14	Leisure online booking	3212
Streetscape Info, Advice, Message, Progress Chase, Complaint	400	Hubs	13	Councillors by name	2772
Planning	386	LEADER Project	12	Prices at CLC	2660

3.1.10 We are redeveloping our online forms using the functionality in the Customer Relationship Management (CRM) system. The CRM is used by the Contract Centre (CC) to log request for service made via the phone and in the One-Stop-Shop. Although this redevelopment will take two years to complete, and involve a lot of work, it is already saving both customer facing and back office staff having to rekey information from the web forms. The new forms are helping to streamline processes, deliver quicker turnaround times and they give a more complete view of the services used by a customer. Customers can register and create a "customer account" so that they can see and track the services they have used.

3.1.11 Using the Digital Experts grant we have implemented a “thumbs up” or “thumbs down” rating and “comment” option on each page to encourage customer feedback. Since April, when the new website went live, we have had over 200 ratings. Comments made have helped us improve our information about opening times, recycling and voting.

3.1.12 The grant has also funded a Web Chat solution which is being used by Contact Centre staff and offers another channel for customers. This is proving to be popular and we expect this to be useful for helping customers use online services or ask questions that they haven’t been able to get an answer to from the website.

## **3.2 Update on the Council’s use of Social Media**

3.2.1 Staff in the Contact Centre also respond to service related questions that come in through Social media, such as Facebook or Twitter. These are growing and instant mediums for the customer to raise questions and also air and share their views. This is creating significant traffic but does enable up to the minute information to be shared and in some cases incorrect information to be corrected. In general these channels give the customer a consistent and speedy response and provide the Council with a more complete view of the enquiries it gets.

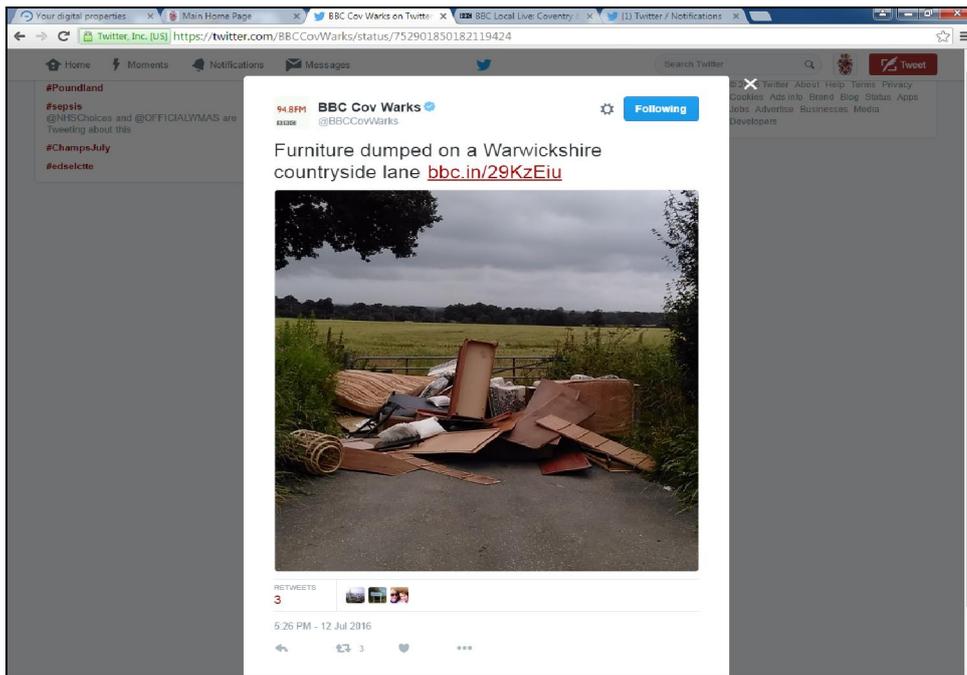
3.2.2 We have made good progress on developing the Council’s presence on Social Media sites such as Facebook, Twitter and Youtube. We now<sup>4</sup> have:

- 887 people “liking” (subscribed to) our corporate Facebook page, which is an increase of more than 240% since 2013.
- 5034 followers on Twitter compared with 3180 in 2013.

3.2.3 Our use of Social media compliments information included in the Council’s north talk magazine and supports the events and information published on the website. Social Media is particularly important during events or at times of service disruption and in fast changing situations, such as Election declarations. Our Twitter account is followed by local and national media and is often where they pick up our news. The following screenshot shows one of our fly tipping tweets that got re-tweeted by BBC Coventry and Warwickshire and as such went to their 35,500 followers.

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<sup>4</sup> 887 as at 11/7/2016 compared with 260 in November 2013.



- 3.2.4 The reach of Social Media could also be seen during the week the Aviva Women’s Tour came to Warwickshire. The number of views of our Facebook pages increased by over 1000% and videos posted on the pages were viewed nearly 3000 times. We gained 50 new Twitter followers and #Atherstone and #AvivaWT2016 ‘trended’ on the day the race started from Atherstone.
- 3.2.5 Services, such as the Leisure Centres, have their own Facebook pages or Twitter accounts; others use the corporate accounts to get information out. For example the majority of fly tipping incidents are made public on Twitter. Some Councillors have active Twitter accounts and Social Media awareness training was provided to 121 staff and 18 members from NWBC and NBBC.

