

**To: Deputy Leader and Members of the Resources Board
(Councillors Moore, Butcher, Davis, N Dirveiks,
Forwood, Holland, Johnston, Smith and Winter)
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 amandatons@northwarks.gov.uk.

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

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RESOURCES BOARD AGENDA

19 November 2012

The Resources Board will meet in the Committee Room at The Council House, South Street, Atherstone, Warwickshire on Monday, 19 November 2012 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 **Request for discussion and approval of remaining En Bloc items.**
- 5 **Minutes of the Resources Board held on 3 September 2012.**

**PART A – ITEMS FOR DISCUSSION AND DECISION
(WHITE PAPERS)**

- 6 **Housing Revenue Account Budgetary Control Report 2012/2013 Period Ended 30 September 2012** – Report of the Assistant Director (Finance and Human Resources) – TO FOLLOW

Summary

The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 30 September 2012.

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

**PART B – ITEMS FOR EN BLOC DECISIONS
(YELLOW PAPERS)**

- 7 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - September 2012** – Report of the Chief Executive and the Deputy Chief Executive

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 September 2012.

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

- 8 **Internal Audit – Performance for Second Quarter 2012-13** – 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).

- 9 **Budgetary Control Report 2012/13 – Period Ended 31 October 2012 –**
Report of the Assistant Director (Finance and Human Resources)

Summary

The report covers revenue expenditure and income for the period from 1 April 2012 to 31 October 2012. The 2012/13 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.

- 10 **Consolidated Budgetary Control Report 2012/13 – Period Ended 31 October 2012 –** Report of the Assistant Director (Finance and Human Resources)

Summary

The report covers total Council General Fund revenue expenditure and income for the period from 1 April 2012 to 31 October 2012.

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

- 11 **Capital Programme 2012/13 Period Ending November 2012 -** Report of the Assistant Director (Finance and Human Resources)

Summary

The report updates Members on the progress of the 2012/13 Capital Programme in terms of expenditure.

The Contact Officer for this report is Jon Illingworth (719489).

- 12 **Treasury Management Update Quarter 2 2012/13 –** Report of the Deputy Chief Executive

Summary

This report shows the Treasury Management activity during the first six months of 2012/13.

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

**PART C – EXEMPT INFORMATION
(GOLD PAPERS)**

13 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.

14 Update on Housing Developments – Report of the Assistant Director (Housing)

The Contact Officer for this report is Angela Coates (719369).

15 Request for Disabled Facilities Grant to provide for a Housing Adaptation – Report of the Assistant Director (Housing)

The Contact Officer for this report is David Baxendale (719322).

16 Request to have a Licence over Land – Report of the Assistant Director (Housing)

The Contact Officer for this report is Angela Coates (719369).

17 Land at Atherstone – Report of the Assistant Director (Streetscape) – TO FOLLOW

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

18 The Arcade – Report of the Assistant Director (Streetscape) – TO FOLLOW

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

JERRY HUTCHINSON
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE RESOURCES BOARD

3 September 2012

Present: Councillor Butcher in the Chair

Councillors Davis, N Dirveiks, Forwood, Fox, Holland, Johnston, Moore and Winter.

An apology for absence was received from Councillor Smith (Councillor Fox as substitute).

Councillors Barber, L Dirveiks, Humphreys, Lea and Pickard were also in attendance.

26 **Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

27 **Minutes of the Resources Board held on 2 April and 11 June 2012**

The minutes of the meetings held on 2 April and 11 June 2012, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

28 **Contract Standing Orders**

The Assistant Director (Corporate Services) submitted revised Draft Contract Standing Orders, for approval.

Recommended:

That the Draft Contract Standing Orders provided as Appendix 1 to the report of the Assistant Director (Corporate Services) be approved.

29 **Amendments to Financial Regulations**

The Assistant Director (Finance and Human Resources) informed Members of some proposed amendments to the Financial Regulations.

Recommended:

That the revised Financial Regulations attached at Appendix A to the report of the Assistant Director (Finance and Human Resources) be agreed and that the consequent amendments to the Constitution be made.

30 Annual Investment Strategy 2012/13

The Deputy Chief Executive proposed some revisions to the Annual Investment Strategy for 2012/13 previously approved by the Council.

Recommended:

That the revisions to the 2012/13 Investment Strategy be agreed.

31 A Review of the Effectiveness of Internal Audit 2011-2012

The Deputy Chief Executive asked Members to consider the annual review of the effectiveness of the Internal Audit system.

Resolved:

- a That the findings of the annual review of the effectiveness of the Internal Audit system for 2011-12 be noted; and**
- b That it be noted that the system of internal audit is operating effectively and can be relied upon (as reflected in the Annual Governance Statement for 2011-12).**

32 Housing Revenue Account Budgetary Control Report 2012/2013 Period Ended 31 July 2012

The Assistant Director (Finance and Human Resources) reported on the total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 July 2012.

Resolved:

That the report be noted.

33 Land at Ansley Common

The Assistant Director (Leisure and Community Development) advised Members of a proposal to surrender the lease on a parcel of land formerly known as Ansley Tennis Courts at Ansley Common.

Resolved:

That the Assistant Director (Leisure and Community Development), in consultation with the Chairman and Vice-Chairman of the Board, be authorised to negotiate with CISWO the surrender of the lease for Ansley Tennis Courts, subject to there being no adverse financial impact on the Authority.

34 Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – June 2012

The Chief Executive and the 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 to June 2012.

Resolved:

That the report be noted.

35 Internal Audit – Performance for First Quarter 2012-13

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

Resolved:

That the report be noted.

36 Budgetary Control Report 2012/13 Period Ended 31 July 2012

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2012 to 31 July 2012. The 2012/13 budget and the actual position for the period, compared with the estimate at that date were detailed, together with an estimate of the out-turn position for services reporting to the Board.

Resolved:

That the report be noted.

37 Consolidated Budgetary Control Report 2012/13 – Period Ended 31 July 2012

The Assistant Director (Finance and Human Resources) updated the Board on the total Council General Fund revenue expenditure and income for the period from 1 April 2012 to 31 July 2012.

Resolved:

That the report be noted.

38 Capital Programme 2012/13 Period Ending July 2012

The Assistant Director (Finance and Human Resources) updated Members on the progress of the 2012/13 Capital Programme in terms of expenditure.

Resolved:

- a That the progress made against the 2012/13 Capital Programme be noted; and**
- b That the proposal to vire £66,530 from the unallocated budget with the HRA in order to fund the additional cost of roofing works detailed in paragraph 8.3; of the report of the Assistant Director (Finance and Human Resources) be approved; and**
- c That approval be given to the Assistant Director (Housing) to vire the unallocated budget within the HRA to other housing schemes, if needed, following consultation with the Deputy Chief Executive and Chairmen of Resources Board and Housing Sub-Committee.**

39 Pay to Stay Consultation Paper

The Assistant Director (Housing) provided information on the Government's recent 'Pay to Stay' Consultation.

Resolved:

- a That the report be noted; and**
- b That it the Council disagrees with the principle of very high earners living in social housing paying higher than social rents and that Officers be authorised to respond to the consultation accordingly.**

40 **Minutes of the Housing Sub-Committee**

The minutes of the Housing Sub-Committee held on 9 July 2012 were received and noted.

41 **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.

42 **Affordable Housing Development – Atherstone and Mancetter**

The Assistant Director (Housing) provided proposals to the Board with regard to developing a number of affordable housing schemes in Atherstone and Mancetter.

