

**To: Deputy Leader and Members of the Resources Board
(Councillors L Smith, Johnston, Bowden, Butcher,
N Dirveiks, Forwood, Fowler, Fox, Lea, Moore, Payne,
Smitten, Y Stanley 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

22 NOVEMBER 2010

The Resources Board will meet in the Chamber at The Council House, South Street, Atherstone, Warwickshire on Monday, 22 November 2010 at 6.30 pm.

AGENDA

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Declarations of Personal or Prejudicial Interests.**
(Any personal interests arising from the membership of Warwickshire County Council of Councillors Fowler, Fox and Lea, and membership of various Parish Councils of Councillors Butcher, Smitten and Y Stanley (Polesworth), Fox (Shustoke) and Moore (Baddesley Ensor), are deemed to be declared at this meeting).

- 4 **Request for discussion of En Bloc items.**

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

- 5 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – September 2010** – Report of the Chief Executive and 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 2010.

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

- 6 **Sites in Council Ownership** – Report of the Assistant Chief Executive and Solicitor to the Council and Assistant Director (Streetscape)

Summary

The report highlights a number of sites within this Council's ownership that could be developed as housing sites. In addition, the report also notes that other sites within the County Council's ownership could come forward for development.

The Contact Officer for this report is Steve Maxey (719438).

- 7 **Capital Programme 2010/11 – Period Ending October 2010** – Report of the Assistant Director (Finance and Personnel)

Summary

This report updates Members on the progress of the 2010/11 Capital Programme in terms of both expenditure and outcomes.

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

- 8 **The Draft Housing Revenue Account Subsidy Determination 2011/12 – Report of the Assistant Director (Finance and Human Resources)**

Summary

This report highlights the main changes proposed within the draft Housing Revenue Account Subsidy Determination 2011/12.

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

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

- 9 **Treasury Management Strategy Statement & Annual Investment Strategy – Mid-Year Review Report 2010/11 – Report of the Deputy Chief Executive**

Summary

This report shows the Treasury Management activity during the first six months of 2010/11.

The Contact Officer for this report is Jackie Marshall (719379).

- 10 **Budgetary Control Report 2010/11 Period Ended 31 October 2010 - Report of the Assistant Director (Finance and Human Resources)**

Summary

The report covers revenue expenditure and income for the period from 1 April 2010 to 31 October 2010. The 2010/11 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).

- 11 **Consolidated Budgetary Control Report 2010/11 - Period Ended 31 October 2010 – 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 2010 to 31 October 2010.

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

- 12 **Housing Revenue Account Budgetary Control Report 2010/2011 Period Ended 31 October 2010** – 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 October 2010.

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

- 13 **Progress Report on Human Resource Issues** – Report of the Assistant Director (Finance and Human Resources)

Summary

This report advises Members of progress against the Human Resources Strategy Action Plan, work being done by the Human Resources team, the sickness levels for the period of April 2010 to September 2010 and provides some further information on action taken in managing absence.

The Contact Officer for this report is Kerry Drakeley (719300).

- 14 **Internal Audit - Performance- Performance for Second Quarter 2010-11**

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).

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

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

Recommendation:

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.

16 **Internal Audit Staffing Structure** – Report of the Deputy Chief Executive

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

17 **Units at Innage Park Phase 1** – Report of the Assistant Director (Streetscape)

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

18 **Limes Developments – Update** – Report of the Assistant Director (Streetscape)

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

19 **Additional Payment - Temporary Housing Register Officer** – Report of the Assistant Director (Housing)

The Contact Officer for this report is Helen Hughes (719494).

JERRY HUTCHINSON
Chief Executive

Agenda Item No 5

Resources Board

22 November 2010

Report of the Chief Executive and the Deputy Chief Executive

Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - September 2010

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 2010.

Recommendation to the Board

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

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 The Portfolio Holder and Shadow Portfolio Holder for Resources, Councillors Bowden and Butcher have been sent a copy of this report and any comments received will be reported to the Board.

3 Background

- 3.1 This report shows the position with the achievement of the Corporate Plan and Performance Indicator targets for 2010/11 for the first two quarters from April to September. This is the second report showing the progress achieved so far during 2010/11.

4 Progress achieved during 2010/11

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with the national and local performance indicators during April to September 2010/11 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

Amber – target currently behind schedule and requires remedial action to be achieved

Green – target currently on schedule to be achieved.

5 Performance Indicators

- 5.1 The current national and local performance indicators have been reviewed by each division and Management Team for monitoring for the 2010/11. Members should be aware that the current set of national indicators have been reviewed by the Coalition government and have all been stopped. In a recent announcement the Secretary of State for Communities and Local Government has confirmed the replacement of the National Indicator Set with a single comprehensive list of all the data expected to be provided by local government to central government. The data requirements are being reviewed and reduced for April 2011 onwards.

6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 81% of the Corporate Plan targets and 78% 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	Quarter 2 Number	Percentage
Green	22	81%
Amber	5	19%
Red	0	0%
Total	27	100%

Performance Indicators

Status	Quarter 2 Number	Percentage
Green	27	78%
Amber	4	11%
Red	4	11%
Total	35	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 will be 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, adaptations for people with disabilities and fuel poverty.

8.6 Links to Council's Priorities

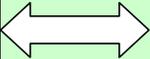
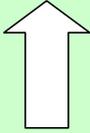
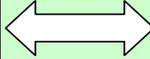
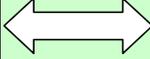
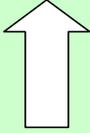
8.6.1 There are a number of targets and performance indicators contributing towards the priorities of access to services, improving housing in the borough, tackling health inequalities, achieving a balanced budget and developing our workforce.

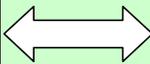
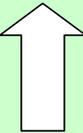
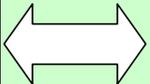
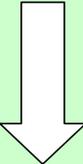
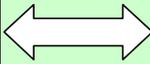
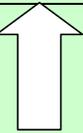
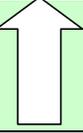
The Contact Officer for this report is Robert Beggs (719238).

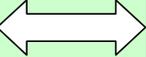
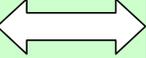
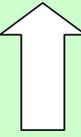
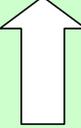
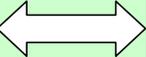
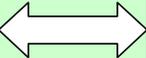
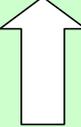
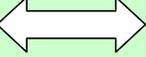
Background Papers

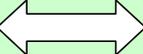
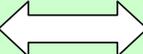
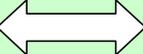
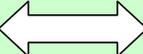
Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

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

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
1	Apr-10	Reviewing and adopting an updated Customer Access Strategy and Action Plan, which will focus on development of outreach services to complement those delivered from the One Stop Shop in Atherstone, promoting of self service channels and corporate wide promotional activities where they are supported by a business case	Resources Board	ACE (CS)	Bob Trahern	Community Life		Not due to be completed until March 2011. Currently reviewing our existing strategy with a view to take a report to board in March 2011	Green	
2	Apr-10	Implementing one stop shop services in up to two libraries in the borough by March 2011 under the Warwickshire Direct and BOB brand	Resources Board	ACE (CS)	Bob Trahern	Community Life		Discussions with County council continue and we are currently testing the technological platform to support any outreach delivery proposal. Aiming to take to Resources Board on 1/2/11 as part of the wider accommodation review	Green	
3	Apr-10	Improving the Council's website by the implementation of interactive self serve forms and acting on customer feedback received via the Gov Metric product by December 2010	Resources Board	ACE (CS)	Bob Trahern	Community Life		On target	Green	
4	Apr-10	Working with partners to identify projects and submit bids for access to services or transport projects, LEADER and other funding opportunities to support their potential implementation, including a bid with community groups and parish councils for PCs or Laptops in village halls, housing common rooms via hubs or at regular surgeries	Resources Board	ACE (CS)	Bob Trahern	Community Life		Concerns over the release of LEADER funding is currently being discussed. This is following the decision to review all spending commitments made in 2010/11 as a result of the economic downturn. If funding is ultimately released to the Council, we will be seeking to put together bids over the next 6 months for projects that we wish to seek support for from 2011 onwards	Amber	
5	Apr-10	Delivering a project with a health and well-being provider to take health and wellbeing services out into the community if a bid to the Department of Works and Pensions made in January 2010 is successful. This will also produce Health and Well-being outcomes	Resources Board	ACE (CS)/ AD (L&CD)	Bob Trahern	Community Life		Project started in June 2010 with a launch event for participating staff who have been DCEawn from across the organisation to take part in a structured programme of health and well being support. It is hoped that this programme will provide positive support and benefits to selected staff and reduce their sickness levels and improve their well being going forward.	Green	

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
6	Apr-10	Progress to be determined by the outcome of the shared contact centre business case to be reviewed in April 2010	Resources Board	ACE (CS)	Bob Trahern	Community Life		A decision not to proceed with the shared contact centre with other Warwickshire Direct partners was made based on the lack of a business case being made and our wider outreach delivery strategy is now being considered as part of the wider accommodation review	Green	
13	Apr-10	Subject to funding being available, continue to promote the Credit Union and CAB activity by providing an outlet facility and signposting customers via the One Stop Shop and Contact Centre. Funding a further CAB Debt Advisor	Resources Board	ACE (CS)	Bob Trahern	Community Life		Ongoing funding provided via the Council, B.O.B project and County Council area forum which is enabling activity to continue up to 31 March 2011	Green	
14	Apr-10	Seeking funding to continue the BOB project either from LEADER or other funding streams post March 2011	Resources Board	ACE (CS)	Bob Trahern	Community Life		Concerns over the release of LEADER funding is currently being discussed. This is following the decision to review all spending commitments made in 2010/11 as a result of the economic downturn. If funding is ultimately released to the Council, we will be seeking to put together bids over the next 6 months for projects that we wish to seek support for from 2011 onwards	Amber	
15	Apr-10	Continuing to work with neighbouring and welfare agencies to continue to promote take up of Council Tax, Housing and other welfare benefits work in a collaborative way in accordance with the actions in the Warwickshire Benefits Take-up Strategy and action plan 2010	Resources Board	ACE (CS)	Bob Trahern	Community Life		Take Up activity is ongoing in 2010/11 albeit at a reduced level as a result of the decision to cut the LPS2 reward money which we were originally successful in bidding for by nearly half. This means that only one f.t.e will be supporting take up activity across the 5 district councils in the area of benefits maximisation up to 31 March 2012	Green	
16	Apr-10	Adopting a local Financial Inclusion Partnership for the Council which will ultimately feed into a County-wide financial inclusion partnership which will co-ordinate future financial inclusion activity with existing and new partners by December 2010	Resources Board	ACE (CS)	Bob Trahern	Community Life		Work is on target	Green	
17	Apr-10	Meeting the Decent Homes Standard in the Council's own stock by December 2010	Resources Board	DCE / AD (H)	Angela Coates	Housing		We have completed works to meet the decent homes standard apart from 9 properties. Work is now underway to refresh our stock condition information to plan future work.	Green	
18	Apr-10	Completing Phase 1 by refurbishing and transferring the properties to Waterloo Housing Association by December 2010. Starting on Phase 2 with a view to completing the work by May 2011	Resources Board	DCE / AD (H)	Angela Coates	Housing		Phase 1 is complete to a very high standard and satisfaction. Phase 2 is on target to meet the May 2011 deadline.	Green	