#### 4 Online Services Update

- 4.1 To enable staff to develop, use and benefit from the opportunity to homework, remote work and access online services it is important that the Council’s connection to the internet is fast and reliable. As part of a telephony infrastructure development in 2014/15 we had a 100Mb internet line installed, at no extra cost. Work has also been done to create WiFi hotspots in the Council, at Leisure Centres and in community hubs.
- 4.2 Previous Annual Updates have given detailed information on a number of online systems used as part of our service delivery model. However, these are now well established and the “online” part of the service has become integral to the service and build into Service Plans. Examples of this are:-

##### Online Planning:-

- 62% of applications submitted in 15/16 were through the Planning Portal (online) compared with fewer than 9% in 2007/08 and 50% in 2013.

- Details of listed buildings and planning decision notices are available online. Planning pages are often the most used on the website.
- Consultees and the public are able to view applications over the Internet and make comments electronically.

#### Online Leisure Booking:-

- All Leisure Centres are able to take online bookings and payments for classes and facilities. The table below shows that web booking has taken off across the Centres.

Online Bookings - (Classes & Courts)	Arley	Atherstone	Coleshill	Polesworth	Qtr Totals
Qtr 1 (Apr, May, Jun '15)	13	0	10	51	74
Qtr 2 (Jul, Aug, Sept '15)	201	23	2382	872	3478
Qtr 3 (Oct, Nov, Dec '15)	213	6	2227	1033	3479
Qtr 4 (Jan, Feb, Mar '16)	408	153	3598	1332	5491
<b>Grand Total for 2015/16</b>	<b>835</b>	<b>182</b>	<b>8217</b>	<b>3288</b>	<b>12522</b>
Qtr 1 (Apr, May, Jun '16)	352	855	3338	1070	5615
<b>Total for 2016/17</b>	<b>352</b>	<b>855</b>	<b>3338</b>	<b>1070</b>	<b>5615</b>

- People can complete joining information online and then manage their membership and bookings using a Member Portal. The number of people signed up to using the “Join at Home” module is shown in the table below.

Join at Home	Arley	Atherstone	Coleshill	Polesworth	Qtr Totals
Qtr 1 (Apr, May, Jun '15)	0	0	0	0	0
Qtr 2 (Jul, Aug, Sept '15)	3	2	1	0	6
Qtr 3 (Oct, Nov, Dec '15)	5	26	78	17	126
Qtr 4 (Jan, Feb, Mar '16)	66	234	296	120	716
<b>Grand Total for 2015/16</b>	<b>74</b>	<b>262</b>	<b>375</b>	<b>137</b>	<b>848</b>
Qtr 1 (Apr, May, Jun '15)	57	277	252	106	692
<b>Grand Total for 2015/16</b>	<b>57</b>	<b>277</b>	<b>252</b>	<b>106</b>	<b>692</b>

- During 2016 we will complete the implementation of the “Learn to” module for swimming and gym courses and introduce payment by Direct Debit to help spread the cost of these for customers.

#### Online Council Tax and Business Rates billing:-

- People can sign up to e-billing for Council Tax and/or Business Rates and receive bills and adjustment notices via email. We now have 3580 people signed up for online Accounts, up 52% since 2013 when there were 2348 registered. There are 855 signed up for e-billing, up 19% from 720 in 2013.

- 199 people have made Benefits claims online since we went live with our eClaim form in April 2016 which will ultimately replace the paper form, in-line with Government expectations. When a claimant completes an eClaim form it populates the back office system saving about 20% of the processing time.
- Over 50% of customers have chosen to verify their single person discount information online.

4.3 In October 2012 we implemented a new payments solution to achieve compliance with the Payment Card Industry Data Security Standard. The system has enabled us to improve and increase our online payments offer and this will continue to be a priority as we work to encourage the move from cheque payments. This system and a change of banking provider means that payments from 2012 are classified slightly differently to our older data.

4.4 People can pay for services in a range of ways including by automated telephone payment, by telephone to the Contact Centre, using direct debit, via online payments, at the Post Office, by standing order or by cheque. The table below shows the changes in payment type over the last 10 years and reflect changes in people's payment habits and the proactive work we have done to enable this transition. All the figures are going in the direction we want them to be, to enable us to be more efficient, for example web payments are increasing and payment by cheque decreasing.

Method of Payment	Number of Transactions							Increase / Decrease from 13/14 to 15/16
	2005/06	2007/08	2008/09	Oct-Sep 2012/13	2013/14	2014/15	2015/16	
Web Payments	1,200	1,800	2,200	5,350	7,775	9,622	14,194	82%
Card Payments by phone	10,500	10,500	11,300	18,400	22,202	23,583	43,045	94%
Cash - Face to Face. Excl Leisure	1,000	900	1,200	600	660	569	508	-23%
BACS	255,000	263,000	280,900	247,216	261,135	275,859	285,104	9.0%
Cheque				6,100	6,652	6,041	5,176	-22%
3rd Party - Post Office, Moneyway				48,600	54,723	50,570	42,954	-21%
Bank (Direct Payments)				14,650	17,660	20,734	26,358	

4.5 We have reduced the costs of collection by introducing cheaper methods of payment, for example 75% of Council Tax and Business Ratepayers choose to pay by direct debit. On-going promotion of, and incentivising payment by,

this very cost effective method has allowed significant staff savings to be made in the areas of cash and cheque reconciliation.

- 4.6 Online payment can be used to pay for any “sundry debt” for example for trade waste, cesspool emptying, housing repairs, licensing and environmental services or any other invoice.
- 4.7 Another example of the result of work that is being done to encourage people to move from costly payment methods is that the number of cheques received for planning applications has decreased by 20% from 67.7% of payments in 2014/15 to 54.6% in 2015/16.
- 4.8 Payments, and whether up-front payment in preference to the issue of invoices, are regularly analysed to identify which services are being paid for using more expensive or less efficient channels. They are then targeted for migration as part of a Systems Thinking Review or service improvement and then advertised and promoted, including under the “Northwarks Online” brand and in North Talk.