Recommended:

- a **That the Council work in partnership with Waterloo Housing Association to develop affordable homes in Atherstone and Mancetter as detailed in the report of the Assistant Director (Housing);**
- b **That the Council sell the land at Church Walk, Mancetter, as set out at Appendix A, to Waterloo Housing Group to provide for new affordable flats and houses in accordance with the terms set out in the report;**
- c **That the Council's land at Watling Street, Mancetter, set out at Appendix B, be sold to Waterloo Housing Association in accordance with the terms set out in the report;**
- d **That the Council redevelop its land and properties at Lister Road shop site in Atherstone set out at Appendix C, to provide for new affordable homes for rent and shared ownership in partnership with Waterloo Housing Group, with types, tenure and ownership as set out in the report;**

- e That Waterloo Housing Group pay a specific amount, in accordance with the terms set out in the report, for each property that they develop on the Lister Road shop site;
- f That, in partnership with Waterloo Housing Association, the Council develop nine 2 bedroom bungalows for Council ownership on its land at St Georges Road, Atherstone, shown at Appendix D;
- g That, in partnership with Waterloo Housing Group, the Council develop two 2 bedroom bungalows for Council ownership on the land shown at Appendix E at Princess Road, Atherstone; and
- h That some of the reward monies being held by the County Council to fund affordable housing in the Borough be used to fund the development at Lister Road, Atherstone, and Church Walk, Mancetter, because the sites present a number of abnormal issues.

43 **Public Conveniences**

The Assistant Director (Streetscape) gave details on the cost and usage levels of the Council's public conveniences and examined how service access could be increased and costs reduced by making better use of existing community facilities across the Borough.

Resolved:

- a That Officers canvass local businesses and other organisations to gauge the likely take up of a Community Toilet Scheme across North Warwickshire; and
- b That a further report be brought to Board with recommended actions to implement the scheme on a trial basis as soon as the consultation has been completed.

44 **Irrecoverable Local Taxation and Housing Debts**

The Assistant Chief Executive (Community Services) detailed the amounts recommended for write-off, in accordance with the write-off policy agreed by the former Finance Sub-Committee in September 2000.

Resolved:

- a That the write-off of 4 balances over £1,250 totalling £8,407.22 in respect of unpaid Council Tax be approved;**
- b That the write off of 4 balances over £1,250 totalling £11,609.37 in respect of unpaid Non Domestic Rates be approved;**
- c That the write off of 4 balances over £1,250 totalling £7,336.89 in respect of overpaid Housing Benefit be approved;**
- d That the write off of 8 balances over £1,250 totalling £16,565.82 in respect of unpaid Former Tenant Rear Arrears be approved;**
- e That the write off of 61 balances under £1,250 totalling £23,566.15 in respect of unpaid Council Tax be noted;**
- f That the write off of 3 balances under £1,250 totalling £1,240.36 in respect of unpaid Non Domestic Rates be noted;**
- g That the write off of 93 balances under £1,250 totalling £15,606.00 in respect of overpaid Housing Benefit be noted;**
- h That the write off of 76 balances totalling £14,838.75 in respect of unpaid Former Tenant Arrears be noted;**
- i That the write back of 2 credits totalling £2,355.23 in respect of unpaid Non Domestic Rates be noted; and**
- j That the write back of 87 credits totalling £1,985.68 in respect of Former Tenant Arrears be noted.**

45 Council Land in Atherstone

The Assistant Chief Executive and Solicitor to the Council and the Assistant Director (Streetscape) sought Members' approval to commence legal action in respect of unauthorised works to Council land.

Resolved:

That the Council write to Arragon properties expressing their wish for this important development to take place, but that unless the current offer is accepted and a timetable for implementing the works agreed by the date of the next Resources Board meeting (19 November 2012) then the Board will be asked to consider legal action.

46 The Arcade

The Assistant Director (Streetscape) provided a report setting out the response from Atherstone Town Council to the offer to discuss the purchase of the Arcade, Long Street, Atherstone. The Board was asked to agree to a small Member and Officer group being tasked to hold further discussions with the Town Council and bring a final proposal back to the next meeting of the Board.

Resolved:

- a That the Leader of the Council, the Chairman of Resources Board and the Assistant Director (Streetscape) be authorised to hold discussions with representatives of Atherstone Town Council regarding the Arcade; and**
- b That a report be brought back to the next meeting of the Resources Board for consideration.**

Chairman

Agenda Item No 7

Resources Board

19 November 2012

Report of the Chief Executive and the Deputy Chief Executive

Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - September 2012

1 Summary

- 1.1 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 September 2012.

Recommendation to the Board

That Members consider the performance achieved and highlight any areas for further investigation.

2 Consultation

- 2.1 Consultation has taken place with the relevant Members and any comments received will be reported at the meeting.

3 Background

- 3.1 This report shows the second quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2012/13. This is the second report showing the progress achieved so far during 2012/13.

4 Progress achieved during 2012/13

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with our local performance indicators during April to September 2012/13 for the Resources Board.

- 4.2 Members will recall the use of a traffic light indicator for the monitoring of the performance achieved.

Red – target not achieved (shown as a red triangle)

Amber – target currently behind schedule and requires remedial action to be achieved (shown as an amber circle)

Green – target currently on schedule to be achieved (shown as a green star)

5 Performance Indicators

- 5.1 Members will be aware that national indicators are no longer in place and have been replaced by national data returns specified by the government. A number of previous national and best value indicators have been kept as local indicators as they are considered to be useful in terms of managing the performance of our service delivery corporately.
- 5.2 The current national and local performance indicators have been reviewed by each division and Management Team for monitoring for the 2012/13

6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 80% of the Corporate Plan targets and 53% of the performance indicator targets are currently on schedule to be achieved. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

Corporate Plan

Status	Number	Percentage
Green	4	80%
Amber	1	20%
Red	0	0%
Total	5	100%

Performance Indicators

Status	Number	Percentage
Green	9	53%
Amber	5	29%
Red	3	18%
Total	17	100%

7 Summary

- 7.1 Members may wish to identify any areas that require further consideration where targets are not currently being achieved.

8 Report Implications

8.1 Safer Communities Implications

8.1.1 There are community safety performance indicators which are reported to Executive Board.

8.2 Legal and Human Rights Implications

8.2.1 The national indicators were specified by the Secretary of State for Communities and Local Government. They have now been ended and replaced by a single list of data returns to Central Government from April 2011.

8.3 Environment and Sustainability Implications

8.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. There are a number of actions and indicators which contribute towards the priorities of the sustainable community strategy including customer access strategy, outreach services, financial inclusion, health and well being services and decent and affordable housing.

8.4 Risk Management Implications

8.4.1 Effective performance monitoring will enable the Council to minimise associated risks with the failure to achieve targets and deliver services at the required performance level.

8.5 Equalities

8.5.1 There are a number of equality related actions and indicators highlighted in the report including developing outreach services, financial inclusion, decent and affordable housing.

8.6 Links to Council's Priorities

8.6.1 There are a number of targets and performance indicators contributing towards the priorities of access to services, improving housing in the borough, tackling health inequalities, achieving a balanced budget and developing our workforce.