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
19	Apr-10	To report further to the Housing Portfolio Holder Group and Resources Board by June 2010 on current schemes and make recommendations for such a scheme in North Warwickshire	Resources Board	DCE / AD (H)	Angela Coates	Housing		The Housing Portfolio Holder Group and Resources Board have considered this and decided not to implement a scheme at the current time. It will be reviewed in January 2011.	Green	
20	Apr-10	Completing new developments in Dordon and Ansley by April 2010	Resources Board	DCE / AD (H)	Angela Coates	Housing		Both of the schemes were completed by April 2010.	Green	
21	Apr-10	Securing the development of sites at Warton, and Atherstone by Housing Associations by March 2011	Resources Board	DCE / AD (H)	Angela Coates	Housing		Warton Parish Council have chosen another site to develop. Work continues to secure sites in Atherstone. However funding is currently not available through Social Housing Grant.	Amber	
22	Apr-10	Developing new Council properties at Arley, Fillongley, Kingsbury and Water Orton by March 2011	Resources Board	DCE / AD (H)	Angela Coates	Housing		Work is underway to develop all of these sites. 3 will be completed by January 2011.	Green	
23	Apr-10	Working proactively with Housing Association Preferred Partners and the Homes and Communities Agency to deliver a local investment plan by January 2011 that will identify opportunities for further affordable housing schemes in addition to those mentioned above	Resources Board	DCE / AD (H)	Angela Coates	Housing		The Local Investment Plan has been drafted. It will be submitted to the Housing Portfolio Holder Group in 2010 for consideration and will be considered by the Council's Executive Board.	Green	
25	Apr-10	Responding to the Tenant Services Authority standards by updating current service standards, publicising them and reporting on performance to all Tenants by October 2010 and having new service standards in place by April 2011	Resources Board	AD (H)	Angela Coates	Housing		The Annual Report to Tenants was completed by October 2010. The refreshed standards will be in place by April 2011	Green	
26	Apr-10	Acting on initiatives presented to Resources Board to set targets by July 2010 for the numbers of empty homes brought back into use and the numbers of private sector occupiers assisted in improving the condition of their homes by helping them access appropriate support and financial assistance	Resources Board	AD (H)	Angela Coates	Housing		Work is underway to explore options to bring empty homes back into use in Dordon and Hurley. Other opportunities will be taken up using Council Tax records.	Amber	
27	Apr-10	Complete the review of the Community Support Service and report to Members	Resources Board	AD (H)	Angela Coates	Health and Well Being		The review of the Borough Care part of Community Support is underway. It will not be complete before June 2011	Amber	
28	Apr-10	Establishing a new pilot service model to take forward the recommendations from the service review of the Home Improvement Agencies and related work streams in partnership with the County Council and other districts by March 2011	Resources Board	AD (H)	Angela Coates	Housing		Work continues on this project and it is expected that there will be a progress report to the Portfolio Holder Group in November 2010. In the meantime work is being undertaken to improve the delivery of DFGs in North Warwickshire.	Green	
73	Apr-10	Reviewing the benefits and issues of the new flexible working arrangements by December 2011	Resources Board	MT / AD (F&HR)	Sue Garner	Resources		This will commence later in the year.	Green	

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
74	Apr-10	Reducing office space by 30% if required to reflect the revised flexible working arrangements by March 2011	Resources Board	MT / AD (S)	Richard Dobbs	Resources		A reduction of around 20% has been identified to date. Further work with this is subject to progress with the accommodation project.	Green	
75	Apr-10	Timetabling reviews for all Human Resource policies, completing those identified for 2010/11 and providing briefing sessions as required	Resources Board	MT / AD (F&HR)	Sue Garner	Resources		The policies to be reviewed in 2010/11 have been identified.	Green	
76	Apr-10	Continuing to contribute to the efficiencies and savings targets through the delivery of the Procurement Strategy Action Plan	Resources Board	AD (CS)	Linda Bird	Resources		Procurement Working Group Meeting 20th October to review progress and future actions.	Green	
79	Apr-10	Research and develop options for extending the councils consultation with stakeholders on financial reporting and council priorities by March 2011	Resources Board	DCE	Chris Brewer	Resources		In progress.	Green	
80	Apr-10	Finalising the next stage of the Council's Accommodation Project work and updating the Council's Property Strategy and Asset Management Plan based on the outcomes of that project by March 2011	Resources Board	DCE/ AD (S)	Richard Dobbs	Resources	DCE	A further seminar and presentaion for Members was held in September.	Green	

Performance Indicators

PI Ref	Description	Division	Section	High/Low is good	2010/11 Target	2009/10 Outturn	National Best Quartile	Performance	Traffic Light	Direction	Comments	Suggested reporting interval	Board
Finance & Human Resources													
F&HR LPI 4	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	Finance & HR	Financial Accountancy	High	98%	98.23%	97.6%*	98.50%	Green	↓		Q	Resources Board
BVPI 12	The proportion of working days / shifts lost to sickness absence	Finance & HR	Human Resources	Low	10	10.46	8.4*	5.18	Green	↑	level is slightly lower than the equivalent period last year.	Q	Resources Board
BVPI 13	Voluntary leavers as a % of staff in post	Finance & HR	Human Resources	Low	10%	9.03%	N/A	5.93%	Green	↓		Q	Resources Board
NI 179a	VFM – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/09 financial year (October estimate)	Finance & HR	Management Accountancy	-	£1,575,500	£1,358,000	N/A	£1,715,719	Green	↑	This is a forecast figure to be achieved by the end of March 2011	Q	Resources Board
Housing													
HSG-LPI 9	Percentage of calls answered through the Central Control system within 30 seconds. (TSA national standard 80%) :	Housing	Community Support	High	97%	97%	N/A	98%	Green	↑		Q	Resources Board
HSG-LPI 10	Percentage of calls answered through the Central Control system within 60 seconds. (TSA national standard 96.5%):	Housing	Community Support	High	99.0%	99.3%	N/A	99%	Green	↑		Q	Resources Board
HSG-LPI 11	The percentage of new Lifeline phone and pendant connections installed within seven working days of receipt of the application, in the cases where there is an existing telephone jackpoint and nearby electric socket. :	Housing	Community Support	High	99%	99%	N/A	100%	Green	↑		Q	Resources Board
HSG-LPI 12	The percentage of client's details inputted and amended in the Central Control System within 12 hours of receipt. :	Housing	Community Support	High	100%	100%	N/A	100%	Green	↑		Q	Resources Board
HSG-LPI 13	To carry out a follow up check within 10 working days of lifeline installation, to check that the client is happy & familiar with the operation of the system :	Housing	Community Support	High	98%	95.6%	N/A	100%	Green	↑		Q	Resources Board
HSG-LPI 14	The percentage of a representative sample of customers stating that they are satisfied with the overall service provided by Community Support when surveyed.	Housing	Community Support	High	99%	99.2%	N/A	99%	Green	↑		Q	Resources Board
New	% of response repairs completed right first time	Housing	Housing Maintenance	High	90.00%	New	N/A	90.60%	Green	↑		Q	Resources Board
HSG-LPI 3	Average waiting time to complete an adaptation from request and completion of work	Housing	Housing Maintenance	Low	130 days	131.14	N/A	327	Red	↓	New Procedures being put in place to address this	Q	Resources Board
HSG-LPI 4	The average waiting time for adaptations to local authority housing for people with disabilities: a, time taken between initial request and referral	Housing	Housing Maintenance	Low	90 days	93	N/A	85.5 days	Green	↓		Q	Resources Board
HSG-LPI 6	Gas certificates outstanding	Housing	Housing Maintenance	Low	0.10%	5.23%	N/A	0.22%	Red	↑	5 outstanding- none old	Q	Resources Board
NI 156	Number of households living in temporary accommodation. (Snapshot at end of each quarter)	Housing	Housing Management	Low	3	1	9	0	Green	↑		Q	Resources Board
New	Number of tenants with more than 7 weeks rent arrears	Housing	Housing Management	Low	2.80%	New		3.10%	Red	↓	Procedures being revised to address this	Q	Resources Board

Performance Indicators

PI Ref	Description	Division	Section	High/Low is good	2010/11 Target	2009/10 Outturn	National Best Quartile	Performance	Traffic Light	Direction	Comments	Suggested reporting interval	Board
HSG-LPI 8	Average time taken to re-let local authority housing.	Housing	Housing Management	Low	21 days	22.4	24 days*	30 days	Red	↑	Increase in vacancy levels	Q	Resources Board
EH-LPI 1	To respond to all complaints and requests for service within three working days (Pests, Dogs and general env health FLARE system)	Housing	Private Sector & Public Health	High	98%	98.7%	N/A	99.20%	Green	↑		Q	Resources Board
Corporate Services													
INFS-LPI 1	The percentage availability of corporate systems available to users Monday to Friday 8.00 am to 5.30 pm :	Corporate Services	Computer Services	High	99.70%	99.99%	N/A	99.95%	Green	↔		Q	Resources Board
INFS-LPI 3	The percentage of initial response to helpdesk calls within four hours of a call being placed :	Corporate Services	Computer Services	High	95%	99%	N/A	99.0%	Green	↔		Q	Resources Board
INFS-LPI 7	Percentage of Service Desk Calls resolved in target (total of IS3 to IS6)	Corporate Services	Computer Services	High	95%	97%	N/A	97%	Green	↔		Q	Resources Board
Revenues and Benefits													
CC-LPI 1	The Percentage of Calls answered in 20 seconds in the contact centre	Revs & Bens	Contact Centre	High	75%	74%	N/A	77%	Green	↔		Q	Resources Board
BEN-LPI 4	The percentage of all new claims processed within 14 days of receiving all relevant information :	Revs & Bens	Revs & Bens	High	96.5%	97.8%	N/A	95.10%	Amber	↑	Ongoing Impact of the economic downturn	Q	Resources Board
LPI	Housing Benefit Security: : The number of prosecutions and sanctions, per 1,000 caseload..	Revs & Bens	Revs & Bens	-	5.5	6.3	N/A	3.6	Green	↑		Q	Resources Board
LPI	Speed of processing : Average time for processing new claims	Revs & Bens	Revs & Bens	Low	21	17.9	24	22.4	Amber	↑	Ongoing Impact of the economic downturn	Q	Resources Board
LPI	Speed of processing : Average time for processing notifications of changes of circumstance.	Revs & Bens	Revs & Bens	Low	7	3.5	7.1	7.2	Green	↔		Q	Resources Board
NI181	Overall Average Time for Processing Changes and New Claims	Revs & Bens	Revs & Bens	Low	8.5	5.11	N/A	9.87	Amber	↑	Ongoing Impact of the economic downturn	Q	Resources Board
LPI	The amount of Housing Benefit overpayments (HB) recovered during the period being reported on as a percentage of HB deemed recoverable overpayments during that period. :	Revs & Bens	Revs & Bens	High	75%	73.45%	83.5%*	84.08%	Green	↑		Q	Resources Board
LPI	HB overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period. :	Revs & Bens	Revs & Bens	High	40%	41.04%	37.5%*	32.22%	Green	↔		Q	Resources Board
LPI	Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period, plus amount of HB overpayments identified during the period. :	Revs & Bens	Revs & Bens	Low	6%	3.24%	N/A	0.82%	Green	↑		Q	Resources Board
LPI	Percentage of Discretionary Housing Payment budget committed	Revs & Bens	Revs & Bens	High	100%	93.96%	N/A	7.53%	Amber	↔	A drive to ensure this government grant will be spent is currently underway	Q	Resources Board
LPI	The percentage of non-domestic rates due for the financial year which were received by the authority. :	Revs & Bens	Revs & Bens	High	99.00%	99.35%	99.4%*	61.02%	Green	↔	Pro Rata performance on target	Q	Resources Board

Performance Indicators

PI Ref	Description	Division	Section	High/Low is good	2010/11 Target	2009/10 Outturn	National Best Quartile	Performance	Traffic Light	Direction	Comments	Suggested reporting interval	Board
LPI	Proportion of Council Tax collected. :	Revs & Bens	Revs & Bens	High	98.40%	98.52%	98.6%*	58.96%	Green	↔	Pro Rata performance on target	Q	Resources Board
CTAX-LPI 1	Proportion of Direct Debit take up for Council Tax collection. :	Revs & Bens	Revs & Bens	High	76% (or 1% more than baseline figure as at 31 March 2010)	75%	N/A	76.15%	Green	↔		Q	Resources Board
CTAX-LPI 2	Proportion of Direct Debit take up for NDR collection :	Revs & Bens	Revs & Bens	High	66% (or 1% more than baseline figure as at 31 March 2010)	64.92%	N/A	66.37%	Green	↔		Q	Resources Board

Agenda Item No 6

Resources Board

22 November 2010

**Report of the
Assistant Chief Executive and Solicitor to
the Council and the Assistant Director
(Streetscape)**

Sites in Council Ownership

1 Summary

- 1.1 The report highlights a number of sites within this Council's ownership that could be developed as housing sites. In addition, the report also notes that other sites within the County Council's ownership could come forward for development.