## **5 Increasing the use of Online Services Plans**

- 5.1 Online services can deliver efficiencies for the Council by moving contact and service provision to less costly channels. Over time these efficiencies become sufficiently significant to enable the Council to achieve cash savings, savings in salary cost by reducing staffing levels or by minimising additional costs if demand for services increases or a new service is introduced.
- 5.2 There is extensive research on how to encourage people to move to different ways of using services, including web self-service. This movement is known as “channel migration”. However, getting citizens and customers to make the change is not always a simple or quick process, as they need to:-
  - Be skilled - to use the internet and online services.
  - Have access - to use the internet when and where it’s convenient.
  - Understand why - convinced that there is a benefit to them.
  - Secure – believe our online service are trustworthy, secure and reliable.
  - Aware - that our services are available online.
- 5.3 The Council has continued to develop and promote its nationally acknowledged initiatives including its Community Hubs and the B.O.B bus that encourage the use of, and allowed free access to, the internet and relevant telephone numbers. They have helped residents engage with the Council and partners services, as easily as possible. To date this approach, which is part of our wider customer access and community partnership priorities, has helped residents to get online, save money and access jobs.
- 5.4 Since the 2013 update report, the Council has implemented a new Customer Relationship Management (CRM) system, which has delivered significant cost savings to the Council and enabled to focus on our own business needs,

rather than those of the wider Warwickshire Direct Partnership. The new platform, introduced in 2014, has enabled us to provide a better and more consistent service across the various channels, for example a self-service form completed on the website will appear as part of the customer's history to Contact Centre staff and can go direct to front line staff to deliver the service. It is also helping us deliver a more informed and targeted customer experience that will improve as residents transact with us and a history develops.

- 5.5 The Council has committed a second tranche of match funding, to the Coventry, Solihull and Warwickshire Broadband Project, to help improve broadband access across the sub region. The CSW Broadband project is aiming to achieve 98% superfast coverage for Warwickshire by the end of 2018.
- 5.6 The Council has a number of projects which will help move our services online or are aimed at addressing the issues that are a barrier to people using online services. Details of these projects are included in annual Service Plans, in the Council's Customer Access Strategy and in the ICT Strategy. However, some key aims and associated actions are summarised in the table below:

<b>2016/17 Aims and Actions</b>	
<b>Security Aim</b>	Work to ensure the Council's online services are as secure as possible. Test and confirm this through Cyber Essentials accreditation and Public Sector Network (PSN) compliance.
Actions	Procure Cyber Essentials and PSN Health Check so that it is complete and compliance achieved by February 2017. Hold Cyber security briefings for computer users by Oct 16.
<b>Online Forms Aim</b>	Continue to develop the Council's CRM and online forms to ensure they provide a good customer experience and result in the service being delivered as expected.
Actions	Migrate at least 3 additional, high use, forms from old website to CRM forms by April 2017. Act on negative feedback where customers have found forms difficult to use or where the form has failed. Publish the improvements made on the "you said, we did" page.
<b>Monitoring Aim</b>	Develop a "digital dashboard", initially based on the figures used in this report, to help us target and monitor progress in moving services online.
Action	Produce a quarterly "digital dashboard" from Q2 2016/17 and report progress to EMT and annually to members.
<b>Engagement Aim</b>	To improve how we inform, consult and engage residents, customers and local businesses.
Action	Collect and utilise contact details and interests to enable consultation and provide opportunities better inform and market services.
<b>Access Aim</b>	Continue to provide Hubs in our communities to enable access to the internet and provide opportunities for people to

	get the skills they need.
Action	Develop Hubs as WiFi hotspots by September 2016.
<b>E-Payment Aim</b>	Continue to develop e-payments to enable online services to be paid for seamlessly and securely.
Action	Identify an additional service whose payment could be moved online and develop the form to enable this by April 2017.
<b>Payment Shift Aim</b>	Work across all divisions to move payments away from costly channels, such as face to face and by cheque, to online and automated methods.
Action	Work with Planning and Revenues and Benefits to encourage the people who pay them to move away from cheques. Aim for a 5% decrease during 2016/17.
<b>Online Shift Aim</b>	Investigate the incentives and benefits we could pass back to the customer for them using online services.
Action	Evaluate the impact of the prize incentive to move to Benefits eClaims by Dec 2016. Investigate differential charging.
<b>Trust Aim</b>	Ensure our website remains reliable, secure, accessible and responsive.
Action	Monitor website performance and ensure content is accessible and complies with international website standards. Achieve 4 star "Better Connected" ratings for Mobile, Navigation, Search and Accessibility.
<b>Skills Aim</b>	Take part in campaigns such as Get Online and Get Safe Online and to encourage people to safely use, enjoy and benefit from the internet.
Action	Promote campaigns and encourage people to sign up to training and to any sessions run at Hubs.
<b>Promotion Aim</b>	Work with other local councils, partners and organisations to develop and continually promote our online service; through our own publications, on the website, through social media, at events and on Council assets..
Action	Ensure online services are continually promoted and highlighted in 16/17 editions of north talk and other media and channels. Reuse refuse vehicle advertising by March 2017.
<b>Feedback Aim</b>	Gather feedback on the problems people have when using the website and online services and use their feedback to make improvements.
Action	Use feedback through "thumbs up/down" ratings and Social Media comments to improve content, forms and services. Publish at least 10 examples of improvement by March 2017.
<b>Channel Shift Aim</b>	Work with members and officers to ensure they are considering and committed to taking advantage of online service provision and delivering channel shift..
Action	All 17/18 Services Plans to include at least one project which

	result in channel shift and/or a new online service.
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## **6 Report Implications**

### **6.1 Finance and Value for Money Implications**

6.1.1 There are no financial implications arising directly from this report. However, it is anticipated that increasing the use of online services will deliver savings and efficiencies that will contribute to corporate financial savings targets.