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

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
National Indicators for Local Authorities and Local Authority Partnerships	Department for Communities and Local Government	Statutory Guidance	February 2008

NWCP Resources 12/13						
	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 039 11/12	To continue to contribute to the effectiveness and savings targets through the delivery of the Procurement Strategy Action Plan	Public Services and Council Tax	Bird, Linda	Procurement Plan actions on target.	 Green	
NWCP 040 11/12	To continue to contribute to the effective delivery of services through implementing the actions identified to progress the implementation of the ICT Strategy	Public Services and Council Tax	Bird, Linda	ICT Strategy actions included in Service Plan and progress is on target.	 Green	
NWCP 041 11/12	To carry out the preparatory work needed, ready for the implementation of the 'self financing' model for the Housing Revenue Account in time for the proposed implementation date of April 2012	Public Services and Council Tax	Garner, Sue	Preparatory work was carried out, and an updated business plan was approved by Resources Board in June.	 Green	
NWCP 050 11/12	To develop an action plan by June 2012 to assess and, where practicable, resolve ongoing capital and maintenance issues with all other Council buildings, including the Memorial Hall, The Arcade, Abbey Green, community buildings, shops and industrial units, including seeking ways to reduce, where possible, our carbon footprint	Public Services and Council Tax	Dobbs, Richard	A report went to Resources Board in June setting out measures for Property Management Plans to be produced for all significant Council buildings. Individual reports on the Arcade and Council House have previously been considered.	 Green	
NWCP 063	To implement the action plan agreed following the review the services delivered by Community Support during 2012/2013	Housing	Coates, Angela	Meetings with the political Groups have been arranged for before Christmas. The cross party task and finish group should begin work in January 2013.	 Amber	

NWPI Resources 12/13								
Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 052	The % of invoices for commercial goods and services which were paid by the authority within 30 days of such invoiced being received by the Authority (former BV8)	Financial Accountancy	Public Services & Council Tax	98	98.36	 Green		
NWLPI 054	The proportion of working days / shifts lost to sickness absence (former BV12)	Human Resources	Public Services & Council Tax	8	4.03	 Green		
NWLPI 055	Voluntary leavers as a % of staff in post (former BV13)	Human Resources	Public Services & Council Tax	10	7.07	 Green		
NWLPI 57	Percentage of calls answered through the Central Control system within 60 seconds. (TSA national standard 96.5%):	Community Support	Housing	99	99.5	 Green		
NWLPI 135	Percentage of response repairs completed right first time	Housing Maintenance	Housing	90	89.5	 Amber		Right first time is still low issues with ordering parts
NWLPI 068	Gas certificates completed	Housing Maintenance	Housing	100	99.96	 Amber		One property outstanding
@NW:NI156	This indicator measures the numbers of households living in temporary accommodation provided under the homelessness legislation.	Housing Management	Housing	2	4	 Red		Increased numbers of priority cases approaching for assistance
NWLPI 136	Number of tenants with more than 7 weeks rent arrears	Housing Management	Housing	2.5	5.09	 Red		There are a number of issues that are causing this increase. Some tenants have multiple debts and are not clearing rent arrears quickly. Some tenants are having their benefit cut by DWP because of not applying for work strictly according to the rules.
NWLPI 070	Average time taken to re-let local authority housing (former BV212)	Housing Management	Housing	21	40.25	 Red		Issues with removing asbestos.
NWLPI 039	The percentage availability of corporate systems available to users Monday to Friday 8.00 am to 5.30 pm :	Computer Services	Public Services & Council Tax	99.7	100	 Green		Performance above target.

Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 040	The percentage of initial response to helpdesk calls within four hours of a call being placed :	Computer Services	Public Services & Council Tax	95	97	 Green		Performance above target level
NWLPI 041	Percentage of Service Desk Calls resolved in target (total of IS3 to IS6)	Computer Services	Public Services & Council Tax	95	96	 Green		Performance improved to above target.
NWLPI 096	The Percentage of Calls answered in 20 seconds in the contact centre	Revenues & Benefits	Public Services & Council Tax	75	73	 Amber		
NWLPI 100	Housing Benefit Security: : The number of prosecutions and sanctions, per 1,000 caseload (former BV76d)	Revenues & Benefits	Public Services & Council Tax	9.5	9	 Amber		
@NW:NI181	The average time taken in calendar days to process all new claims and change events in Housing Benefit and Council Tax Benefit	Revenues & Benefits	Public Services & Council Tax	11	10.36	 Green		
NWLPI 106	The percentage of non-domestic rates due for the financial year which were received by the authority (former BV10)	Revenues & Benefits	Public Services & Council Tax	58.95	59.73	 Green		
NWLPI 107	Proportion of Council Tax collected (former BV9)	Revenues & Benefits	Public Services & Council Tax	58.7	58.4	 Amber		

Agenda Item No 8

Resources Board

19 November 2012

Report of the Deputy Chief Executive

Internal Audit – Performance for Second Quarter 2012-13

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 Report

- 2.1 The CIPFA Code of Practice on Internal Audit in Local Government 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 for July 2012 to September 2012.

3 Summary of Work Completed

- 3.1 Appendix A to the report summarises progress on the s151 audit plan for the period, identifying audits completed and indicating the extent of progress on those audits still outstanding. The 90% performance target of planned work in quarter two of 2012-13 was achieved. Appendix B provides definition for the levels of assurance applied.

- 3.2 Internal Audit can place a high level of assurance on the following final reviews:

Contact Centre and One Stop Shop, Asset Management, Development Control and Enforcement, Environmental Health Control Enforcement, Grant Claims, Performance Indicators and Performance Management and Official Conduct.

A medium level of assurance can be placed on the review of Stocks and Stores.

- 3.3 Internal audit continue to address matters raised by colleagues seeking advice and guidance within a consultancy role and have also worked on counter fraud issues with potential for continued activity. Contingency audits have further developed and provide essential support, assurance and security to existing council services. Requests for additional and unplanned work may

also originate from external sources such as the National Fraud Initiative and external auditors.

- 3.4 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 the External Auditors.

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

Background Paper No	Author	Nature of Background Paper	Date

Appendix A

Audits Completed Second quarter 2012-13

Audit	Quarter Due	Status	Assurance Level *	Tot No. of Recs	High Priority	Medium Priority	Low Priority	H/M Recs not Agreed(see att)
Development Control & Enforcement	2	Final	H	2	1	1		
Environmental Health Enforcement	1	Final	H	1		1		
Contact Centre	2	Final	H	3		3		
Grant Claims	2	Final	H	0				
Stocks & Stores	1	Final	M	4	2	2		
Performance Indicators & Management	2	Final	H	4		4		
Asset Management	2	Final	H	0				
Official Conduct	2	Final	H	4		4		

Reasons for not providing a high assurance level on final reports

Testing revealed that supporting documentation for the housing stores figure was incomplete and inaccurate. Revised and improved processes need to be agreed and implemented.