Recommendation to the Council

- a That the sites in this Council's ownership be declared surplus to requirements and put forward for housing development;**
- b That Officers be authorised to carry out the preparatory works detailed in the report;**
- c That Officers prepare a detailed report on progress for this Board's meeting in February 2011 with a view to the sites being developed for housing in early 2011; and**
- d That Officers be authorised to make further contact with the County Council and other public bodies with a view to releasing sites within their ownership for housing.**

2 Report

- 2.1 Officers have been reporting to the Local Development Framework (LDF) Panel on available housing sites in the Borough. The Council is required to maintain a five year housing supply and at the moment such a supply is in existence. This supply however should always be reviewed to ensure this position continues, to provide additional certainty and to ensure that new development remains in sustainable locations within agreed development boundaries. The LDF Panel therefore asked officers to secure resolutions that suitable sites in this Council's ownership come forward for housing.

2.2 The Corporate Property Officer and the Assistant Director (Housing) are currently conducting a review of land that may be suitable for housing development. A report will be brought to this Board in February 2011 however there are a number of sites where progress can be made now which could provide between 140 and 150 housing units. These sites are detailed below:

- Lister Road, Atherstone
- Queensway, Hurley
- St Georges Road, Atherstone
- Atherstone Football Ground

Lister Road, Atherstone

As Members will be aware from previous reports, the Council has sought the redevelopment of this area for Extra Care Housing. The preliminary work required for this is nearing completion and therefore is expected that the site will be developed in the near future, and certainly within the five year housing supply period.

Further reports will be brought to this Board as the project progresses.

Queensway, Hurley

This site was originally identified by this Board as being a potential site for an allotment in the village. As reported to the Community and Environment Board in October, following consultation in the area an alternative site has been identified and is the preferred option of the local Allotment Association. As a consequence the Community and Environment Board resolved to recommend to this Board that “the Authority seeks to develop the site for social or affordable housing”.

St George’s Road, Atherstone

The site is a narrow backland site surrounded by existing housing. The previous uses for parking, garaging and a play area have now ceased and an update on the work being undertaken to develop the land will be brought to this Board in February.

Atherstone Football Ground

This site has been previously proposed for housing development however given the fall in land prices in 2007 this sale was put on hold. However given that land prices are likely to recover sufficiently over the course of the next 5 years it is proposed that officers actively market the site during that period.

A number of practical issues exist at this site, including the inclusion of the site in the Environment Agency’s flood maps. These problems can be overcome, however detailed work will be needed on the flooding issue. This is likely to cost £10,000 which can be met from existing budgets.

Church Walk and Old Farm Road Mancetter

The development of the Borough Council owned site adjacent to the County Council's land at Church Walk has been subject of consideration by the Resources Board in the past. A flat above one of the shops was recently bought back by the Council in preparation for future development of the area which would be tied into the development of the small piece of land on Old Farm Road. Discussions are ongoing with the County Council and Housing Association partners with regard to how best to regenerate this area and meet housing need. Any proposals will be subject to a report to the Resources Board in the New Year and full discussions with local members.

2.3 County Council Land

- 2.3.1 Officers have been in detailed discussions with Officers from the County Council about land they own that they intend recommending for disposal. Officers understand that a general policy statement on releasing land for housing will be taken to the County Council's Cabinet on the 18 November.
- 2.3.2 Members will be advised as soon as these proposals are published and a verbal update given at the Board meeting.

2.4 Other Public Bodies

- 2.4.1 In addition to the County Council there may be opportunities with other public bodies and officers will explore these and report back in due course.

3 Report Implications

3.1 Finance and Value for Money Implications

- 3.1.1 The receipts generated by some of the schemes mentioned above have been included as part of the 10 year capital programme in order to fund future projects. The impact of this will be reported to Board separately.

3.2 Environment and Sustainability Implications

- 3.2.1 Providing land for potential housing units will contribute towards the sustainable community strategy by helping to ensure there are sustainable communities in the borough. The developing healthier communities priority of the strategy includes an aim of enabling, decent affordable and sustainable housing. The environmental and sustainability implications are also taken into account when each specific location is considered.

The Contact Officer for this report is Steve Maxey (719438).

Agenda Item No 7

Resources Board

22 November 2010

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

**Capital Programme 2010/11
Period Ending October 2010**

1 Summary

- 1.1 The report updates Members on the progress of the 2010/11 Capital Programme in terms of both expenditure and outcomes.

Recommendation to the Board

- a That the Board notes the progress made against the 2010/11 Capital Programme;**
- b That the Board approves the virement of £122,000 from the Lovell's Contingency fund to carry out the work at Drayton Court on windows and fire doors; and**
- c The Board approves the reduction of £20,350 in the 2011/12 capital programme.**

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Councillors Bowden and Butcher have been informally consulted and any response will be verbally updated at the meeting.

3 Introduction

- 3.1 The Executive Board approved the Council's Capital Programme of £5,489,050 for 2010/11 in February 2010.
- 3.2 At the Executive Board on 28 June, it was agreed to carry forward £169,110 of unspent 2009/10 budgets and to increase the Disabled Facility Grants and Lifelines budgets by £86,800 and £6,000 respectively. This gives a total approved capital programme for 2010/11 of £5,750,960.

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 end of October 2010	993,520
Schemes due to have started before end of October 2010	4,757,440
TOTAL	5,750,960

5 **Schemes Not Yet Started in October**

- 5.1 The total value of the projects not yet started is £993,520 (17.3% of the 2010/11 Capital Programme). The particular schemes are shown in Appendix A.

...

6 **Housing Schemes**

- 6.1 At this stage in the year, a programme of works is yet to be established for the garage improvements and quotes are being obtained from specialist stone masons for the work required at Coleshill shops.
- 6.2 The Lovell's contingency currently held is not expected to be needed in full, given the progress made on decent homes works to date. It has been identified that some work is required at Drayton Court for which budgetary provision has not yet been made, and some further work where some budget provision is included within the 2011/12 capital programme.
- 6.3 Windows at Drayton Court had previously been assessed as meeting the decent homes standard. However problems with the windows have arisen, which have significantly increased the ongoing maintenance needed. It is considered more economical to replace these windows at a cost of £69,000. In addition, following increased fire safety regulations and a recent inspection carried out by the fire service, there is a need to replace fire doors at Drayton Court, at a cost of £53,000. Budget provision of £20,350 had been included in the 2011/12 capital programme for the fire doors

- 6.4 Given the reduced need for the Lovell's contingency, Members are asked to approve a virement of £122,000 from the contingency, to be used to carry out the additional work at Drayton Court in 2010/11. This would still leave a balance of £227,110 in the contingency for any unforeseen costs at the end of the decent homes contract. The existing provision of £20,350 included for fire doors in 2011/12 would then no longer be needed, so a reduction of this amount would be needed in the 2011/12 programme.

7 General Fund Schemes

- 7.1 In the General Fund, some invoices are expected later in the year such as the Warwickshire Direct Partnership and the Home Improvement Agency whilst some projects are scheduled to start shortly such as the electrical works to the Council House and other council owned buildings.
- 7.2 Works are underway on schemes to replace the leisure booking system, the Electronic Documents and Record Management Systems (EDRMS) and the IT Exchange Upgrade, along with the implementation of ground source heating at Hill Top in Arley.
- 7.3 However, some projects will not get underway until further reviews are undertaken. This is the case with the replacement of the Borough Care system, the new telephone and switch gear projects and the Arcade improvements.
- 7.4 Further detail is provided in the Appendix and as the year progresses, reports brought to this board will provide an update on these schemes.

8 Schemes already started in October 2010

- 8.1 Those schemes that were planned to start by the end of October 2010 total £4,757,440 (82.7% of the 2010/11 Capital programme) and are shown in Appendix B. The expenditure expected to date was £2,326,128, but actual spend or committed expenditure was £2,076,832; an under spend of £249,296.
- 8.2 Several work streams are underway in housing; the initial Lovells contract for Decent Home Standard work is coming to an end with the final kitchens, windows and asbestos work now being completed. Roofing work has been undertaken on a Community Centre at Hudson Avenue, Coleshill and the purchase of 3a Church Walk, Mancetter has been completed.
- 8.3 The development of former garage sites where the Council is building 25 new Council houses is also underway with work being undertaken by Frank Haslam Milan, the nominated contractor. Although there is currently an under spend on this project it is expected that as work progresses this will reduce. In addition, some new fencing has been erected around the borough which has been funded from the External Works budget.

- 8.4 In terms of General Fund schemes, 2 new play areas have been installed at Ridge Lane and Baddesley. Although there is no budget for these works, funding has been received from the Play Builder Scheme to cover the costs. The leisure equipment budget has also exceeded its original budget with the complete refurbishment of the gym equipment at Atherstone Leisure Complex. This work has been well received by users of the gym and is to be funded from the Leisure Equipment Replacement reserve which has been built up over the last few years.
- 8.5 There have been 14 decent homes improvements to private sector houses in the Borough. The current under spend on this programme relates to cases that were put on hold until the West Midlands Kick Start programme for improvements was launched in early November. There have been disabled facility adaptations to 36 homes in the private sector. However a number of schemes earmarked for funding have failed to take off which has left an increased balance of funding for any new cases.
- 8.6 Other works completed to date is the purchase of the final year of the Microsoft licence upgrade, and the Memorial Hall Car Park Wall where works were completed below budget by £16,400 following further analysis of the works required.

9 Report Implications

9.1 Finance and Value for Money Implications

- 9.1.1 Of the total capital programme, schemes to the value of £993,520 were not started by October 2010. Of the remaining £4,757,440 capital programme, £2,326,128 was profiled to be spent and £2,076,832 has actually been spent or committed, leaving an under spend of £249,296 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

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 Equalities Implications

9.5.1 The Council is required to ensure that as far as it is reasonably practicable, it has taken appropriate steps to ensure compliance with the provisions of the DDA. Failure to do so 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 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

Capital Schemes not yet started by the end of October 2010

Appendix A

Expenditure Proposals	2010/11 Original Budget	2009-10 slippage	2010-11 Approved Budget	Comments
HRA Assets				
Garage refurbishments	40,000		40,000	Programme of works to be established
Lovells Contingency	349,110		349,110	Not required to date
Coleshill Shops	20,000		20,000	Obtaining quotes for specialist stone mason works
HRA TOTAL	409,110	-	409,110	
GENERAL FUND Assets				
The Council House Electrical Installation	30,000		30,000	Works are to be undertaken during November
Other Council Electrical Installations	15,000		15,000	Works will be carried out later in the year
WDP	10,000		10,000	
Improve Arcade	193,000		193,000	Further analysis of the viability of retaining the Arcade and future usage options to be carried out before this expenditure is to be incurred
IT Exchange upgrade	30,000		30,000	Works are planned to be undertaken in December
Leisure Book System Replacement	50,000		50,000	Work is under way to assess the options available and quotes are being obtained.
New Telephone System	65,000		65,000	This work is tied in to the accommodation project and will be progressed alongside these other works
EDRMS	11,000	-2,400	8,600	Works will be carried out later in the year
New Switch Gear	55,000		55,000	This work is tied in to the accommodation project and will be progressed alongside these other works
Tenants Removal Expenses	20,000	-5,350	14,650	This scheme is now completed and this budget will not be required
Ground Source Heating	50,000	1,560	51,560	Works will be carried out later in the year
Home Improvement Agency	11,600		11,600	Expect invoice at the end of the year
Borough Care System Replace	50,000		50,000	A review is currently underway to determine the requirements of the Borough Care service
Total	999,710	(6,190)	993,520	