6.1.2 In order to achieve savings and efficiencies invest to save business cases may need to be developed.

### **6.2 Risk Management Implications**

6.2.1 Whilst there are operational and financial benefits to moving towards our online ambitions, there are reputational and operational risks related to managing and securing our information in an online environment. These risks are predominantly managed by Information Services, but all data users have responsibility for ensuring data transfer, its capture and use is secure and managed appropriately and complies with data protection.

6.2.2 Many of the security related risks are nationwide and are controlled through the Council needing to demonstrate on-going compliance with Public Sector Network (PSN) connectivity compliance, Payment Card Industry Data Security Standard (PCIDSS) compliance and aided by achieving Cyber Essentials certification.

6.2.3 Others are local issues and involve how we manage the increasing use of social media and the different customer expectations and styles needed to respond appropriately. The Council has a Social Media policy, guidelines on its use and has trained and supported staff to use these channels to ensure reputational risks are managed.

### **6.3 Environment and Sustainability Implications**

6.3.1 Providing information and services online enables people to access them at their own convenience without having to travel to a Council building or incur additional costs such as call charges. The work on developing community hubs is an example of technology helping local communities to access services and information which is contributing towards one of the priorities of the North Warwickshire Sustainable Community Strategy 2009 – 2026.

### **6.4 Equalities Implications**

6.4.1 The upgraded to the website has made it easier for all people to use on a range of devices and it passes a recent accessibility test and achieved AA level W3C-WAI Web Content Accessibility compliance. The website contains functionality to make it more easily readable for people with visual

impairments and can be read out to people using reader software readily available on the Internet.

## 6.5 Safer Communities

6.5.1 The Council's website and associated systems supports the work on reducing crime and disorder by providing information on Safer Communities activities and contacts. For example we actively promote cyber security information and information about Policing services is provided and people are able to report incidents of anti social behaviour and hate crime to the Council via the Contact Centre and website.

## 6.6 Links to Council's Priorities

6.6.1 The on-going development of online services supports commitments made in the Council's Customer Access Strategy. The provision of services via the web compliments and supports other access channels and the majority of the Council's priorities.

The Contact Officer for this report is Linda Bird (719327).

### Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

## Agenda Item No 14

### Resources Board

6 September 2016

Report of the  
Deputy Chief Executive

Internal Audit – Performance for  
2015-16

## 1 Summary

- 1.1 The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year.

### Recommendation to the Board

**That the report be noted.**

## 2 Introduction

- 2.1 The document Public Sector Internal Audit Standards defines standards of best practice for internal audit. The Code requires that Members both approve the Internal Audit Section's strategic work plan and receive periodic reports on performance against plan. This report summarises performance with reference to the Annual Plan for April 2015 to March 2016.

## 3 Summary of Work Completed

- ... 3.1 Appendix A summarises progress on the audit plan for the period, identifying audits completed and indicating the extent of progress on those audits still outstanding, whilst Appendix B provides definition of the level of assurance given.
- ... 3.2 The operational plan for 2015-16 was approved by Resources Board on 25 June 2015 and progress reports were reported to the Board in January and April 2016. There was a delay due to the long term absence of the Head of Audit from June to September 2016.
- 3.3 21 reviews were completed. Of these 15 (71%) received a substantial level of assurance; 6 (29%) received an adequate level of assurance; 75 recommendations were made of which 26 (35%) were priority 1 and 49 (65%) priority 2.
- 3.4 In light of these results the Head of Audit can express a satisfactory opinion on the overall adequacy and effectiveness of the Council's control environment.

- 3.5 Audit reports submitted to Board for the first, second and third quarters of the year detail individual audits completed to that time. This report text refers only to those completed during the final quarter. Internal Audit can place a substantial level of assurance on the following final reviews:

Main Accounting – No recommendations  
Payroll – No recommendations  
Benefits – 1 recommendation  
Council Tax – 2 recommendations  
NDR – 1 recommendation  
Cash and Banking – No recommendations  
Creditors – No recommendations  
Treasury Management – No recommendations  
Housing Rents – 2 recommendations

Only material recommendations are included in reports, lower risk matters that may have been identified during audits are recorded and communicated through departmental memorandum, with identified actions and implementation dates monitored through the existing follow up of recommendations proven audit process.

- 3.6 The Internal Audit Section has undertaken a range of work recorded under contingency audits. These are reviews carried out either resulting from departmental requests, external audit suggestions or where Internal Audit have responsibility for service activity- this relates to counter fraud activity and monitoring of reporting information from the National Fraud Initiative. There has also been substantial involvement in investigative work surrounding internal protocol and procedures.
- 3.7 IT Audit work has been incorporated into the major service reviews that are now undertaken by the in house team. There is an opportunity to use the county wide negotiated IT audit contract should it be decided that a detailed piece of work be undertaken.
- 3.8 The Council continues its arrangement for the provision of support in Counter Fraud through the engagement of TIAA, a professional organisation experienced in this field. Each year the level of support required is reviewed and amended accordingly. Currently the support is for 18 days and has proved invaluable during the year both in proactive and reactive measures.