Progress Against Audit Plan

Audit	Status	Due	Audit	Status	Due
Grant Claims	Final		Insurances Housing	Ongoing	Qtr 3
Compliance with Policies & Strategies	Final		Management Risk	Ongoing	Qtr 3
Democratic Services	Final		Management Comms &	Ongoing	Qtr 3
Emergency Planning & Business Continuity	Final		Telephony Amenity	Ongoing	Qtr 3
Official Conduct	Final		Cleaning Stocks and	Final	
Development Control & Enforcement	Final		Stores Leisure	Final	
Environmental Health Enforcement	Final		Centres	Ongoing	Qtr 3

Trade Refuse & Cesspool Emptying Final

Performance Indicators & Management Final
Contact Centre Final

Partnerships Postponed Qtr 4
Asset

Management Final

Performance of Audit 2012-13 for Quarterly Indicators			
No.	Indicator	Suggested Frequency	Performance for 2012-13
1	Performance reports to Resources Board	Quarterly	September 2012, November 2012
3	Number of audits where time taken to complete the work is more than 10% longer than planned.	Quarterly	5 of 13 completed audits. All due to additional work being undertaken.
4	Number of audits completed by set deadline	Quarterly	10 of 13. 2 delayed due to audit time on contingency audits and 1 due to service officers delay.
5	Final report issued within 4 weeks of completion of fieldwork	Quarterly	11 of 13. 1 due to service officer delay and 1 to delay in provision of back up documentation.
9	Questionnaire: Feedback obtained from report recipients is good (average 4 out of 5)	Quarterly	Good in those returned.
10	% of sickness levels within Audit is below 5%	Quarterly	None in quarter 2. 2.92% for first half of year (1 officers absence)

Assurance level definitions:

Overall Audit Opinion	
High	<p>Controls are in place and operating satisfactorily.</p> <p>Reasonable assurance can be given that the system, process or activity should achieve its objectives safely and effectively.</p>
Medium	<p>There are some control weaknesses but most key controls are in place and operating effectively.</p> <p>Some assurance can be given that the system, process or activity should achieve its objectives safely and effectively.</p>
Low	<p>Controls are in place but operating poorly or controls are inadequate, failing or not present to satisfaction.</p> <p>Only limited assurance can be given that the system, process or activity will achieve its objectives safely and effectively.</p>

Recommendation Priority Levels definitions:

High	Action is agreed for implementation within one month of the report date
Medium	Action is agreed for implementation within three months of the report date
Low	Action is agreed for implementation within twelve months of the report date

Agenda Item No 9

Resources Board

19 November 2012

Report of the Assistant Director (Finance and Human Resources)

Budgetary Control Report 2012/13 Period Ended 31 October 2012

1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2012 to 31 October 2012. The 2012/13 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 the Board

That the report be noted.

2 Consultation

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

3 Report

3.1 Introduction

- 3.1.1 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.

- 3.1.2 Therefore, to comply with this requirement, the budgets reporting to this Board fall into two categories – services where the costs incurred are recharged to other services and Boards, and those services where costs remain within Resources Boards – and are reported separately within this report.

4 Services Remaining Within Resources Board

4.1 Overall Position

- 4.1.1 The total expenditure for those services that remain within Resources as at 31 October 2012, is £1,695,770, compared with a profiled budgetary position of £1,950,425. Net expenditure is lower than expected due to the receipt of specific grant funding of £184,000 (see paragraph 4.4.1), and a general underspend to date of £70,655. 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. 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. Reasons for the variations are given, where appropriate, in more detail below:

4.2 Democratic Process

4.2.1 There has been a reduction in one of the corporate subscriptions paid, an underspend to date on Members allowances, reduced expenditure on remote access network charges and also a reduction in the use of the Mayoral car. This has partially been offset by the additional insurance premiums to cover increase in value of all civic regalia.

4.3 Council Tax Collection

4.3.1 There is an under spend on Council Tax Collection as a result of increased legal fee income relating to the collection of unpaid Council Tax. Additionally, there have been reductions in the expenditure on bailiffs, legal costs and professional fees.

4.4 Finance Miscellaneous

4.4.1 We have received income of £100,000 from the Mary Portas High Street Innovator Grant and £84,000 for the New Burdens Council Tax Reform, neither of which were budgeted for.

4.5 Unallocated Central Support Services

4.5.1 There is an under spend on Superannuation as the rate for the year was budgeted at a higher rate than the actual rate.

4.6 Carlyon Road Industrial Estate

4.6.1 There is an under spend relating to NDR costs for a unit which is being used to host a NWBC run Skate Park which is being met from the Skate Park budget within Community and Environment Board.

4.7 Innage Park Industrial Estate

4.7.1 There is an under spend on Non Domestic Rates as a previously vacant unit has now been let, also generating additional rental income above the profiled budget.

4.8 Rent Allowances

4.8.1 The under spend relates to a higher than expected Recovery of Housing Benefit overpayments.

4.9 Rent Rebates

4.9.1 There is an overspend on Rent Rebates as the Recovery of Housing Rent Rebates Benefit overpayments has fallen below the profiled levels.

4.10 Car Parks

4.10.1 There is an underspend relating to Non Domestic Rates as one of the car parks at Coleshill has now been sold. In addition there is an under spend on Car Park Maintenance and increase in the number of parking penalty notices issued.

4.11 Borough Care

4.11.1 We have received additional income from Warwickshire County Council for Telecare services, which in the budget was expected to cease at the end of March 2012. The service we provide is now expected to cease in March 2013. Part of this will be used to fund an overspend on licences on CCTV budget.

5 Services Recharged to Other Directorates and Services

5.1 Overall Position

5.1.1 Net expenditure for those services that are recharged to other Directorates and Services, as at 31 October 2012, is (£8,710), compared with a profiled budgetary position of £181,070; an under-spend of £189,780 for the period. Appendix B to the report gives the profiled and actual positions for the period for each service, together with the variance. 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. Reasons for the variations are given, where appropriate, in more detail below.

5.2 Directorate Budgets

5.2.1 The Council's budget requirement for 2012/13 assumed that there would be a salary vacancy saving in the year of £80,000 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 are ahead of the target at the current time, 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 Policy Support, Animal Control, Waste Management, Housing Management, Housing Maintenance, Housing Direct Works, Financial Services, Transport and Streetscape, Landscape Management, Revenues and Benefits, Partnership and Development, Customer Contact and Information Services. Some of these vacancies have now been filled although most remain unfilled. The table below relates to the General Fund only.

	£
Current agency staff variance	36,020
Current professional fees variance	23,820
Current salaries underspend	(208,560)
TOTAL	(148,720)

5.2.3 Other significant variances include under-spends relating to maternity leave, conference fees, additional legal fee income and occupational health fees. Set against this are a number of small overspends within professional fees, corporate subscriptions and vehicle repair materials.

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.

7 Risks to the Budget

7.1 A number of key risks to the budgetary position of the Council from services under the control of this Board were identified when the budget was set in February.

7.2 The key risks to the budgetary position of the Council from services under the control of this Board include:

- Increases in vacancies at industrial estates and shops that will impact on the level of rental income the Council receives and the amount of NDR that the Council is liable to pay.
- A higher level of maintenance on property assets and car parks, over and above that budgeted for.
- 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 Non Domestic Rates
- 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
- Loss of County Council funding for Customer Contact staffing (£18,710 per annum in 2012/13)
- Additional resources that may be required to support the North Warwickshire LEADER Partnership and other externally funded projects
- Pay awards from 2012/13 being in excess of the budget provision made
- Maintenance costs of Council assets such as IT equipment and council buildings
- Higher than anticipated rises in utility costs (electricity, gas, water and vehicle fuel).

8 Estimated Out-turn

- 8.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position for each of the services reporting to this Board. The anticipated out-turn for this Board for 2012/13 is £3,514,780 as detailed in the table below: -

	£
Approved budget 2012/2013	3,723,560
Projected salary under spends in excess of vacancy factor and restructure within the Streetscape Division	(120,000)
Additional rental income at Innage Park Industrial Estate and savings on NDR	(21,600)
Contingency provision for utilities no longer required.	(14,360)
Savings on lower Superannuation rate than budgeted	(13,170)
Savings on Democratic Process – corporate subscriptions and members allowances	(11,800)
Additional income from the continuation of the Borough Care Telecare service for Warwickshire County Council	(8,000)
Savings on Council Tax Collection – bailiffs and legal costs	(5,500)
Savings on NDR at Coleshill Car Park	(5,000)
Additional Parking Penalties income	(5,000)
Savings on NDR at Carlyon Road Industrial Estate	(4,350)
Expected Out-turn 2012/13	3,514,780

9 Report Implications

9.1 Finance and Value for Money Implications

- 9.1.1 The Council's budgeted contribution from General Fund balances for the 2012/2013 financial year is £453,410. This is expected to decrease by £208,780, as shown above. Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board at future meetings.