Capital Schemes started by the end of October 2010

Expenditure Proposals	2010/11 Original Budget	2009-10 slippage	2010-11 Approved Budget	Profiled Budget	Committed as at end Oct 2010	Actuals as at end Oct 2010	TOTAL as at end Oct 2010	Variance to profiled budget
HRA Assets								
Electrics	224,000		224,000	32,000		31,411	31,411	(589)
Kitchens/Bathrooms	119,410		119,410	24,000		23,706	23,706	(294)
Windows and Doors		40,000	40,000	40,000		43,312	43,312	3,312
Heating	142,520		142,520	34,000		33,199	33,199	(801)
Aerials		4,950	4,950	2,888		2,839	2,839	(49)
External Works	38,000		38,000	22,167		9,554	9,554	(12,613)
Housing Staffing	170,000		170,000	99,167		95,311	95,311	(3,856)
Disabled Facility Adaptations (C/H)	175,000		175,000	102,083		70,103	70,103	(31,980)
Community Centres	125,000		125,000	25,000		24,360	24,360	(640)
Picadilly		2,500	2,500	2,500		2,540	2,540	40
Roofing	140,000		140,000	8,500		8,424	8,424	(76)
Asbestos		9,000	9,000	9,000		17,395	17,395	8,395
Prelims		6,000	6,000	6,000		5,430	5,430	(570)
Profit and Overheads	48,280	3,760	52,040	7,000		6,881	6,881	(119)
Purchase of 3a Church Walk, Mancetter		57,000	57,000	57,000		57,000	57,000	-
New Build Housing Project	2,222,120		2,222,120	1,234,697		1,183,110	1,183,110	(51,587)
Chimney Stacks				-		3,863	3,863	3,863
HRA TOTAL	3,180,330	123,210	3,527,540	1,706,003	-	1,618,438	1,618,438	(87,565)
GENERAL FUND Assets								
DDA	204,220		204,220	2,975		2,975	2,975	-
Renewal of Play Areas	8,390		8,390	-		101,530	101,530	101,530
Renewal of Play Areas Play Builder Funding				-		(95,489)	(95,489)	(95,489)
Leisure Equipment	20,000		20,000	11,667	4,051	119,906	123,957	112,290
Leisure Equipment Funding						(112,435)	(112,435)	(112,435)
Mem Hall Carpark Wall	20,000		20,000	20,000		3,600	3,600	(16,400)
Accommodation Project		13,590	13,590	5,000		5,335	5,335	335
ICT Infrastructure Development	20,000		20,000	11,667		2,456	2,456	(9,211)
ICT hardware & software purchase	40,000		40,000	36,000	7,373	28,848	36,221	221
Operating System Upgrade		6,080	6,080	6,080	3,628	5,568	9,196	3,116
Capital Salaries Management	54,000		54,000	31,500		31,885	31,885	385
Temporary DHS Project Officer	27,000	3,210	30,210	17,623		16,928	16,928	(695)
Decent Homes (Private Sector)	229,900	-8,280	221,620	129,278		43,395	43,395	(85,883)
Home Saftey Check Scheme	7,500		7,500	7,500		7,211	7,211	(289)
Disabled Facilities Grants-Private Sector	442,000	124,290	566,290	330,336		270,130	270,130	(60,206)
Capital Life Lines	12,000	6,000	18,000	10,500		11,499	11,499	999
Total	4,265,340	268,100	4,757,440	2,326,128	15,052	2,061,780	2,076,832	(249,296)

Agenda Item No 8

Resources Board

22 November 2010

Report of the Assistant Director (Finance and Human Resources)

The Draft Housing Revenue Account Subsidy Determination 2011/12

1 Summary

- 1.1 This report highlights the main changes proposed within the draft Housing Revenue Account Subsidy Determination 2011/12.

Recommendation to the Board

- a That the report is noted; and
- b That a response is sent to the CLG in line with the points made in paragraph 8.1.

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Portfolio Holders and Shadow Portfolio Holders for Resources and Housing have been informally consulted regarding this report.

3 Introduction

- 3.1 A national Housing Subsidy system is used to distribute resources between local authorities who maintain a housing stock. Each year the government notifies local authorities of amendments to the distribution system through a Subsidy Determination. The draft Subsidy Determination for 2011/12 has recently been issued for consultation.

4 Method of Calculation for Subsidy

- 4.1 The calculation for subsidy purposes will result in either a positive figure, with the authority receiving income, or a negative figure, with the Authority having to pay a notional surplus over to the Department for Communities and Local Government (CLG). The calculation includes:

	Management Allowance
Plus	Maintenance Allowance
Plus	Major Repairs Allowance
Plus	Capital Financing
Less	Interest on Mortgages
Less	Rents
Equals	Subsidy receivable / Surplus payable

5 Changes in the 2011/12 Draft Determination

- 5.1 The general methodology contained in the draft determination is unchanged from that used for the current 2010/11 year. Changes for 2011/12 generally relate to inflationary increases.
- 5.2 The following increases have been proposed for expenditure within the subsidy calculation:
- The **management allowance** of £458.62 has been increased by 0.88% to £462.65 per property
 - The **maintenance allowance** of £999.34 per property remains unchanged
 - The **Major Repairs allowance** of £627.04 has been increased by 1.8% to £638.29 per property
- 5.3 In 2010/11 the Council received subsidy to support an additional £400,000 of borrowing. The draft determination states that as in previous years the value of supported borrowing for the year of the determination (2011-2012) is not yet available and so for the purposes of the draft, the HRA supported capital expenditure level for 2010-2011 has been used for 2011-2012. However the current figures for North Warwickshire include no supported borrowing for 2011/12, so this has been queried.
- 5.4 Existing government rent policy is to establish the local authority guideline rent increase by applying RPI inflation at the previous September, together with a convergence factor to reflect the number of years to rental convergence with the housing association sector. September 2010 RPI inflation was 4.6% and this has been used to calculate guideline rents, along with an additional 0.5% and assumed convergence of rents by 2015/16. This produces an average rent increase of 6.8% nationally for calculating subsidy entitlement.
- 5.5 When authorities calculate actual rent increases, they must take account of limits imposed by the government, which require individual rents to rise by no more than inflation plus 0.5% plus £2 per week. The impact of applying government policy on rents for North Warwickshire results in an average increase of 8.1%. This is higher than the average national increase of 6.8%, as actual rents are a lower starting point due to the caps and limits previously applied.
- 5.6 The use of caps and limits have been retained for 2011/12, and mean that the actual rents North Warwickshire can charge to tenants are lower than the target rents used in the subsidy calculation. The lost rent is compensated for through an adjustment in the following year. The 2011/12 rent figures include an adjustment for the income lost in 2010/11.

6 Summary Changes in Housing Subsidy

- 6.1 The impact of the changes set out in the draft determination for 2011/12 are given in the table below, together with the 2010/11 figures.

	Subsidy Determination 2010/11 £	Draft Determination 2011/12 £	Variance £
Management	1,266,708	1,260,259	(6,450)
Maintenance	2,760,177	2,722,202	(37,975)
Major Repairs Allowance	1,731,884	1,738,702	6,818
Capital Charges	134,220	94,652	(39,568)
Mortgages	(484)	(384)	100
Rents	(9,225,695)	(9,586,460)	360,765
Surplus Payable to CLG	3,333,189	3,770,811	437,622

7 Consultation

- 7.1 CLG has received some representations from local authorities raising concerns about the impact of credit arrangements, and in particular finance leases, on authorities borrowing requirements and on the calculation of the consolidated rate of interest. The Department are therefore asking for feedback from authorities on the potential impact of this, particularly given the changes to the way we have to account for leases under International Financial Reporting Standards.
- 7.2 Any comments on credit arrangements or any other areas authorities wish to raise, need to be with the CLG by 16 December 2010, when the consultation period ends.

8 Proposed Response

- 8.1 There are a few areas which Members may wish to comment on. These include:
- A study carried out nationally, in relation to the self financing model recently reported to Members, highlighted the need for additional resources for Major Repairs as they were underfunded by 24%. Additionally it was identified that expenditure on management and maintenance was underfunded by 5%. The proposed increases on management and maintenance and major repairs take no account of this.
 - Local rent increases of 8.1% in the current economic climate will place an additional burden on tenants. A lower increase would be more acceptable, particularly as tenants will see no increase in the spending on their homes.
 - The impact of credit arrangements and the introduction of International Financial reporting on capital charges.

9 Report Implications

9.1 Finance and Value for Money Implications

- 9.1.1 In looking at the expected position of the HRA over the medium term, a forecast of the financial position expected in 2011/12 was made in February 2010. This included an estimate of the surplus payable to the CLG, which amounted to £3,873,676.
- 9.1.2 If the draft determination is ratified, North Warwickshire will be required to pay a surplus of £3,770,811 to the CLG, giving an improvement of £102,646 compared to the projection for 2011/12.

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
The Draft Housing Revenue Account Subsidy Determination and the Draft Item 8 Credit and Item 8 Debit (General) Determinations 2011/12	CLG	Consultation Paper	05/11/10

Agenda Item No 9

Resources Board

22 November 2010

Report of the
Deputy Chief Executive

Treasury Management Strategy
Statement & Annual Investment
Strategy- Mid-Year Review Report
2010/11

1 Summary

- 1.1 This report shows the Treasury Management activity during the first six months of 2010/11

Recommendation to the Board

That the Treasury Management Mid-Year Review Report be noted.

2 Report

- 2.1 CIPFA issued the revised Code of Practice for Treasury Management in November 2009. This 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, and covers the following:-
- An economic update for the first six months of 2010/11
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy
 - A review of the Council's investment portfolio for 2010/11
 - A review of the Council's borrowing strategy for 2010/11
 - A review of compliance with Treasury and Prudential Limits for 2010/11.

3 Economic Forecast

- 3.1 The Council's Treasury Management advisors, Sector, provide the following forecast:-
- It is currently difficult to have confidence as to how strong the UK economic recovery is likely to be, and there are a range of views in the market. Sector has adopted a moderate view. There are huge uncertainties in all forecasts due to the major difficulties of forecasting the following areas:
 - The speed of recovery in the US and EU
 - The degree to which government austerity programmes will dampen economic growth
 - The speed of rebalancing the UK economy towards exporting and substituting imports
 - Changes in the consumer savings ratio

- The potential for more quantitative easing, and the timing of this in both the UK and US
- The speed of the banks' profitability and balance sheet imbalances
- The potential for a major EU sovereign debt crisis which could have a significant impact on financial markets and the global and UK economy
- The balance of risk is weighted to the downside
- There is still some risk of a "double dip" recession
- Interest rate forecast

	Bank rate Forecast	5 year PWLB rate	10 year PWLB rate	25 year PWLB rate	50 year PWLB rate
NOW	0.50%	2.71%	4.06%	5.03%	5.08%
Dec 2010	0.50%	3.05	4.95%	5.15%	4.95%
March 2011	0.50%	3.05	5.05%	5.15%	5.05%
June 2011	0.50%	3.25	5.05%	5.25%	5.05%
Sept 2011	0.75%	3.45	5.15%	5.35%	5.15%
Dec 2011	1.00%	3.65	5.25%	5.35%	5.25%
March 2012	1.25%	3.85	5.45%	5.55%	5.45%
June 2012	1.5%	4.15	5.45%	5.55%	5.45%
Sept 2012	2.00%	4.45	5.55%	5.65%	5.55%
Dec 2012	2.50%	4.65	5.55%	5.65%	5.55%
March 2013	3.00%	4.95	5.55%	5.65%	5.55%
June 2013	3.25%	5.25	5.55%	5.65%	5.55%

4 Treasury Management Strategy Statement and Annual Investment Strategy update

4.1 Treasury Management Strategy Statement (TMSS) for 2010/11 was approved by Resources Board on 2 February 2010. The Council's Annual Investment Strategy, which is incorporated into the TMSS, outlines the Council's investment priorities as follows:

- Security of Capital
- Liquidity

4.2 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 to keep investments short term, and only invest with highly credit rated financial institutions, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Sector.