## **4 Report Implications**

### **4.1 Risk Management Implications**

- 4.1.1 Failure to provide an effective Internal Audit Service may adversely affect the level of internal control operating within the Council and will attract criticism from external assessors, such as the External Auditor.

## 4.2 **Links to Council's Priorities**

- 4.2.1 The audit programme agreed and delivered is aligned to both the priorities of the Council and the requirements of external assessors.

The Contact Officer for this report is Barbara Haswell (719416).

## Audits Completed quarter 4 2015-16

Audit	Quarter Due	Status	Assurance Level	Tot No. of Recs	Priority1	Priority2	Not Agreed
Creditors KFS testing	4	F	Substantial	0			
Main Accounting - KFS testing	4	F	Substantial	0			
Treasury Management	4	F	Substantial	0			
Rents - KFS testing	4	F	Substantial	2	2		0
Council Tax	4	F	Substantial	2		2	0
NDR	4	F	Substantial	1	1		0
Cash and Bank	4	F	Substantial	0			
Payroll	4	F	Substantial	0			
Benefits	4	F	Substantial	1		1	0

## Reasons for not providing a substantial assurance level on final reports

Not applicable this quarter

## Progress Against Audit Plan

Audit	Status	Audit	Status
Risk Management	Final	Recycling	Final
Emptying council houses	Final	Food safety	Final
Commercial properties	Final	Overtime	Final
Training & development-appraisals	Final	Land charges	Final
Insurances	Final	C House	Ongoing
Leisure	Ongoing	sales	Ongoing
Forward Planning & LDF	Final	Lettings etc	Final
Housing Repairs	Ongoing	VAT	Final

<b>Performance of Audit 2015-16</b>			
<b>No.</b>	<b>Indicator</b>	<b>Suggested Frequency</b>	<b>Performance for 2015-16</b>
1	Performance reports to Resources Board	Quarterly	January 2016 (First half year together due to long term absence of Head of Audit), April 2016 & September 2016
2	90% of audit plan delivered	Annual	Achieved on revised audit plan
3	Number of audits where time taken to complete the work is more than 10% longer than planned.	Quarterly	4 out of 21 (19%) due to extra work identified during the audit
4	Number of audits completed by set deadline	Quarterly	17 out of 21- delays due to extra work undertaken
5	Report issued within 4 weeks of completion of fieldwork	Quarterly	All 21
6	90% of recommendations accepted by management	Annual	100% accepted
7	Number of recommendations implemented by the target date	Annual	69 of 75 were implemented in time. 6 have revised action dates due to other service pressures.
8	Details from benchmarking	Annual	Not undertaken this year- considered periodically
9	Questionnaire: Feedback obtained from report recipients is good (average 4 out of 5)	Quarterly	Good in all received
10	% of sickness levels within Audit is below 5%	Quarterly	8.5% due to long term sickness of both Head of Audit and Senior Auditor
11	Training for unqualified staff at least 5% of their available time	Annual	4.7% achieved
12	Reliance of internal audit work by external agencies	Annual	This is no longer valid for new External Auditors from 2015-16
13	Compliance with PSIAS	Annual	Ongoing checks performed and compliant in most areas.

## Appendix B

### Internal Audit Levels of Assurance in Audit Reports.

Opinion	Level of Assurance
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Substantial Assurance	Overall, an effective control environment appears to be in operation from the review carried out. There may be a few weaknesses identified and there is scope for further improvement.
Adequate Assurance	Overall, satisfactory controls appear to be operating from the review carried out but there are a number of weaknesses identified and a number of improvements to be made.
Unsatisfactory Assurance	Overall, there appears to be a fundamental failure in control from the review carried out and a number of key areas require substantial improvement to protect the system from error and abuse.

### Audit Recommendations Categories

Priority 1                      Significant risk – action required within 3 months

Priority 2                      Moderate risk – action required within 6 months

## **Agenda Item No 15**

### **Resources Board**

**6 September 2016**

#### **Report of the Assistant Chief Executive (Community Services)**

#### **Recovery of Council Tax and Non-Domestic Rates – Court Authorisation**

### **1 Summary**

- 1.1 This report requests that authorisation be granted to officers below to prosecute or defend on the Council's behalf or appear in proceedings before a Magistrate Court in relation to the recovery of Council Tax, and Non-Domestic Rates in accordance with Section 223 of the Local Government Act 1972.

#### **Recommendation to Council**

**That Karen Rosten; Susan Trahern; Randip Mudhar; Tina Robinson and Jade Fuller be authorised to appear on the Council's behalf in relation to the recovery of Council Tax and Non Domestic Rates.**

### **2 Background**

- 2.1 Following approval of the shared service arrangements put in place with Nuneaton and Bedworth Borough Council, this report is necessary to allow the above named officers to represent the Council in requesting Liability Orders and taking Committal proceedings in the Magistrates' Court. It is a requirement in law that in order to carry out this duty, authority by Council Members must be granted.

### **3 Report Implications**

#### **3.1 Financial Implications**

- 3.1.1 None

#### **3.2 Legal and Human Rights Implications**

- 3.2.1 Only authorised officers can represent the Authority before a Magistrates Court.

The Contact Officer for this report is Bob Trahern (719378).

**1 Summary**

- 1.1 This report is to inform Members of risk management actions undertaken during 2015/16 and the risks identified for 2016/17.