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).

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

North Warwickshire Borough Council
RESOURCES BOARD (REMAINING)
Budgetary Control Report 2012/13 as at 31 October 2012

Description	Original Budget 2012/2013	Profiled Budget to October 2012	Actual to end October 2012	Variance to Date	Comments
Democratic Process	713,350	414,590	401,410	(13,180)	Comment 4.2
Election Expenses	24,940	14,350	14,490	140	
Registration of Electors	42,660	28,940	29,640	700	
Non Domestic Rates	41,230	85,850	82,480	(3,370)	
Council Tax Collection	212,050	132,100	106,890	(25,210)	Comment 4.3
Investors in People	8,360	3,750	3,750	-	
Finance Miscellaneous	(140,600)	(121,120)	(312,210)	(191,090)	Comment 4.4
Compensation and Pension Increases	114,790	54,930	56,220	1,290	
Assisted Car Purchases	(130)	-	-	-	
Electricity at Work	22,070	11,620	11,110	(510)	
Efficiencies and Value for Money	37,060	20,250	20,250	-	
Finance Unused Land	150	90	1,120	1,030	
Corporate and Democratic Core	740,260	339,790	347,430	7,640	
Unallocated Central Support Services	235,900	101,110	89,550	(11,560)	Comment 4.5
Coleshill Shops and Flats	(63,440)	(34,840)	(34,820)	20	
The Arcade	9,100	1,820	1,150	(670)	
The Pavilions, Holly Lane	(74,030)	(48,070)	(46,820)	1,250	
Carlyon Road Industrial Estate	(94,340)	(61,175)	(65,480)	(4,305)	Comment 4.6
Innage Park Industrial Estate	95,160	86,190	83,010	(3,180)	Comment 4.7
Polesworth Workspace Units	(3,560)	(3,250)	(3,030)	220	
The Bear and Ragged Staff	(12,440)	(6,880)	(6,840)	40	
Football Stadium	350	200	200	-	
Homeless Persons	63,970	54,760	54,760	-	
Public Conveniences	113,250	80,100	79,840	(260)	
Customer Contact	143,110	73,870	70,040	(3,830)	
Rent Allowances	176,370	80,140	76,810	(3,330)	Comment 4.8
Rent Rebates	39,980	21,790	32,080	10,290	Comment 4.9
Concessionary Fares	27,060	14,230	13,690	(540)	
Non Domestic Rates Discretionary Relief	24,820	1,170	1,170	-	
Council Tax Benefits	113,790	33,450	34,900	1,450	
Car Parks	63,700	50,080	37,960	(12,120)	Comment 4.10
Business Improvement District	1,040	610	610	-	
Environmental Sustainability	8,620	5,030	5,030	-	
Animal Control	81,450	46,350	46,830	480	
Abandoned Vehicles	9,290	5,260	5,090	(170)	
Private Sector Housing Assistance	212,980	42,610	41,800	(810)	
CCTV	110,060	60,780	63,070	2,290	
Community Support	543,530	303,730	296,370	(7,360)	Comment 4.11
North Warwickshire LEADER (External)	62,000	47,480	47,480	-	
Branching Out Bus (External)	14,250	8,740	8,740	-	
TOTALS	3,718,160	1,950,425	1,695,770	(254,655)	

North Warwickshire Borough Council
RESOURCES BOARD (RECHARGED)
Budgetary Control Report 2012/13 as at 31 October 2012

Description	Original Budget 2012/2013	Profiled Budget to October 2012	Actual to end October 2012	Variance to Date	Comments
Building Maintenance Fund	-	-	-	-	
Council Offices	10	35,520	38,640	3,120	
Central Telephones	-	(1,160)	(1,840)	(680)	
Recruitment	-	-	1,020	1,020	
Printing and Copying	-	(1,100)	1,850	2,950	
Training	-	-	1,210	1,210	
Depot and Stores	-	6,000	7,050	1,050	
Postal Services	-	-	-	-	
Chief Executive Directorate	350	1,660	(710)	(2,370)	Comment 5.2.2-3
Assistant Chief Executive	1,410	18,630	(32,310)	(50,940)	Comment 5.2.2-3
Directorate of Community Services	480	(190)	(22,610)	(22,420)	Comment 5.2.2-3
Deputy Chief Executive	7,430	39,360	(120,620)	(159,980)	Comment 5.2.2-3
Corporate Services	290	126,860	120,180	(6,680)	Comment 5.2.2-3
Transport	140	2,160	(570)	(2,730)	
TOTALS	10,110	227,740	(8,710)	(236,450)	
Central Vacancy Factor	(80,000)	(46,670)	-	46,670	Comment 5.2.2
TOTALS	(69,890)	181,070	(8,710)	(189,780)	

Key performance Indicators (KPIs) for budgets reporting to the Resources Board

	Budgeted performance	Profiled Budgeted performance	Actual performance to Date
Registration of Electors			
Cost per elector for the Electoral Register	£0.86	£0.58	£0.60
Non Domestic Rates			
% of NDR Collection Rate	98.90%	67.20%	69.15%
Cost per NDR Property	£18.74	£39.02	£37.49
Council Tax Collection			
% of Council Tax Collection Tax	98.40%	68.34%	68.16%
Cost per Household	£7.85	£4.89	£3.96
Coleshill Shops and Flats			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Shop	(£8,954)	(£5,418)	(£5,418)
The Arcade			
Occupancy Rate	50.00%	50.00%	57.14%
Annual Income per Unit	(£1,472)	(£1,293)	(£1,302)
The Pavilions			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Unit	(£8,689)	(£6,696)	(£6,696)
Carlyon Road Industrial Estate			
Occupancy Rate	75.00%	75.00%	81.25%
Annual Income per Unit	(£13,773)	(£4,553)	(£4,647)
Innage Park Industrial Estate			
Occupancy Rate	41.86%	41.86%	58.14%
Annual Income per Unit	(£2,957)	(£1,693)	(£1,904)
Polesworth Workspaces			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Unit	(£1,488)	(£1,023)	(£1,023)
Rent Allowances			
Rent Allowances per Claimant	£4,519	£2,636.06	£2,695.32
Cost of Administration per Claimant	£248.55	£131.73	£143.23
Rent Rebates			
Rent Rebates per Claimant	£3,658	£2,133.91	£2,286.15
Cost of Administration per Claimant	£119.39	£68.73	£72.68
Council Tax Benefits			
Council Tax Benefits per Claimant	£903.55	£883.02	£851.76
Cost of Administration per Claimant	£21.57	£6.34	£6.62

Agenda Item No 10

Resources Board

19 November 2012

Report of the Assistant Director (Finance and Human Resources)

Consolidated Budgetary Control Report 2012/13 - Period Ended 31 October 2012

1 Summary

- 1.1 The report covers total Council General Fund revenue expenditure and income for the period from 1 April 2011 to 31 October 2012.

Recommendation to the Board

That the report be noted.

2 Consultation

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

3 Overall Position

- 3.1 The actual level of Board expenditure for the period to 31 October 2012 is £5,087,720 compared with a profiled budgetary position of £5,622,985. Net expenditure is lower than expected due to the receipt of specific grant funding of £184,000 (see paragraph 5.2), and a general under spend to date of £351,265. Appendix A provides an analysis of Board expenditure and the overall position for the Council for this period.