4.3 Officers can confirm that the approved limits within our Annual Investment Strategy were not breached during the first half of 2010/11. Investment rates are still at an historic low point, illustrated by the amount of interest earned to the end of quarter 2, £66,246 (Budgeted interest £50,411) compared to the same period last year £132,450. The average interest rate on investments for this period was 1.69% compared to the benchmark of the 7day LIBID rate of 0.42%. The average investment made was £745,000, and the average total investments held during this period were £8.4 million. A full list of investments held as at 30th September 2010 is shown at Appendix A.

...

5 **Borrowing**

5.1 The Council's Capital Financing Requirement (CFR) for 2010/11 increased to £9.978 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). Because we have a number of capital and revenue reserves which have not yet been used, we have used these temporarily to finance our capital spending rather borrowing externally. These reserves amounted to £10.3 million at the beginning of the year. Approximately £200,000 of these reserves has been used so far this year.

5.2 It is anticipated that borrowing from the PWLB will take place this year. Rates have risen slightly following the Comprehensive Spending Review. The Deputy Chief Executive will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions made at the next available opportunity.

... 5.3 The Council has borrowed funds short term on 5 occasions to fund a shortfall in cash flow. Details of these borrowings are shown at Appendix B.

6 **Prudential Indicators**

6.1 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Prudential Indicators (affordability limits) are outlined in the approved TMSS. Officers can confirm that the Prudential Indicators were not breached during the first half of 2010/11.

7 **Report Implications**

7.1 **Finance and Value for Money Implications**

7.1.1 During the first six months of 2010/11, interest earned on investments was £66,246 and interest paid on borrowings was £1,033.

7.2 **Environment and Sustainability Implications**

7.2.1 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.

7.3 Risk Management Implications

Establishing the credit quality of counter-parties reduces the risk of investments. In making any investment decision, whether it is for an overnight investment or for a period longer than one year, the risk attached is always taken into account.

The Contact Officer for this report is Jackie Marshall (719379).

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

Treasury Management Strategy Statement and Annual Investment Strategy Mid Year Review 2010/11

Investments held as at 30 September 2010

Borrowing Institution	Amount £	Date of Investment	Maturity Date	Rate %	Days interest due	Interest Due
Barclays Bank	1,000,000	03/08/2009	01/08/2011	5.82	728	116,081.10
Barclays Bank	1,000,000	06/09/2010	07/03/2011	1.00	182	4986.30
Clydesdale	1,000,000	07/06/2010	07/03/2011	1.15	273	8601.37
Santander	500,000	06/09/2010	18/03/2011	1.33	193	3516.30
Clydesdale	1,000,000	15/06/2010	16/05/2011	1.20	335	11,013.70
Bank of Scotland call						3,902.28
Alliance & Leicester call						1,811.73
Royal Bank of Scotland MMF	449,000	various	call	*		
Lloyds TSB	2,000,000	16/07/2010	18/07/2011	2.00	367	40219.18
Prime Rate MMF (Bank of New York Mellon)	2,000.000	various	call	**		

- Rate varies on a daily basis, currently 0.82%
- Rate varies on a daily basis, currently 0.52%

Treasury Management Strategy Statement and Annual Investment Strategy Mid Year Review 2010/11

Temporary loans for period 1 April 2010 to 30 September 2010

Lending Authority	Amount £	Interest Rate %	Date Borrowed	Maturity Date	Days interest Due	Interest Due £
Progressive Building Society	2,000,245.48	0.35	01/03/2010	06/04/2010	36	690.50
Wakefield BC	1,000,000	0.43	23/07/2010	30/07/2010	7	82.47
Leicester City Council	1,000,000	0.29	14/09/2010	24/09/2010	10	79.45
Rhondda Cynon Taff	2,000,000	0.28	22/09/2010	30/09/2010	8	122.74
Rhondda Cynon Taff	1,000,000	0.3	24/09/2010	01/10/2010	7	57.53

Agenda Item No 10

Resources Board

22 November 2010

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

**Budgetary Control Report 2010/11
Period Ended 31 October 2010**

1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2010 to 31 October 2010. The 2010/11 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 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 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Both Councillors' Bowden and Butcher have been consulted regarding this report. Any comments received will be reported verbally to the Board.

3 Report

3.1 Introduction

- 3.1.1 Under the Best Value Accounting Code of Practice (BVACOP), 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 Board as at 31 October 2010 is £2,128,288, compared with a profiled budgetary position of £2,403,392; an under-spend of £275,104 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. 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 Spend relating to members expenses is approximately £22,088 under budget at this stage. One of the main reasons for this is that the budget assumes inflation of 1.5% on members allowances and actual increases are not expected, although this has yet to be determined. The remaining variations relate to member training which has yet to take place and telephone charges and transport costs which are lower than anticipated.

4.3 Non Domestic rates and Council Tax Collection

4.3.1 There are underspends within legal costs and bailiffs due in part to legal costs now only being paid where cases are lost. If cases are won then costs are reclaimed from the other party. We are also recovering higher levels of legal costs than expected on these budgets.

4.4 Corporate and Democratic Core

4.4.1 There is a rebate relating to audit fees of £7,061. This rebate is a contribution to the estimated 6% rise in audit fees as a result of the implementation of IFRS. No invoices for audit fees have been paid to date to Price Waterhouse Coopers LLP.

4.5 Public Conveniences

4.5.1 The budget had assumed replacement of the facilities at Polesworth in the early part of this year. The budget includes demolition costs and a full year lease rental of a new convenience. Replacement is now expected in late 2010 or early 2011 so there will only be a part year lease cost in the current year.

4.6 Customer Contact

4.6.1 The underspend relates to the non use of the agency staffing budget to date.

4.7 Rent Allowances and Rent Rebates

4.7.1 The variance within these budgets relates to increases in the recovery of Housing Benefits overpayments.

4.8 Concessionary Fares

4.8.1 Built into the budget is provision for possible payments relating to previous years. There is an ongoing discussion with travel companies at the moment and the likely outcome is that there will be a sizeable under-spend on this budget in 2010/11.

4.9 Car Parks

4.9.1 Non Domestic Rates payable on car parks is £5,897 above budget. Budget provision for one car park had not been included in the original estimate.

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 2010, is £102,944, compared with a profiled budgetary position of £323,090; an under-spend of £220,146 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 2010/11 assumed that there would be salary vacancy savings 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 main vacancies occur within Commercial Enforcement and Licensing, Housing Direct Works (HRA), and Internal Audit. There are also underspends arising from the recent restructuring of senior management. Previously vacant posts within Leisure Centres, Financial Services and Human Resources have recently been filled. A summary of the position contributing to the central vacancy factor is shown below:

	Total £
Current agency staff variance	1,654
Current salaries underspend (less pay award - see 5.2.4)	(110,157)
TOTAL	(108,503)

5.2.3 Other significant variances include under-spends on vehicle repair materials, franking costs, the maintenance of Council Offices and utility costs and contingencies. The only significant over-spends currently relate to an increase in Non Domestic Rates payable on the Council offices and transport fuel costs.

5.2.4 In addition to the variances identified above there is £58,177 relating to there being a zero pay award in the current year.

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, and these are highlighted below.

7.2 A change in rental income at industrial estates through changes to vacancy levels. Overall income is currently at budgeted levels although it should be noted that the budget assumed a high number of vacant units, especially at Innage Park.

7.3 The costs of managing absence, for example occupational health costs and cover by agency staff. Occupational health costs are currently running below the profiled budget provision whilst agency staff is over budget but in all cases covered by salary underspends in the relevant departments.

7.4 Changes to economic circumstances that require increases in the Authority's contribution levels to the pension scheme, which are above previous forecasts. Ongoing turmoil in financial markets may impact on this but it is far too early for an impact to be quantified.

- 7.5 Increasing costs of maintaining mechanical equipment within the Council offices. As core mechanical elements of the building, such as the lift or the automatic entrance doors, continue to age, the likelihood of breakdown increases. At the moment expenditure is at or below budget in most areas.
- 7.6 The possible need to 'buy in' professional services to cover some work that cannot be met by the current staffing levels. However, it is likely that any such costs would be met from the salary under-spend within the relevant division.
- 7.7 The assumption has been made that the purchase of new refuse vehicles will result in lower repairs costs. The vehicle repairs budget includes provision for a reasonable level of wear and tear but any excess damages would put a strain on this budget.
- 7.8 Potential increases in vehicle fuel and utilities such as gas and electricity. Over the last 12 months there appears to have been some stability in vehicle fuel prices although price increases may well be seen in the future. Significant changes to the price of vehicle fuel will be monitored and reported should they occur. Regarding utility costs, this Authority has recently renegotiated many of its gas and electricity tariffs which have resulted in reduced bills, again, any changes will be reported back together with any likely impact on the financial position.
- 7.9 The increase in numbers of claimants for benefits could increase the council's costs. Whilst most of the costs are covered by Subsidy, approximately 98%, the council would still have to find the balance.

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 2010/11 is £4,093,760 as detailed in the table below: -

	£
Approved budget 2010/2011	4,444,130
Increase in Non Domestic Rates for Council Offices and Car Parks	8,350
Zero pay award for Members 2010/11	(3,450)
Saving on lease payment re Polesworth Public Conveniences	(16,370)
Greater recovery of Benefit Overpayments	(71,000)
Potential reduction in concessionary fare payments	(74,000)
2011/12 savings found early	(94,000)
Zero pay award for 2010/2011	(99,900)
Expected Out-turn 2010/11	4,093,760

9 Report Implications

9.1 Finance and Value for Money Implications

9.1.1 The Council's budgeted contribution to General Fund balances for the 2010/2011 financial year is £17,310. The expected net reduction in this Board's Expenditure is £350,370. This will contribute to the overall reduction in the use of balances detailed in another report on this agenda. 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 2010/11 as at 31 October 2010

Code	Description	Original Budget 2010/2011	Profiled Budget to Oct 2010	Actual to end Oct 2010	Variance to Date	Comments
3000	Democratic Process	771,460	450,058	427,970	(22,088)	Paragraph 4.2
3001	Election Expenses	24,320	13,994	14,075	81	
3002	Register of Electors	47,890	29,940	27,390	(2,550)	
3003	Non Domestic Rates	39,030	84,595	78,620	(5,975)	Paragraph 4.3
3004	Council Tax Collection	242,880	132,125	110,391	(21,734)	Paragraph 4.3
3049	Investors in People	14,460	7,309	7,308	(1)	
3050	Finance Miscellaneous	830	467	3,604	3,137	
3051	Compensation & Pension	117,320	56,115	52,843	(3,272)	
3053	Minor Works	5,510	508	508	-	
3054	Electricity at Work	25,610	7,111	5,480	(1,631)	
3057	Best Value and Gershon	60,330	33,828	33,828	-	
3059	Finance Unused Land	470	274	274	-	
3060	Corporate and Democratic Core	834,910	398,944	394,545	(4,399)	Paragraph 4.4
3061	Unallocated Central Support Services	202,220	55,789	55,815	26	
3062	External Funding Consultants	4,410	2,573	5,002	2,429	
3065	Coleshill Shops and Flats	(63,160)	(34,330)	(33,235)	1,095	
3066	The Arcade	1,840	(5,950)	(3,645)	2,305	
3067	The Pavilions, Holly Lane	(58,150)	(37,183)	(39,139)	(1,956)	
3068	Carlyon Road Industrial Estate	(109,600)	(74,122)	(75,409)	(1,287)	
3069	Innage Park Industrial Estate	59,320	53,629	53,949	320	
3070	Polesworth Workspace Units	(3,700)	(3,886)	(4,214)	(328)	
3079	The Bear and Ragged Staff	(12,260)	(6,899)	(6,500)	399	
3080	Football Stadium	390	227	220	(7)	
3084	Homeless Persons	64,080	37,169	35,171	(1,998)	
3089	Public Conveniences	106,450	58,971	53,955	(5,016)	Paragraph 4.5
3090	Fillongley Kitchens	1,590	773	963	190	
3094	Customer Contact	160,450	80,509	67,300	(13,209)	Paragraph 4.6
3097	Rent Allowances	152,140	86,967	(5,149)	(92,116)	Paragraph 4.7
3098	Rent Rebates	86,140	48,493	32,383	(16,110)	Paragraph 4.7
3099	Concessionary Fares	462,240	276,856	182,825	(94,031)	Paragraph 4.8
3100	Non Domestic Rates Discretionary Relief	24,190	1,190	1,190	-	
3101	Council Tax Benefits	149,300	67,663	66,499	(1,164)	
3102	Car Parks	52,830	40,038	46,017	5,979	Paragraph 4.9
3106	Business Improvement District	1,010	589	589	-	
3109	Environmental Sustainability	3,560	2,077	2,077	-	
5008	Private Sector Housing Assistance	207,590	38,646	38,675	29	
5035	CCTV	111,060	58,860	59,935	1,075	
5036	Community Support	559,820	302,540	299,243	(3,297)	
7360	North Warwickshire Leader (External)	18,400	10,733	10,733	-	
7750	Narrowing the Gap (External)	-	-	-	-	
7760	Branch Out Bus (External)	15,640	(5,619)	(5,619)	-	
7800	North Arden Heritage Trail (External)	14,840	131,821	131,821	-	
	TOTALS	4,397,660	2,403,392	2,128,288	(275,104)	