**Recommendation to the Board**

**That progress be noted.**

**2 Background**

- 2.1 Risk is the threat that an event or action will affect the Council's ability to achieve its objectives and to successfully execute its strategies. Risk Management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of corporate governance. The Council's strategic risks are normally identified by Management Team, who will ensure that processes are in place to control them. They are risks which need to be taken into account in judgements about the medium to long term goals and objectives of the Council. Strategic risk assessments are carried out as part of the corporate, community and service planning process and as a key element of service reviews. Operational risks are identified and managed by each Division.
- 2.2 The risk management framework has been in place now for a number of years and takes into account any areas of perceived weakness identified by officers, including those identified by the Internal Audit section. It is used consistently throughout the Authority. The framework has been reviewed and strategic risk assessments are now scored for both the following year and over the longer term. Risk Management is important as it enables us to ensure that our plans are sound and proportionate to the risks that exist in our area, and enable us to take preventative action where appropriate.
- 2.3 Risk implications are included in all Board reports. A full risk assessment will be included if the report relates to a new service, policy or significant change in service provision. Implications are identified to assist Members in making informed decisions.

### **3 Work Undertaken During 2015/16**

- 3.1 As part of the internal control framework, members of Management Team and Assistant Directors complete an Annual Statement of Assurance on the risks within their area of control. This process informs the Annual Governance Statement, which is a statutory requirement and is reported to Executive Board. The review process carried out for the Statements of Assurance includes an assessment of how identified risks were managed during the year, as well as a forward look at the risks facing the Council and its services in the coming year.
- 3.2 A number of issues were identified in the Annual Governance Statement for 2014/15 which needed to be addressed in 2015/16. Examples of those carried out include:
- Continuing to petition Parliament on HS2;
  - Team changes to improve the management of housing capital programmes and strengthen the delivery of works on the Council's housing stock;
  - The child protection policy was updated and adopted in June 2015 and training sessions for staff have been carried out;
  - A review of the shared management arrangement with Nuneaton and Bedworth Borough Council for revenue and benefit work;
  - Work to review and improve cyber security by reducing risks and improving awareness; and
  - The commencement of a programme of Health and Safety service audits.
- 3.3 A lot of other risk management work was undertaken in 2015/16, which was identified through the Statement of Assurance reviews but which wasn't mentioned separately in last years Annual Governance Statement. Examples include: -
- Changes to the structure of the Tenancy and Neighbourhoods Team to improve the capacity for rent collection and proactive management of tenancy conditions;
  - Removal of inappropriate play facilities at Minions Close in Atherstone;
  - The review of all contact centre processes following the implementation of new software;
  - Staff trained on amended EU procurement legislation and subsequent UK legislation; and
  - Work on setting up a pilot to trial the use of First Care in the sickness absence reporting procedure.
- 3.4 The forward look at the risks facing the Council in 2016/17 required the 2015/16 strategic and operational risk registers to be updated, to ensure that changes in external factors and service provision or processes were taken into account.

3.5 Only one change has been made to the strategic risks of the Council, following the review. An additional risk has been added, to recognise the consequences of failing to manage the Council's reputational risk.

... 3.6 A copy of the Authority's 2016/17 Strategic Risk Register is attached as Appendix A. The significant risks either in 2016/17 or over the longer term (classified as "red") are:-

- Impact on the Borough of the HS2 project;
- The Council is unable to recruit, motivate and retain appropriately qualified staff;
- Health & Safety is not managed effectively;
- The instability of the Business Rates system.

3.7 The Council has become a petitioning authority and is working with Warwickshire County Council to try to mitigate the impacts of HS2 on the Borough. The Staff Survey results have been used to inform management of the issues which matter to staff and future focus on these should assist the authority to continue to motivate and retain staff. The Council has undertaken additional targeted courses to ensure Health & Safety remains effectively managed. Funding has been set aside to offset any shortfalls in resources as a result of the instability of the Business Rates system.

... 3.8 The individual assessments for the red risks are attached as Appendix B. These show the controls that are already in place to manage the individual risks.

3.9 A review of operational risks in each Division has identified some risks which are no longer appropriate, as well as a few new risks for 2016/17. The new risks relate to:

- The threat to the Housing Revenue Account from the Housing and Planning Bill;
- The impact on customers who experience cuts to their benefits or support both via the Benefit Cap and also PIP or ESA assessments which will now be undertaken by the DWP;
- The potential for continued ongoing loss of funding to third sector partners;
- The impact of the increased roll out of Universal Credit particularly if direct payment to customers as proposed is implemented;
- The ongoing viability of providing units to enable the food projects to continue based on the view of Warwickshire County Council that no further funding will be available after 2016/17;
- The failure to manage reputational risk.

... 3.10 A summary of the red operational risks and also the highest scoring amber risks are shown at Appendix C. Individual assessments are held for all of these risks, including the controls already in place. Further work will be carried out during 2016/17 to help mitigate these risks.

#### 4 Report Implications

#### 4.1 Safer Communities Implications

4.1.1 There are specific risks identified for the work the Council carries out with partners to help reduce crime and disorder in North Warwickshire. These are reflected within the Partnership Plan of the North Warwickshire Community Safety Partnership and in specific service plans of the Council.

#### 4.2 Legal and Human Rights Implications

4.2.1 The Annual Governance Statement referred to in paragraph 3.1 is part of the legal framework for financial reporting.

#### 4.3 Environment and Sustainability Implications

4.3.1 Having effective risk management will contribute towards the delivery of sustainability and helps the Council continue to provide services to help improve the quality of life for the communities of North Warwickshire.