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- 3.2 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 Council. This includes investment income, external interest payments and adjustments to reverse capital charges included within Board expenditure, from out of Council expenditure. Taking these amounts into account, net expenditure for the Council to the end of October totals £4,582,810, compared with a profiled position of £5,095,215. This reduces the general under-spend for the period to £328,405.
- 3.3 Where possible, the budget profile figures have been calculated with some allowance for seasonal variations, in order to give a better comparison with actual figures. Reasons for the variations are given, where appropriate, in more detail on the following page:

4 **Board Expenditure**

- 4.1 **Planning and Development Board** - Income on Planning Control is ahead of target by £91,840, as a result of an increase in the number of planning applications submitted. This has been partially offset by a decrease in the numbers of Local Land Charges Searches completed.
- 4.2 **Licensing Committee** – Income from Premises Licences is currently £8,480 down on the profiled budget position. Additionally, income from Hackney Carriage licences is also down on the profiled budget position by £1,070
- 4.3 **Community and Environment** – Across the Leisure Centres there is an underspend as a result of additional income at some centres and across all of the Hi-Tec Facilities as a result of increased DD membership. This is offset by over spends across the Refuse and Recycling services, for which a supplementary estimate has been recommended for approval by Community and Environment Board to Executive Board.

5 **Resources Board**

- 5.1 **Recharged to Services** - There are a number of posts that have become vacant since the budget was set although a small number have now been filled. Other significant variances include under-spends due to maternity leave, conference fees, occupational health fees and additional legal fee income. Set against these there are small overspends on professional fees, corporate subscriptions and vehicle repair materials.
- 5.2 **Remaining** - Within Democratic Process there is a reduction in corporate subscriptions, under-spends on Members allowances and remote access network charges. There is additional legal fee income and reductions in expenditure on legal fees, bailiffs and professional fees within Council Tax Collection. In addition we have received grants from the Mary Portas High Street Innovator Fund and new burdens Council Tax Reform. Further under spends have resulted from a lower than budgeted rate of superannuation. At Innage Park a number of units that were vacant have now been let thereby reducing the NDR the authority is liable for and increasing rental income. At Carlyon Road the responsibility for NDR for one unit has passed to the Skate Park budget contained within Community and Environment board. There has been a higher than expected recovery in Benefits overpayments. Warwickshire County Council is still requiring Borough Care to provide the Telecare Service which was expected to cease in March 2012 but will now continue until March 2013. Lastly, the sale of a car park at Coleshill has reduced the NDR liability and there has been an increase in parking penalty fee income.
- 5.3 **Investment Income** - There has been a lower return of investment interest than expected to date due to lower interest rates on investments held. This is partially offset by a reduction in loan interest as no temporary loans have been needed to date.

6 **Risks to the Budget**

6.1 In setting the budget in February 2012, a number of key risks to the overall budgetary position of the Council are highlighted below: -

- Changes in the financial markets and the expected cash flow of the Authority, which affect the investment income the Council can obtain.
- Further deterioration in the economic position, which could lead to additional demand for Council services in areas such as benefits and homelessness.
- A large proportion of revenue costs relate to the Councils workforce. Pay awards are negotiated nationally, and any variance from the increase assumed would impact on the financial position. In addition, a vacancy factor for staff turnover is included within the overall estimates. Should vacancies be less than expected then additional costs will be borne by the Authority. The current level of vacancies is in excess of that budgeted.
- Transport fuel and utilities prices have seen significant fluctuations over recent times, and this is still a possibility. However, the Authority has renegotiated many of the electricity and gas contracts and this has helped in eliminating some of the uncertainty. The increases built into budgets to cover expected rises in vehicle fuel are currently sufficient.

7 Estimated Out-turn

7.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position for each of the services reporting to this Board. The anticipated out-turn for this Board for 2012/13 is £9,697,780 as detailed in the table below: -

	£
Approved budget 2012/2013	9,861,560
Projected salary under spends in excess of vacancy factor and restructure within the Streetscape Division	(120,000)
Additional Planning Fee Income	(40,000)
Additional rental income at Innage Park Industrial Estate and savings on NDR	(21,600)
Contingency provision for utilities no longer required	(14,360)
Savings on lower Superannuation rate than budgeted	(13,170)
Savings on Democratic Process – corporate subscriptions and members allowances	(11,800)
Additional income from the continuation of the Borough Care Telecare service for Warwickshire County Council	(8,000)
Savings on Council Tax Collection – bailiffs and legal costs	(5,500)
Additional Parking Penalties income	(5,000)
Savings on NDR at Coleshill Car Park	(5,000)
Savings on NDR at Carlyon Road Industrial Estate	(4,350)
Loss of Premises Licence Income	5,000
Loss of Local Land Charges Income	10,000
Loss of Investment Income	30,000
Supplementary Estimate for Community and Environment Board –Refuse , Recycling and Trade Waste	40,000

Expected Out-turn 2012/13	9,697,780
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7.2 The figures provided above are based on information available at this time of the year and are the best available estimates for this Board, but may change as the financial year progresses. Members will be updated in future reports of any changes to the forecast out turn.

8 Report Implications

8.1 Finance and Value for Money Implications

8.1.1 The Council's budgeted contribution from General Fund balances for the 2011/2012 financial year is £453,408. As can be seen above, a decrease in net expenditure of around £163,780 is expected to date. The position will continue to be monitored closely and reported to Members at a future meeting of this Board.

8.1.2 Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board for comment.

8.2 Environment and Sustainability Implications

8.2.1 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).

North Warwickshire Borough Council

Consolidated Budgetary Position for the Period 31 October 2012

Board	2012/13 Original Budget	Expected Position October	Actual Position October	Variance
Executive	503,710	313,580	312,480	(1,100)
Planning and Development	608,830	303,630	202,490	(101,140)
Licensing Committee	60	(17,320)	(7,790)	9,530
Community and Environment	5,269,530	2,891,600	2,893,480	1,880
Resources (including staff vacancies)	3,392,180	2,131,495	1,687,060	(444,435)
Net Board Expenditure	9,774,310	5,622,985	5,087,720	(535,265)
Other Contingencies	87,250	-	-	-
Net Board Expenditure	9,861,560	5,622,985	5,087,720	(535,265)
Investment Income	(150,000)	(88,360)	(61,120)	27,240
RCCO	119,000	69,420	69,420	-
Use of Balances	(453,408)	-	-	-
Financing Adjustment	(872,280)	(508,830)	(513,210)	(4,380)
Net Expenditure	8,504,872	5,095,215	4,582,810	(512,405)

Agenda Item No 11

Resources Board

19 November 2012

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

**Capital Programme 2012/13
Period Ending November 2012**

1 Summary

- 1.1 The report updates Members on the progress of the 2012/13 Capital Programme in terms of expenditure.

Recommendation to the Board

That progress made against the 2012/13 Capital Programme is noted.

2 Consultation

- 2.1 Councillors Butcher, Moore and Smith 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 The Executive Board approved the Council's Capital Programme of £4,157,470 for 2012/13 in February 2012.
- 3.2 At the Executive Board on 25 June, it was agreed to carry forward £1,920,380 of unspent 2011/12 budgets. At Resources Board on 11 June a budget of £1,000,000 was approved for the Local Authority Mortgage Scheme. This gives a total approved capital programme for 2012/13 of £7,077,850.