APPENDIX B

North Warwickshire Borough Council
RESOURCES BOARD (RECHARGED)
Budgetary Control Report 2010/11 as at 31 August 2010

Description	Original Budget 2009/2010	Profiled Budget to Oct 2010	Actual to end Oct 2010	Variance to Date	Comments
Council Offices	-	35,286	35,726	440	
Central Telephones	-	(5,437)	(5,172)	265	
Recruitment	-	-	(31)	(31)	
Printing and Copying	-	(7,515)	(7,969)	(454)	
Depot and Stores	-	4,441	6,607	2,166	
Postage and Franking	-	440	(1,041)	(1,481)	
Chief Executive Directorate	7,890	59,340	11,290	(48,050)	Paragraph 5.2
Deputy Chief Executive	11,340	140,643	(26,534)	(167,177)	Paragraph 5.2
Corporate Services	12,420	142,559	90,906	(51,653)	Paragraph 5.2
Transport	-	-	(838)	(838)	
TOTALS	31,650	369,757	102,944	(266,813)	
Central Vacancy Factor	(80,000)	(46,667)	-	46,667	
TOTALS	(48,350)	323,090	102,944	(220,146)	

Appendix C

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	£0.96	£0.60	£0.55
Non Domestic Rates			
% of NDR Collection Rate	99.50%	58.04%	69.39%
Cost Per NDR Property	£18.59	£40.28	£36.79
Council Tax Collection			
% of Council Tax Collection Tax	98.50%	57.46%	68.42%
Cost Per Household	£9.18	£5.11	£4.12
Coleshill Shops and Flats			
Occupancy Rate	100%	100%	100%
Annual Income Per Shop	£8,540	£4,929	£5,121
The Arcade			
Occupancy Rate	33%	33%	36%
Annual Income Per Unit	£1,402	£1,352	£1,225
The Pavilions			
Occupancy Rate	88%	88%	100%
Annual Income Per Unit	£8,803	£5,068	£5,431
Carlyon Road Industrial Estate			
Occupancy Rate	100%	100%	88%
Annual Income Per Unit	£14,571	£8,500	£9,418
Innage Park Industrial Estate			
Occupancy Rate	51%	51%	49%
Annual Income Per Unit	£3,041	£1,774	£1,641
Polesworth Workspaces			
Occupancy Rate	100%	100%	100%
Annual Income Per Unit	£1,468	£829	£912
Rent Allowances			
Rent Allowances Per Claimant	£4,047.33	£2,360.95	£2,567.88
Cost Per Claimant	£87.49	£50.01	-£3.07
Rent Rebates			
Rent Rebates Per Claimant	£3,541.92	£2,066.12	£1,973.26
Cost Per Claimant	£54.01	£30.40	£19.61
Council Tax Benefits			
Council Tax Benefits Per Claimant	£917.20	£907.11	£885.03
Cost Per Claimant	£29.47	£13.36	£12.68

Agenda Item No 11

Resources Board

22 November 2010

Report of the Assistant Director (Finance and Human Resources)

Consolidated Budgetary Control Report 2010/11 - Period Ended 31 October 2010

1 Summary

- 1.1 The report covers total Council General Fund revenue expenditure and income for the period from 1 April 2010 to 31 October 2010.

Recommendation to the 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 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Both Councillor Bowden and Councillor Butcher have been consulted regarding this report. Any comments received will be reported verbally to the Board.

3 Board Report

3.1 Overall Position

- 3.1.1 The actual level of Board expenditure for the period to 31 October 2010 is £5,933,470 compared with a profiled budgetary position of £6,532,754; an under-spend of £599,284 for the period. Appendix A provides an analysis of Board expenditure and the overall position for the Council for this period.

...

- 3.1.2 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 £5,416,835, compared with a profiled position of £6,043,261, resulting in an under-spend for the period of £626,426.

3.1.3 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 below:

4 **Board Expenditure**

4.1 **Executive Board** – Grant of £8,418 has been received from the government to cover new burdens set out in the Habitat Regulation Assessments and Climate Change Policy Statement. The grant was awarded after the budget had been set.

4.2 **Planning and Development Board** - Income on Development Control is ahead of target by £6,239. In addition there is a reduction in professional services of £5,490 and postage of £3,659.

4.3 **Community and Environment Board** – There are currently under-spends on employee related expenditure for Leisure Centres, Grounds Maintenance and Amenity Cleaning due to staff vacancies and lower than anticipated cover for holiday and sickness at this stage in the year. This is partially offset by increased employee costs within Recycling and Refuse DSO's. Spend that had been earmarked for the Playbuilders Scheme has been put on hold due to the recent government review on the scheme. There are general under-spends on grants within Rural Regeneration. Income from Trade Waste is below budget, as most of this income is received at the beginning of the year and is likely to remain the position for the rest of the year.

4.4 **Resources Board**

4.4.1 **Recharged to Services** – The non payment of the pay award accounts for an £58,177 under-spend, whilst there are a number of posts that have become vacant since the budget was set and are now unfilled. Some of these posts have also been frozen. There are also notable under-spends against vehicle repairs, franking costs, the maintenance of Council Offices and utility costs and contingencies. Set against this there are increases in Non Domestic Rates payable on council offices and transport fuel costs.

4.4.2 **Remaining** – The Concessionary Fares budget had built into it an amount to cover possible claims by travel companies for prior year travel costs. It now looks unlikely that this budget will be called upon. The recovery of Housing Benefit overpayments is higher than expected and additional legal costs have been recovered on National Non Domestic rates and Council Tax Collection budgets. There is an under spend on members expenses, transport costs and training, a saving due to the delay in replacement of the public conveniences in Polesworth and no annual increase in the lease payment on phase 2 of Innage Park as expected when the budget was set. In addition within Corporate and Democratic Core there is a rebate of £7,060 relating to audit fees. This is a contribution towards the additional audit costs of implementing IFRS. These have been offset by an increase in Non Domestic Rates charged against Car Parks due to the omission of budget for one car park.

4.5 **Investment Income** – There has been a higher return of investment interest than expected to date due to higher levels of investments held.

4.6 **Financing Adjustments** - The interest payable to the Housing Revenue Account from investing the Housing Revenue Account and Repairs Fund balances is lower than expected due to lower levels of balances and reducing interest rates.

5 **Risks to the Budget**

5.1 In setting the budget in February 2010, a number of key risks to the overall budgetary position of the Council are highlighted below: -

- Changes to the expected cash flow of the Authority, leading to an increase or decrease in investment income.
- A vacancy factor of £80,000 has been included within the overall estimate. The current vacancy factor is above the profiled budget.
- A reduction in expected income will increase the costs to the Council. Currently Planning Control Fees and Leisure Centres (overall) are below budget. This is something that needs monitoring to determine whether this is a temporary downturn or something more permanent.
- Council expenditure on housing benefit is significant, although the majority is recouped through grant. A dip in performance in this area could reduce the grant able to be reclaimed, also the level of recovery of overpayments. Costs in this area are increasing and will be closely monitored.
- 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.
- Income related to economic activity within the Borough is an area that may cause some concern. Budgets that may be affected include Trade Refuse, Cesspool Emptying, Licensing, Industrial Units and Leisure Facilities. A reduction of just 1% in the collection of income from fees and charges increases the costs of the Council by £19,280.
- In addition to reduction in Industrial Units income, the NDR exempt period on vacant commercial properties is only a temporary measure, so any prolonged vacancies will impact directly on the Council's costs.
- The economic situation could also impact on other Council services such as Homelessness, with increased demand leading to additional expenditure.
- The Council is promoting recycling activities across the Borough. If take up increases significantly, this could add to the costs of the service.

- Limited budgetary provision is available for one off spending on areas such as public enquiries on planning, unadopted roads and contaminated land issues.
- In addition to these, the Borough may be affected by decisions taken to cease or reduce some service specific grants from central government in light of the need to cut public sector spending. The Housing and Planning Delivery Grant (HPDG) expected will no longer be received and this will need to be reflected in the budgets of the authority. Swimming grant ceased from the end of July, however it is hoped that the reinstatement of charging will cover this loss of income.

6 Estimated Out-turn

- 6.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position for the General Fund net expenditure. The anticipated out-turn for 2010/11 is £9,694,450 as detailed in the table below: -

	£
Approved budget 2010/2011	9,932,420
Increase in Non Domestic Rates for Council Offices and Car Parks	8,350
Loss of Income - Trade Refuse	9,500
Loss of Income - Planning Fees	25,000
Increase in Minimum Revenue Provision	25,000
Provision for West Midlands Leader Organisation costs	60,000
Loss of Housing Planning Delivery Grant	61,000
Zero pay award for Members 2010/11	(3,450)
Saving on lease payment re Polesworth Public Conveniences	(16,370)
Additional Investment Income	(30,000)
Greater recovery of Benefit Overpayments	(71,000)
Potential reduction in concessionary fare payments	(74,000)
2011/12 savings found early	(107,000)
Possible saving if a 0% pay award occurs (this has not been accepted by the unions)	(125,000)
Expected Out-turn 2010/11	9,694,450

- 6.2 The figures provided above are based on information available at this time of the year and are the best available estimates of net expenditure, and may change as the financial year progresses. Members will be updated in future reports of any changes to the forecast out turn.

7 Report Implications

7.1 Finance and Value for Money Implications

- 7.1.1 The Council's budgeted contribution to General Fund balances for the 2010/2011 financial year is £17,310. As can be seen above, a reduction in net expenditure of £237,970 is expected to date. The position will continue to be monitored closely and reported to Members at a future meeting of this Board.

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

7.2 Environment and Sustainability Implications

7.2.1 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

Consolidated Budgetary Position for the Period 31 October 2010

Board	2010/11 Original Budget	Expected Spending October	Actual Spending October	Variance
Executive	503,130	304,033	293,547	(10,486)
Planning and Development	496,670	313,622	294,524	(19,098)
Licensing Committee	35,690	6,527	(112)	(6,639)
Community and Environment	5,576,750	3,182,090	3,114,279	(67,811)
Resources (including staff vacancies)	4,116,370	2,726,482	2,231,232	(495,250)
Net Board Expenditure	10,728,610	6,532,754	5,933,470	(599,284)
Contingencies	24,850	-	-	-
Net Board Expenditure	10,753,460	6,532,754	5,933,470	(599,284)
Investment Income	(100,000)	(58,082)	(79,519)	(21,437)
RCCO	130,000	75,833	75,833	-
Use of Balances	17,310	-	-	-
Financing Adjustment	(868,350)	(507,243)	(512,948)	(5,705)
Net Expenditure	9,932,420	6,043,261	5,416,835	(626,426)

Agenda Item No 12

Resources Board

22 November 2010

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

**Housing Revenue Account
Budgetary Control Report 2010/2011
Period Ended 31 October 2010**

1 Summary

- 1.1 The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 October 2010.

Recommendation to the 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 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Portfolio Holders and Shadow Portfolio Holders for Resources and Housing have been consulted regarding this report. Any comments received will be reported verbally to the Board.