#### 4.4 Equality Implications

4.4.1 The risk to the Council in not complying appropriately with the requirements of the Equality Act is included as an operational risk. Our corporate approach of including the identification of equality implications in reports to boards wherever appropriate to do so and carrying out equality impact assessments on all significant changes in our policies and practices helps to minimise any associated risks.

#### 4.5 Risk Management Implications

4.5.1 Regular reports, ongoing monitoring, further staff training and the strengthening of partnership arrangements will increase awareness of the importance of Risk Management. Individual risks fall into various categories, such as political, environmental, financial, economic, organisational, legal, technical etc. The implication of each risk is assessed and scored to identify whether there are sufficient controls in place or whether additional action needs to be taken.

The Contact Officer for this report is Sue Garner (719374).

#### Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

No.	2016/17 Score			2017/18 onwards score			Risk	Responsible Officer	Corporate Priority
	Likelihood	Impact	Score	Likelihood	Impact	Score			
2016 S01	3	3	9	2	3	6	Council's procurement procedures are inadequate leading to poor VFM or lack of probity	LB	RF&RM
2016 S02	2	4	8	3	4	12	Insufficient corporate capacity to deal with all the issues facing the Council	JH	RF&RM
2016 S03	2	4	8	2	4	8	The Council's political arrangements cease to work effectively	JH	RF&RM
2016 S04	3	3	9	3	3	9	Sickness absence is not managed effectively	SG	RF&RM / IL&WO
2016 S05	3	4	12	4	4	16	The Council is unable to recruit, motivate and retain appropriately qualified staff	SG	SE&B
2016 S06	2	4	8	2	4	8	Ineffective response to an incident (or business continuity plan fails)	JH	All Priorities
2016 S07	2	2	4	2	2	4	Relationships with key partners fail or become ineffective	JH	RF&RM
2016 S08	2	2	4	3	4	12	Expected efficiency savings and service improvements are not delivered whilst maintaining resilience	CJB	RF&RM
2016 S09	2	3	6	2	3	6	The Council fails to meet its commitments arising from the Community and Corporate Plans	JH	RF&RM
2016 S10	2	4	8	2	4	8	The council fails to comply with key legislation	SM	All Priorities
2016 S11	3	3	9	3	4	12	Inadequate resources to maintain the Council's capital assets	CJB	RF&RM
2016 S12	2	5	10	3	5	15	Health & Safety is not managed effectively	SG	RF&RM / IL&WO
2016 S13	2	4	8	2	4	8	Failure to manage staff concerns and well being, in the current economic climate	JH	SE&B
2016 S14	3	2	6	4	5	20	The instability of the Business Rates system	CJB / BT	RF&RM
2016 S15	5	4	20	5	4	20	Impact on the Borough of the HS2 project	SM	PC&H
2016 S16	2	3	6	2	3	6	Impact of open cast mining on the local economy	SM	PC&H
2016 S17	3	4	12	3	4	12	The impact of the emerging duty to cooperate on the Borough	SM	PC&H
2016 S18	2	3	6	2	3	6	Failure to manage reputational risk	JH	RF&RM

**KEY – Corporate Priorities**

RF&RM	Responsible Financial & Resource Management
CSC	Creating Safer Communities
PC&H	Protecting our Countryside & Heritage
IL&WO	Improving Leisure & Wellbeing Opportunities
PS&VC	Promoting Sustainable & Vibrant Communities
SE&B	Supporting Employment & Business

Risk Ref	Risk: Title/Description	Consequence	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Gross Risk Rating	Responsible Officer	Existing Control Procedures	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
2016 S05	<b>Council unable to recruit, motivate and retain appropriately qualified staff</b>	High staff turnover, leading to difficulties in succession planning	4	4	16	AD's	Use of induction programmes for new staff	<u>16/17 Score</u> 3	4	12
		Key posts unfilled				Individual AD	Training and development opportunities for employees	<u>17/18 On</u> 4	4	16
		Gaps appear in structures, putting pressure on existing staff who become de-motivated				AD's / HR Manager	Use of an appraisal system			
		Reliance on agency/ temporary staff, which increases employee costs				HR Manager	An annual staff survey used to obtain feedback from staff			
		Pressure to offer more lucrative packages				AD's	Flexible Working Policy, with flexible working arrangements in many areas			
		Adverse impact on service delivery				AD's / HR Manager	Shared working arrangements eg Housing, Revs & Bens			
		Service failure, leading to adverse publicity				EMT	Partnerships used where appropriate eg Building control			
		The reputation of the Council is damaged								
Risk Ref	Options for additional / replacement control procedure						Cost Resources	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
	NB Increasing incidences of difficulty in recruiting appropriately qualified staff in a number of departments.									

Responsible Officer: AD (Finance &amp; HR)

Reviewed: 12 April 2016 by Management Team

Appendix B – Strategic Risk Register 2016/17 – Red Risks

**NWBC STRATEGIC RISK REGISTER – 2016/17 Corporate Priority: Responsible Financial & Resource Management**

**RED**

Risk Ref	Risk: Title/Description	Consequence	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Gross Risk Rating	Responsible Officer	Existing Control Procedures	Likelihood(5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
2016 S12	<b>Health &amp; Safety is not managed effectively</b>  <b>HR do not provide appropriate support on safety to the Council, leading to non compliance with legal standards</b>	Injury to public or staff	5	5	25	AD (Finance & HR)	Health & Safety Policy details responsibilities and is reviewed annually	<u>16/17 Score</u> 2	5	10
		Impact on service delivery					Specific policies, procedures and controls for individual areas of Health & Safety	<u>17/18 On</u> 3	5	15
		Compensation culture					Regular risk assessments and safety audits			
		Reputation/ publicity					The use of a corporate Health & Safety working party			
		Loss of service					Qualified NEBOSH staff in HR and IOSH training for Managers			
		Financial sanctions					Specific training for different services, as well as general staff training			
		High level of insurance claims					Sickness absence monitoring Increased training – targeted courses and delivery			
		HSE inspections					Accidents monitored & reported to HSE			
Risk Ref	Options for additional / replacement control procedure						Cost Resources	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating

Responsible Officer: AD (Finance & HR)

*Reviewed: 12 April 2016 by Management Team*

Risk Ref	Risk: Title/Description	Consequence	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Gross Risk Rating	Responsible Officer	Existing Control Procedures	Likelihood(5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
2016 S14	The instability of the Business Rate system	<p>Large appeals on valuations, which can reduce the funding received by the Council</p> <p>No ability to influence / manage potential shortfalls</p> <p>Reduced services</p> <p>Reputation</p> <p>Public dissatisfaction with level of services</p> <p>Job losses</p> <p>Staff morale</p> <p>Uncertain financial planning</p>	3	5	15	DCE / ACE (Community Services)	<p>Best estimates of growth/shrinkage of income to be provided by NDR section so that income loss can be planned for in contingency</p> <p>Regular monthly monitoring of NDR statistics</p> <p>Membership of the Coventry and Warwickshire business rates pool</p> <p>Funding set aside in an earmarked reserve to offset shortfalls in resources</p>	<u>16/17 Score</u> 3	2	6
								<u>17/18 On</u> 4	5	20
Risk Ref	Options for additional / replacement control procedure						Cost Resources	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
	Involvement in City Deal and /or other economic development opportunities									

Appendix B – Strategic Risk Register 2016/17 – Red Risks

**NWBC STRATEGIC RISK REGISTER – 2016/17 Corporate Priority: Protecting our Countryside & Heritage**

**RED**

Risk Ref	Risk: Title/Description	Consequence	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Gross Risk Rating	Responsible Officer	Existing Control Procedures	Likelihood(5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
2016 S15	Impact on the Borough of HS2 Project	<ul style="list-style-type: none"> <li>• Loss of open spaces/community assets- may need to provide elsewhere</li> <li>• Loss of residential properties</li> <li>• Air/noise pollution</li> <li>• Temporary increase in employment – possible stimulus to local economy</li> <li>• Road/ travel disruption</li> <li>• Reduced property prices</li> <li>• Loss of business rates</li> </ul>	5	4	20	ACE&StC	<ul style="list-style-type: none"> <li>• The Council has become a Petitioning Authority</li> <li>• Membership of local authority group pushing for mitigation</li> <li>• Representation to Select Committee on the potential impact of the loss of business rates</li> <li>• Participation in the Special Management Zone for North Warwickshire</li> <li>• Continued lobbying of Government</li> </ul>	<u>16/17 Score</u> 5	4	20
								<u>17/18 On</u> 5		
Risk Ref	Options for additional / replacement control procedure						Cost Resources	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating

Responsible Officer: ACE&StC

*Reviewed and Updated: 12 April 2016 by Management Team*

**SUMMARY OPERATIONAL RISK REGISTER 2016/17**

Risk Register number 2015/16	Risk	Gross Score	Net Score	Colour	Division	Corporate Priority
2016 ACE07	Major incident – out of hours not responded to	20	12	Amber	ACE & StC	PC&H, RF&RM
2016 ACE22	North Warwickshire is considered a low priority for the allocation of resources commissioned by the PCC and for the use of policing resources	20	12	Amber	ACE & StC	CSC
2016 LCD04	Failure to ensure provision of sufficient appropriate leisure, recreation and play facilities and services to meet the identified needs of local communities in North Warwickshire	20	12	Amber	Leisure & Community Development	IL&WO, CSC, PS&VC, RF&RM
2016 LCD07	Ineffective use and management of internal services	20	12	Amber	Leisure & Community Development	PS&VC, IL&WO, RF&RM
2016 LCD08	Loss of external funding support for mainstream service provision	25	12	Amber	Leisure & Community Development	All Priorities
2016 LCD13	Failure to maintain the Borough Council's tree stock to an appropriate level of safety and sustainability	25	15	Red	Leisure & Community Development	PC&H, RF&RM
2016 SS01	Failure to maintain assets	20	12	Amber	Streetscape	RF&RM
2015 SS14	Reduced / no market for recyclable materials	20	15	Red	Streetscape	RF&RM, PC&H

<b>KEY – Corporate Priorities</b>	
RF&RM	Responsible Financial & Resource Management
CSC	Creating Safer Communities
PC&H	Protecting our Countryside & Heritage
IL&WO	Improving Leisure & Wellbeing Opportunities
PS&VC	Promoting Sustainable & Vibrant Communities
SE&B	Supporting Employment & Business

**Agenda Item No 17**

**Resources Board**

**6 September 2016**

**Report of the  
Chief Executive**

**Exclusion of the Public and Press**

**Recommendation to the Board**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**Agenda Item No 18**

**Irrecoverable Local Taxation Debts** – Report of the Assistant Chief Executive (Community Services)

Paragraph 1 – by reason of the report containing information relating to an individual.

**Agenda Item No 19**

**Land Sales** – Report of the Assistant Director (Streetscape)

Paragraph 3 - by reason of the report relating to the financial or business affairs of any particular person (including the authority holding that information).

The Contact Officer for this report is David Harris (719222).