4 Budget Profiling

- 4.1 To ensure that the Capital Programme projects are completed in a manageable time frame, a schedule of works is arranged by each budget holder and each of the schemes are timetabled for completion throughout the year. This schedule then feeds through to the budget profiling exercise, which identified that there are a number of capital schemes which were not due to have started by the end of October. The table below indicates the breakdown:

	£
Schemes not due to have started before 31 October 2012	3,428,820
Schemes due to have started before 31 October 2012	3,649,030
TOTAL	7,077,850

5 Schemes Not Yet Started in October

5.1 The total value of the projects not yet started is £3,428,820 (48.44% of the 2012/13 Capital Programme). The particular schemes are shown in Appendix A.

6 Housing Schemes

6.1 Although a programme of works has been established for housing related projects, the schemes in Appendix A are still at the pre-tender stage. In the case of the scheme to replace UPVC entrance screens, initial quotes have been received and the contract is in the process of being awarded to the preferred contractor. It is expected that work will begin before Christmas and take up to three months to complete.

7 General Fund Schemes

7.1 The Council Office refurbishment is not scheduled to begin until 2013. A number of schemes such as the Equalities Act work, switch gear replacement and the new telephone system will form part of this project.

7.2 In addition to this some invoices are expected later in the year such as the Warwickshire Direct Partnership.

7.3 At Resources Board on 2 April Members agreed in principle to the disposal of the Arcade. The £193,000 project for refurbishment works will only take place if delays in the transfer mean that the work becomes essential.

8 Schemes already started before 31 October 2012

8.1 Those schemes that were planned to start by the 31 October 2012 total £3,649,030 (51.56% of the 2012/13 Capital programme) and are shown in Appendix B. The expenditure expected to date was £1,090,800, but actual spend or committed expenditure was £1,164,422; an under spend of £73,622.

8.2 Within the HRA, included in the cost of the windows and doors programme is the scheme to replace fire doors in flats across the Borough. This scheme was originally started during the 2011/12 financial year but was put on hold as the contractor went into liquidation. Quotes from the companies bidding for the remainder of the work are expected to be received during November, to begin work in the final quarter of the financial year. This has been reported to the chair of Resources Board, the Deputy Chief Executive and the affected tenants.

- 8.3 Work has taken place to update kitchens, bathrooms and heating systems in relation to schemes that have slipped from 2011/12, void properties and where it is deemed essential. The initial quotes from the companies bidding for the main 2012/13 contracts will be received before Christmas to begin work in the final quarter of the financial year. However due to the scale of the work, the heating contract this is unlikely completed before 31 March.
- 8.4 Within the housing capital programme for 2012/13 is a scheme to update the external insulation at Kings Avenue and Bank Road Atherstone. Due to complex issues surrounding planning restrictions for the work, it is unlikely that this scheme will be completed before 31 March.
- 8.5 Before any of the schemes begin asbestos surveys need to be carried out at a cost of £270 per property. It is expected that the additional cost of the surveys to take place in this financial year will be £42,930. This does not include any costs for asbestos removal which will not be known until after the surveys are carried out.
- 8.6 As reported at the meeting 3 September, there is an overspend in the Community Centre refurbishment budget. This is due to unforeseen asbestos removal costs in the conversion of the community room to a flat at Eastlang Road, Fillongley. This work was originally started during 2011/12 but delays meant that approval was granted to transfer the budget into the 2012/13 programme. Although the final bill has yet to be received it is expected that the total cost of the scheme will be £91,100 against a project budget of £40,650.
- 8.7 At the meeting on 3 September Members gave the Assistant Director (Housing) approval to vire the unallocated budget within the HRA to other housing schemes if required. Within the total spend for the kitchen replacement is the cost of three essential kitchens which did not form part of the 2011/12 contract with Lakers. In addition to this, a separate programme of works has been established to replace border fencing and garage door and roof replacements to properties in the Borough. In order to offset the cost of £144,940, the Assistant Director (Housing) has approved a transfer of from the unallocated budget. This leaves a remaining balance of £42,920 which will be used for the additional cost of asbestos surveys.
- 8.8 Within the General Fund there are underspends of £82,501 in relation to private sector Disabled Facility Grants and £5,298 for Decent Homes Improvements. Expenditure for both of these schemes is incurred following completion and verification of the work. Currently there is expenditure of approximately £73,000 (21 schemes) of Disabled Facility improvements and approximately £65,000 (19 schemes) on Decent Homes schemes that has been committed with work currently in progress.

8.9 Atherstone Leisure Centre has gained Community and Environment Board Member approval to develop a free weights centre at Atherstone Leisure Centre. Part of the funding for the £25,000 scheme will come from the remaining budget for leisure equipment.

9 Report Implications

9.1 Finance and Value for Money Implications

9.1.1 Of the total capital programme, schemes to the value of £3,428,820 were not started by 31 October. Of the remaining £3,649,030 capital programme, £1,164,422 was profiled to be spent and £1,090,800 has actually been spent or committed, leaving an under spend of £73,622 to date.

9.1.2 The schemes will contribute to various outcomes which will increase the services provided by the Council, from providing 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.

9.2 Safer Communities Implications

9.2.1 The Home Safety Check Scheme provides a service with Age Concern to help elderly residents be safe within their homes.

9.3 Environment and Sustainability Implications

9.3.1 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.

9.4 Risk Management Implications

9.4.1 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.

9.5 Equality Implications

9.5.1 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.

9.5.2 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.

9.6 Links to Council's Priorities

9.6.1 The Contact Officer for this report is Jon Illingworth (719489).

Background Papers

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

Background Paper	Author	Nature of Background Paper	Date

Appendix A

Capital Schemes Not Started By The End Of October 2012

Expenditure Proposals	2012/13 Original Budget	2011/12 slippage	2012/13 Approved Budget
Housing Revenue Account (HRA)			
Cavity Wall Insulation	323,000	0	323,000
Piccadilly Development	0	70,000	70,000
Loft Insulation	102,700	18,840	121,540
Structural Work	15,000	0	15,000
Unadopted Roads	20,000	0	20,000
UPVC Entrance Screens	38,500	0	38,500
Total HRA	499,200	88,840	588,040
General Fund			
Equalities Act	0	351,250	351,250
Electrical Work	0	36,490	36,490
Council Offices Electrics	15,000	37,010	52,010
Accommodation Project	955,180	50,000	1,005,180
Improve Arcade	0	193,000	193,000
Borough Care System Replacement	2,500	0	2,500
Infrastructure	20,000	0	20,000
Warwickshire Direct Partnership	10,350	0	10,350
Leisure Book System Replacement	0	50,000	50,000
New Telephone System	0	65,000	65,000
New Switch Gear	0	55,000	55,000
Local Authority Mortgage Schemes	1,000,000	0	1,000,000
Total General Fund	2,003,030	837,750	2,840,780
Grand Total	2,502,230	926,590	3,428,820