3 Report

- 3.1 Under the Best Value Accounting Code of Practice (BVACOP), 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 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 October 2010 is a surplus of £419,510, compared with a forecast surplus position for the period of £366,978. 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 a favourable variance of £52,532 on the forecast position. Appendix A to this report provides details of the profiled and actual position for expenditure and income incurred by the HRA, and an explanation of significant variations are given in more detail below.

...

5 Supervision and Management – General

- 5.1 There has been lower spending on legal action and court costs to date of £10,727. In addition there is a saving on Council Housing buildings insurance premiums of £10,550

6 Supervision and Management – Special

- 6.1 There is currently a general under spend on utility costs of £8,671 and equipment of £2,165 on flats and Community Centres. In addition there is an under spend on laundries equipment maintenance of £3,628 and additional shop rental income of £2,430 due to lower vacancy levels

7 Dwelling rental income

- 7.1 Rental income is higher than expected due to a lower level of voids than was included in the budget. The actual rate is 0.7% against a budgeted rate of 1%. Three council house sales were included in the budget at this point, however only one has been sold to date.

8 Garage Rents

- 8.1 Rental income is lower than expected. This is partially due to the removal of garages demolished as part of the New Build Schemes of £7,145.

9 Investment income

- 9.1 Investment income from investing the Housing Revenue Account and Repairs Fund balances is lower than expected due to lower levels of balances and reducing interest rates.

10 Housing Direct Works

- 10.1 As at the end of October there is a surplus on Housing Direct Works of £1,532, compared with a forecast surplus position of £12,447. The account balance fluctuates throughout the year depending on workloads and invoice payments. It is expected that the surplus will be achieved by the end of the financial year. Appendix B to this report provides the profiled and actual expenditure of Housing Direct Works in more detail.

- 10.2 The under-spend on employee costs reflects the lower number of directly employed staff utilised to date (27.9 employees) and the unused provision included for a pay award, compared with the budget for day-to-day repairs (28 employees). The increase in supplies and services has occurred due to a higher use of Sub Contractors to date. Transport costs have decreased mainly due to lower maintenance costs and lower fuel usage. Income is ahead of the profile as more jobs have been completed than expected in the period.

11 Housing Repairs Fund

11.1 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.

11.2 The balance on the Fund at the start of the year amounted to £176,121. The balance can be used to cover timing issues between years. In 2010/11 the contribution to the fund is £2,397,400. 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 position on the Fund at the end of October is shown in Appendix C. The spend on the fund fluctuates during the year due to the timing of works, including the current surplus from Housing Direct Works.

12 Risks to the Budget

12.1 The key risks to the budgetary position of the Housing Revenue Account in 2010/11 include:

- Rising tenant expectations, following extensive improvement works may increase the demand for repairs, which will need to be continuously monitored;
- 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.

13 Estimated Out-turn

13.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position for the Council. The anticipated out turn for the HRA for 2010/11 is £17,710 surplus as detailed in the table below:-

	£
Approved budgeted surplus 2010/11	(7,160)
Decrease in Building Insurance premiums	(10,550)
Expected budgeted surplus out turn 2010/11	(17,710)

13.2 The estimated out-turn for the Repairs Fund remains the same as that included in the original budget.

14 Report Implications

14.1 Finance and Value for Money Implications

14.1.1 The Council is currently forecasting a contribution to the Housing Revenue Fund balance for the 2010/11 financial year of £17,710. Income and expenditure will continue to be closely managed and any issues that arise will be reported to this Board for comment.

14.2 Environment and Sustainability Implications

14.2.1 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

HOUSING REVENUE ACCOUNT
Budgetary Control Report as at 31 October 2010

	Original Budget 2010/2011	Expected Spend 2010/2011	Actual Spend 2010/2011	Variance	Comments
EXPENDITURE					
Repairs and Maintenance	2,397,400	1,398,483	1,398,483	-	
Supervision and Management - General	1,097,040	624,080	598,573	(25,507)	Section 5.1
Supervision and Management - Special Services	390,470	229,700	213,323	(16,377)	Section 6.1
Provision for Bad Debts	20,000	11,667	11,667	-	
Transfer to CLG	3,331,970	1,999,182	1,999,182	-	
Depreciation and Impairment	1,985,680	1,158,313	1,158,313	-	
Total Expenditure	9,222,560	5,421,425	5,379,541	(41,884)	
INCOME					
Gross Rent Income from Dwellings	(8,892,090)	(5,557,556)	(5,584,085)	(26,529)	Section 7.1
Gross Rent Income from Non-Dwellings	(324,890)	(207,631)	(199,608)	8,023	Section 8.1
Charges for Services and Facilities	(85,870)	(65,875)	(63,721)	2,154	
Total Income	(9,302,850)	(5,831,062)	(5,847,414)	(16,352)	
NET COST OF SERVICES	(80,290)	(409,637)	(467,873)	(58,236)	
Amortised Premiums and Discounts	29,880	17,430	17,430	-	
Investment Income - Mortgages	(440)	(257)	(257)	-	
- Other	(26,790)	(15,628)	(9,923)	5,705	Section 9.1
NET OPERATING EXPENDITURE	(77,640)	(408,091)	(460,623)	(52,532)	
Revenue Contributions to Capital	392,000	228,667	228,667	-	
Transfer to/(from) Pensions Reserve	(67,700)	(39,492)	(39,492)	-	
Transfer to/(from) Major Repairs Reserve	(253,820)	(148,062)	(148,062)	-	
TOTAL (SURPLUS)/DEFICIT FOR THE YEAR	(7,160)	(366,978)	(419,510)	(52,532)	

APPENDIX B

HOUSING REVENUE ACCOUNT HOUSING DIRECT WORKS Budgetary Control Report as at 31 October 2010

	Original Budget 2010/2011	Expected Spend 2010/2011	Actual Spend 2010/2011	Variance
EXPENDITURE				
Employee Costs	876,710	513,314	498,900	(14,414)
Supplies and Services	673,290	392,362	558,115	165,753
Transport	87,740	53,319	45,599	(7,720)
Gross Expenditure	1,637,740	958,995	1,102,614	143,619
Total Income	(2,012,800)	(1,185,800)	(1,317,978)	(132,178)
Net Controllable Expenditure	(375,060)	(226,805)	(215,364)	11,441
Central Support	314,340	183,365	182,839	(526)
Capital Charges	53,130	30,993	30,993	-
NET EXPENDITURE	(7,590)	(12,447)	(1,532)	10,915

Appendix C

HOUSING REPAIRS FUND (to end of October 2010)

	£
Balance at 1 April 2010	176,121
Contribution 2010/11 (to October 2010)	1,442,866
Expected Use of Fund (to October 2010)	(1,473,558)
Balance at 31 October 2010	145,429

Agenda Item No 13

Resources Board

22 November 2010

Report of the Assistant Director (Finance and Human Resources)

Progress Report on Human Resources Issues

1 Summary

- 1.1 This report advises Members of progress against the Human Resources Strategy Action Plan, work being done by the Human Resources team, the sickness levels for the period of April 2010 to September 2010 and provides some further information on action taken in managing absence.

Recommendation to the Board

That the report be noted.

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 The Portfolio Holder and Shadow Portfolio Holder have been informally consulted.

3 Report

- 3.1 This report provides an update on the Human Resources (HR) Strategy Action Plan and under Health and Absence Management gives the position on sickness for the first half of 2010/11.

4 Recruitment, Retention and Selection

- 4.1 The flexible working policy was implemented from the start of January 2010. There have been only minor issues around the wording on the timesheet and these have been resolved in consultation with the trade unions. The policy is due to be reviewed in January 2011. To aid the review a section on the policy has been included in the staff survey, the results of which will be available by the end of December 2010.
- 4.2 The minor amendments to the revised recruitment application form were completed and then tested online and the form was implemented. The Equality Act 2010, which came into force on 1 October 2010, requires some

further amendments to be made to the Recruitment Monitoring form. These amendments are currently being worked on by the Council's web provider.

- 4.3 There were a number of starters and leavers between April 2010 and September 2010. There were 22 leavers, including 4 end of contracts, 3 employees who retired and 1 dismissal. There were 15 starters. This equates to a labour turnover of 4.96%.

5 Pay and Benefits

- 5.1 In 2009/10, the HR Manager started to undertake an Equal Pay Audit in partnership with the trade unions. This has not yet been completed. This will now be extended to include gender, ethnicity and disability in readiness for equality reporting under the Equality Act 2010.

6 Learning, Training and Development

- 6.1 In the 2009/10 training year, Extended Management Team received a 360-degree appraisal. The existing competencies were reviewed and amended. The HR department completed the questionnaire and analysis in house and the feedback was provided by the West Midlands Leaders Board. The HR Manager reviewed the process and used feedback from the Extended Management Team to make some minor amendments. The revised 360-degree appraisal has been rolled out to a section of Principal Officers in October 2010.
- 6.2 The learning and development arm of the Staffordshire Plus Project has continued to meet to share information, learning and training. The HR Manager is part of this group. Working in collaboration with the other Local Authorities in the group, the Council has continued to benefit from cost effective or free training. Eleven employees went through a management qualification with Newcastle under Lyme Council in this current year. They are hoping to be able to get funding to run these again and it is planned to take up some places in 2011.
- 6.3 We have also been able to take advantage of short courses. For example recently one of our managers recently took advantage of a free place with Staffordshire County Council's 'Optimising Performance' course and it is intended to take advantage of free places offered by Stoke City Council on their course 'Diversity Responsiveness'.
- 6.4 The Training and Development Plan for 2010/11 has been written and agreed by Management Team. Training plans for Divisions and individuals have been distributed.

- 6.5 During 2010/11 training year, the Council has in house courses planned, which are sourced using cost effective providers or using funding that is available. These include Health and Safety courses (e.g. Risk Assessment and Safety Audit), IT courses, Fire Awareness and the Corporate Induction programme has been run in house.
- 6.6 The HR section has run basic skills and NVQ courses in early 2010 to raise the minimum skills level across the Council. These courses are fully funded. 12 employees in total completed the basic skills courses (8 in numeracy and 4 in literacy) and the HR section are currently organising another numeracy and literacy course for the 2010/11 training year. The NVQs running are Business Administration, Customer Service, IT, and Team Leader and we have 8 employees signed up to these.

7 Safety Management

- 7.1 The basic Occupational Health & Safety Level 2 course will continue to run as a rolling programme in the 2010/11 year, with the aim of having all employees qualified to this standard. The government funding available for the Health and Safety Level 2 course has been removed, therefore the HR section will seek to find a cost effective alternative to maintain the programme.
- 7.2 Christine Wynne (HR Support Officer) has started to undertake the NEBOSH qualification in September 2010. This will enable her to provide support for managers in completing risk assessments and providing health and safety advice, where needed. Claire Barnes (HR Support Officer) is also NEBOSH qualified and provides health and safety advice and assistance to managers.
- 7.3 The Warwickshire Emotional Health in the Workplace group has run some more courses to cover managers and supervisors who did not attend in the main cohorts. The feedback on the effectiveness of these courses will be available soon.
- 7.4 The Council was successful in their bid with partners to secure funding for a health and wellbeing programme. This was launched in June and is currently ongoing. The programme is targeted to those who might receive the most benefit. However, where possible, activities/provisions of the programme are being offered to all staff.
- 7.5 The section has begun work on customising the HARRIET Health and Safety Assessment system and will begin the pilot of the system with Streetscape division shortly.

8 Health and Absence Management

8.1 Summary of Sickness Absence 2010/11 April 2010 – September 2010

- 8.1.1 The number of recorded days sick for the period April 2010 to September 2010 was 1,836.11 days, equating to 5.18 days per full time employee (FTE).

... For the same period last year the number of recorded days sickness was 1,849.92 days with a FTE of 5.25 days per employee. Appendix A shows these figures by Division for both years, and also shows the split between long and short-term sickness.

8.1.2 The variations between the two years show that this year there has been a small overall decrease of 13.81 days in sickness in 2010/11. This has produced a decrease of 0.07 days, from 5.25 to 5.18 days per FTE.