Capital Schemes Started By The End Of October 2012

Expenditure Proposals	2012/13 Original Budget	2011/12 slippage	2012/13 Virements	2012/13 Approved Budget	Profiled Budget	TOTAL as at 31.10.12	Variance to profiled budget
Housing Revenue Account (HRA)							
Unallocated	235,650	0	(144,940)	90,710	47,790	47,790	0
Disabled Facility Adaptations	175,000	0	0	175,000	102,083	107,658	5,575
Community Centres	71,080	40,650	0	111,730	30,300	61,957	31,657
Windows & Doors	45,500	313,300	0	358,800	81,970	81,872	(98)
Kitchens & Bathrooms	142,800	54,360	13,410	210,570	24,650	25,995	1,345
Garages		0	15,000	15,000	5,500	5,210	(290)
Roofing	189,000	0	66,530	255,530	26,530	32,741	6,211
Heating	577,000	20,000	0	597,000	70,000	69,598	(402)
Electrics	114,000	0	0	114,000	66,500	42,900	(23,600)
External Works	38,000	0	0	38,000	7,500	7,303	(197)
Fencing	0	0	50,000	50,000	43,000	42,855	(145)
Salaries	109,190	0	0	109,190	63,694	64,115	421
New Build Housing 2010/11	0	134,170	0	134,170	1,230	1,230	0
Chimney Stacks	25,500	0	0	25,500	12,180	6,637	(5,543)
Total HRA	1,722,720	562,480	0	2,285,200	582,928	597,861	14,934
General Fund							
Leisure Equipment	20,000	0		20,000	5,118	5,118	0
Payment Management System	0	80,000		80,000	80,000	80,000	0
Computer Software/Hardware	30,000	0		30,000	12,700	12,634	(66)
Life Lines	18,000	0		18,000	7,800	7,328	(472)
Capital Salaries	47,960	0		47,960	27,977	27,977	0
Disabled Facilities (Private Sector)	300,000	150,180		450,180	262,605	180,104	(82,501)
DHS Assistance	57,500	201,130		258,630	153,826	148,528	(5,298)
Vehicle Renewal Scheme	459,060	0		459,060	31,468	31,250	(218)
Total General Fund	932,520	431,310		1,363,830	581,494	492,939	(88,555)
Grand Total	2,655,240	993,790		3,649,030	1,164,422	1,090,800	(73,622)

Agenda Item No 12

Resources Board

19 November 2012

**Report of the
Deputy Chief Executive**

**Treasury Management Update
Quarter 2 2012/13**

1 Summary

- 1.1 This report shows the Treasury Management activity during the first six months of 2012/13.

Recommendation to the Board

That the Treasury Management Update Report for the first six months of 2012/13 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 CIPFA issued a revised Code of Practice for Treasury Management in November 2011. The revised Code suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This report therefore ensures that the Council is following Best Practice in accordance with the Code.

3 Economic Forecast

- 3.1 There is an expectation that the low growth in the UK will continue, with Bank Rate unlikely to rise in the next 24 months, and a possible further extension of quantitative easing. This will keep investment returns depressed. The expected longer run trend for PWLB borrowing rates is for them eventually to rise.

3.2 The first increase in bank rate is not expected until December 2014. Forecasts have been based on an assumption that growth starts to recover in the next three years. However if the Eurozone debt crisis worsens, or low growth in the UK continues longer than anticipated, then Bank Rate is likely to be depressed for even longer than in this forecast.

3.3 The Council's Treasury Advisor, Sector, has undertaken a review of its interest rate forecast which is shown below:

	Bank Rate Forecast	5 Year PWLB	10 Year PWLB	25 Year PWLB	50 Year PWLB
Now	0.5%	1.89%	2.91%	4.15%	4.32%
Dec 2012	0.5%	1.5%	2.5%	3.7%	3.9%
March 2013	0.5%	1.5%	2.5%	3.7%	3.9%
June 2013	0.5%	1.5%	2.5%	3.7%	3.9%
Sept 2013	0.5%	1.6%	2.6%	3.8%	4%
Dec 2013	0.5%	1.7%	2.7%	3.8%	4%
March 2014	0.5%	1.8%	2.8%	3.9%	4.1%
June 2014	0.5%	1.9%	2.9%	4%	4.2%
Sept 2014	0.5%	2%	3%	4.1%	4.3%
Dec 2014	0.75%	2.1%	3.2%	4.2%	4.4%
March 2015	1%	2.3%	3.3%	4.3%	4.5%

4 Treasury Management Strategy Statement

4.1 Review of Annual Investment Strategy

4.1.1 The Treasury Management Strategy Statement (TMSS) for 2012/13 was approved by Resources Board on 30 January 2012 and by Council on 22 February 2012. 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 also 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 Sector. However a different approach is appropriate with UK semi-nationalised institutions, such as Lloyds, which is currently significantly UK government owned. The Annual Investment Strategy has been amended to reflect a revised approach, following reports to this Board in June and September.

4.1.3 Investment rates in the market have continued at historically low levels. The average level of funds available for investment purposes during the first six months was £11.631 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.

4.1.4 Investment rates have been at an historical low point for some time, illustrated by the amount of interest earned, £47,265 (budgeted interest £59,178). This is lower than the same period last year, £67,720 (budget £60,164), as interest rates have continued to reduce. The average interest rate on investments for this period was 1% compared to the benchmark of the 7 day LIBID rate of 0.43%.

4.1.5 Appendix A shows the investments held at 30 September 2012.

4.2 Borrowing

4.2.1 The Council's capital financing requirement (CFR) for 2012/13 was estimated at £75 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.

	2012/13 Original Estimate £m	2012/13 Estimated Out-turn £m
External borrowing – Housing	63.265	59.539
Internal borrowing – General Fund	11.786	11.786
CFR (year end position)	75.051	71.325

The Self Financing payment that the HRA was required to make to the government was not finalised at the time that the original estimate for the CFR was produced. The revised estimate reflects the actual payment that was made at the end of March 2012.

4.2.3 The Council has not needed to borrow any funds on a short term basis during the first six months of 2012/13.

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 2012/13 were set at £91.565 million and £76.181 million respectively. Activity has remained within these limits for the first six months.

5 Report Implications

5.1 Finance and Value for Money Implications

5.1.1 Up to 30 September 2012, interest earned on investments was £67,653. The Council has not needed to borrow during the first six 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 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

APPENDIX A

Investments Held at 30 September 2012

Treasury Management Update. Quarter 2 - 2012/13

NAME OF INSTITUTION	CALL ,FIXED MMF ETC	RATE %	AMOUNT £	DATE OF INVESTMENT	MATURITY DATE
Lloyds TSB	Fixed	1.65	1,250,000.00	18-Jul-12	18-Jan-13
Coventry BS	Fixed	0.82	1,250,000.00	06-Sep-12	06-Mar-13
Nationwide	Fixed	0.80	1,250,000.00	18-Sep-12	18-Mar-13
Lloyds TSB	Fixed	2.70	1,500,000.00	11-Sep-12	10-Sep-13
Santander	CALL	0.80	1,250,000.00	28-Mar-12	
RBS Deposit	CALL	0.80	1,250,000.00	01-May-12	
Insight MMF	MMF	0.56	1,958,000.00		
Prime Rate MMF	MMF	0.67	3,000,000.00		
TOTAL INVESTMENTS AT 30 SEPTEMBER 2012			12,708,000.00		

Agenda Item No 13

Resources Board

19 November 2012

**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 14

Update on Housing Developments – Report of the Assistant Director (Housing)

Paragraph 3 – by reason of the report containing financial details of an organisation.

Agenda Item No 15

Request for Disabled Facilities Grant to provide for a Housing Adaptation – Report of the Assistant Director (Housing)

Paragraph 1 – by reason of the report containing details of an individual.

Agenda Item No 16

Request to have a Licence over Land – Report of the Assistant Director (Housing)

Paragraph 1 – by reason of the report containing financial details of an individual.

Agenda Item No 17

Land at Atherstone – Report of the Assistant Director (Streetscape)

Paragraph 3 – by reason of the need to consider the legal implications.

Agenda Item No 18

The Arcade – Report of the Assistant Director (Streetscape)

Paragraph 3 – by reason of the report containing financial details of an organisation.

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