8.1.3 Short-term sickness in April – September 2010 has decreased by 0.04 days per FTE, compared with the short-term sickness in April – September 2009. Short-term sickness absence reports are sent to Assistant Directors on a monthly basis. HR also meet with the Assistant Directors on a bi-monthly basis to provide advice and to discuss what action they have taken within their Divisions. The aim of these reports and meetings is to increase managers' awareness of sickness absence within their Divisions, which should aid proactive and consistent management of absence issues and will contribute to a reduction in the short-term absence figures.

8.1.4 Long-term sickness in April – September 2010 has decreased by 0.03 days per FTE, compared with the long term sickness in April – September 2009. The long-term sickness absence is being managed either by getting staff back to work or them exiting the organisation either on ill-health retirement or by resignation. Those with significant long-term absence equates to 8 employees having lost a total of 601.17 days per FTE. None of these employees have left the Authority and 7 have successfully returned to work. There is currently 1 employee with significant long-term absence.

8.1.5 The Government's new fit note, a statement of fitness for work, was implemented on the 1 April 2010. Replacing the sick note with a fit note focuses on what people can do and has the aim of improving communication between employers, employees and doctors. The greatest impact expected from its implementation is that fewer employees will be off work when they possibly could do some work or their entire job with some support. It will help employers to have informed discussions with employees about taking steps to return to work earlier than they might otherwise have done. The HR Manager has briefed all managers and supervisors on its use and is visiting team meetings to make staff aware of the changes.

... 8.1.6 Appendix B shows the reasons for the number of days lost per FTE. The main reasons for absence relate to: Operation/Post Op, Muscular, Stress, and Back illnesses.

8.2 Ill Health Monitored Under the Attendance Management Policy

8.2.1 Under the Attendance Management Policy where ill health is having a detrimental effect on an individual's ability to perform their job, or where the trigger points have been exceeded under the policy, then managers will seek to manage these cases in a pro-active way. The Attendance Management Policy sets out the procedures to be used, starting with management reviews to Case Management stages 1, 2 and working through, if necessary, to the end of the process at stage 3.

8.2.2 There are a number of cases currently being dealt with under the Attendance Management Policy, and the current status of these cases are as follows:

- 1 employee due to start management reviews
- 15 employees are having management reviews
- 1 employee is at Stage 1
- 1 employees is at Stage 2
- 1 employee is at Stage 3

9 Human Resource Management Systems

9.1 In January 2010 the HR team of 5 was reduced to 3 due to resignations of staff moving to other posts within the Authority. A re-deployee was appointed to the Clerical Assistant's post at the end of January. The post of HR Support Officer was advertised and an appointment was made. The new employee didn't start until 24 May 2010. The new appointments required considerable time from the HR Officer to ensure that they were inducted and trained into the roles. The team is now working well and each of the team members are embedded into their role, working with minimum supervision.

9.2 The HR Manager and the HR Officer are involved in providing advice to Managers on policies, procedures, employment law and best practice.

10 Organisational Development

10.1 The Council retained its liP recognition following re-assessment in March 2009. The action plan produced following the assessment was monitored by the Improving the Way We Work employee group. The HR manager has met with the liP assessor and is arranging for him to attend management team to provide feedback on the completed actions and to discuss options for the future.

10.2 The HR Officer and the Assistant Director participate in the Improving the Way We Work employee group that the Chief Executive has set up in order to improve the way we work and to look at areas for development and improvement with the Council.

- 10.3 HR and Payroll under the direction of the Assistant Director Finance and HR are working with Warwickshire County Council on shared services for payroll and HR. This was achieved for payroll in April 2009 and the work for HR is still ongoing.

11 Employee Relations

- 11.1 The HR team provides advice and support to managers on all HR issues. The HR Manager and the HR Officer provide support to managers and lead, where appropriate, on investigations, disciplinary, grievance, and capability relating to performance or attendance. There have been 6 investigations undertaken from April – September 2010.
- 11.2 The HR Manager and HR Officer also provide considerable support in the preparation for Appeals and Employment Tribunals. The Council had 2 cases that went to appeal and 1 case has been lodged with the Employment Tribunal.
- 11.3 The results of the 2009 staff survey have been published, and Assistant Directors are taking action where appropriate. The Improving the Way We Work Group is also helping to address the issues of Communication and Management Inconsistency. The HR team are coordinating the Staff Survey 2010, which was sent to all employees in October 2010.

12 Equality and Diversity

- 12.1 The Policy team are continuing to co-ordinate all staff and member training in awareness and understanding of their individual responsibility and that the Council's policies are equality impact assessed. Further training is planned for the 2010/11 training year.
- 12.2 The HR Manager is a member of the Equality Forum which has been established to oversee Equality and Diversity actions and promote good practice across the Council.
- 12.3 The Equality Act 2010 has a number of HR implications. The HR manager is training all managers and supervisors in the changes. Following the training all HR policies will be reviewed to bring in line with the Act, and work on some policies has already begun.

13 Report Implications

13.1 Finance and Value for Money Implications

13.1.1 These will depend on whether additional resources are used to cover periods of absence. Most short-term absence is absorbed within sections. However, if sickness is long term, and the service could potentially fail as a result of staff shortages, then there would be additional costs to maintain services, either through buying in extra resources or acting up arrangements.

13.2 Human Resources Implications

13.2.1 As detailed in the report.

13.3 Portfolio Holder, Shadow Portfolio Holder and Ward Members Consultation

13.3.1 The Portfolio Holder and Shadow Portfolio Holder have been updated.

13.4 Risk Management Implications

13.4.1 Low staffing levels and the labour intensive casework has resulted in the section having to prioritise the service provisions.

13.5 Environment and Sustainability Implications

13.5.1 The work with the Local Employment Partnership and the Skillspledge will directly contribute towards the priorities of the North Warwickshire Sustainable Communities Strategy 2009 – 2026 of Raising aspirations, education Attainment and skills.

13.6 Links to Council's Priorities

13.6.1 Improvement in sickness absence is one of the objectives within the Human Resources Strategy.

The Contact Officer for this report is Kerry Drakeley (719300).

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

SHORT TERM SICKNESS

	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Division	FTE per Division	FTE per Division	Days Lost by FTE	Days Lost by FTE	Sickness per FTE	Sickness per FTE
Assistant Chief Exec	38.13	33.98	46.12	52.31	1.21	1.54
Corporate Services	27.89	31.44	75.27	51.00	2.70	1.62
Streetscape	62.58	67.66	197.19	241.15	3.15	3.56
Leisure & Comm Dev	58.76	59.46	172.13	199.87	2.93	3.36
Community Services	41.32	41.12	74.92	83.51	1.81	2.03
Finance & HR	19.18	17.85	22.00	5.05	1.15	0.28
Housing	96.99	95.98	259.95	207.66	2.68	2.16
Internal Audit	2.99	1.98	7.00	3.00	2.34	1.52
Chief Exec	4.80	5.00	3.00	4.00	0.63	0.80
Total	352.64	354.50	857.57	847.55	2.43	2.39

LONG TERM SICKNESS

	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Division	FTE per Division	FTE per Division	Days Lost by FTE	Days Lost by FTE	Sickness per FTE	Sickness per FTE
Assistant Chief Exec	38.13	33.98	120.35	0.00	3.16	0.00
Corporate Services	27.89	31.44	0.00	0.00	0.00	0.00
Streetscape	62.58	67.66	232.00	271.38	3.71	4.01
Leisure & Comm Dev	58.76	59.46	55.00	135.17	0.94	2.27
Community Services	41.32	41.12	149.00	26.00	3.61	0.63
Finance & HR	19.18	17.85	171.00	35.00	8.92	1.96
Housing	96.99	95.98	265.00	521.00	2.73	5.43
Internal Audit	2.99	1.98	0.00	0.00	0.00	0.00
Chief Exec	4.80	5.00	0.00	0.00	0.00	0.00
Total	352.64	354.50	992.35	988.55	2.81	2.79

ALL SICKNESS

	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Division	FTE per Division	FTE per Division	Days Lost by FTE	Days Lost by FTE	Sickness per FTE	Sickness per FTE
Assistant Chief Exec	38.13	33.98	166.47	52.31	4.37	1.54
Corporate Services	27.89	31.44	75.27	51.00	2.70	1.62
Streetscape	62.58	67.66	429.19	512.53	6.86	7.58
Leisure & Comm Dev	58.76	59.46	227.13	335.03	3.87	5.63
Community Services	41.32	41.12	223.92	109.52	5.42	2.66
Finance & HR	19.18	17.85	193.00	40.06	10.06	2.24
Housing	96.99	95.98	524.95	728.66	5.41	7.59
Internal Audit	2.99	1.98	7.00	3.00	2.34	1.52
Chief Exec	4.80	5.00	3.00	4.00	0.63	0.80
Total	352.64	354.50	1,849.92	1,836.11	5.25	5.18

Reasons for Sickness

APPENDIX B

Division	Anxiety / Dep	Back	Cancer	Chest	Cold	ENT/Eye	Flu	Geni-Urin	Heart	Hyperten	Musc	Neuro	Op & Post Op	Preg	Stom	Stress	Unknown	Total
Assistant Chief Exec		40.00			2.00	1.00	1.50				3.00	2.81			1.00	1.00		52.31
Corporate Services		5.00		5.00	2.00	4.00	2.00	1.00				1.00	21.00		10.00			51.00
Streetscape		33.00		2.00	10.00	11.00	2.00	103.00	5.00	5.00	82.62	20.92	190.49		31.50		16.00	512.53
Leisure & Comm Dev		3.80		12.22	7.35	34.66	4.27	2.11			116.30	25.24	101.34	1.00	18.55	3.35	4.84	335.03
Community Services	4.54	1.00		3.38	2.62	25.91	7.70	0.81			4.50	14.22	26.00	4.00	7.57	7.27		109.52
Finance & HR											35.00	2.03			3.03			40.06
Housing	8.00	92.81		9.54	2.00	11.51	5.00		5.00	1.00	87.50	7.00	138.00		63.30	279.00	19.00	728.66
Internal Audit															3.00			3.00
Chief Exec					4.00													4.00
	12.54	175.61	0.00	32.14	29.97	88.08	22.47	106.92	10.00	6.00	328.92	73.22	476.83	5.00	137.95	290.62	39.84	1,836.11

<u>Sickness Code</u>	<u>Description</u>
Anxiety/ Depression	Anxiety, Depression
Back	Back & Neck problems
Cancer	Cancer related
Chest	Chest & Respiratory: to include Chest infections
Cold	Cold symptoms
Ent/Eye	Eye, Ear, Nose & Mouth/Dental : to include sinusitis
Flu	Flu symptoms
Genito-Urinary	Genito Urinary: to include menstrual problems
Heart	Heart Blood pressure& circulation
Hypertension	High Blood Pressure
Muscular	Other musculoskeletal problems
Neurological	Neurological; to include headaches and migraine
Operation & Post Op	Operation, Post Op
Pregnancy	Pregnancy related
Stomach	Stomach, Liver, Kidney & Digestion; to include gastro-enteritis
Stress	Stress, Mental health & fatigue
Unknown	No reason known for absence

**Report of the
Deputy Chief Executive**

**Internal Audit - Performance for
Second Quarter 2010-11**

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 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 None required.

3 Report

3.1 Introduction

- 3.1.1 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 2010 to September 2010.

3.2 Summary of Work Completed

- ... 3.2.1 Appendix A to the report (to follow) 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 appendix shows that all key planned areas have been addressed within time. The 90% performance target was exceeded with 100% completion of planned audits. Appendix B (to follow) provides definition for the levels of assurance applied.

- 3.2.2 Internal Audit can place a high level of assurance on the following final reviews; Choice Based Lettings, Office Cleaning and Caretaking, Car Parks and Licensing.

3.2.3 The Internal Audit Section has undertaken some work recorded under contingency audits. These are reviews carried out either resulting from departmental requests, external audit suggests, counter fraud activity and the management of information pertaining to the National Fraud Initiative.

3.2.4 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 external assessors such as the Audit Commission and 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).

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