

To: Deputy Leader and Members of the Resources Board  
(Councillors Moore, Butcher, Davis, N Dirveiks,  
Forwood, Holland, Humphreys, Johnston 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 amandatonks@northwarks.gov.uk.

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

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

## **RESOURCES BOARD AGENDA**

**1 September 2014**

The Resources Board will meet in the Committee Room at The Council House, South Street, Atherstone, Warwickshire on Monday, 1 September 2014 at 6.30pm.

### **AGENDA**

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

4 **Request for discussion and approval of remaining En Bloc items.**

5 **Public Participation**

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

6 **Minutes of the Resources Board held on 2 June 2014** – copy herewith, to be approved as a correct record and signed by the Chairman.

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

7 **Borough Care Alarm Equipment Replacement and Control Centre Equipment Modification Report** – Report of the Assistant Director (Housing)

##### **Summary**

This report seeks to make Members aware of a funding shortfall to purchase replacement Borough Care alarm units and pendants that is likely to occur this year, and also an increasingly significant issue affecting communication between certain Borough Care alarm users and the Borough Care control centre that may escalate over the coming years.

The Contact Officer for this report is Gary Thomas-McGenity (719303).

8 **Treasury Management Update Quarter 1 2014/15** – Report of the Assistant Director (Finance and Human Resources)

##### **Summary**

This report shows the Treasury Management activity during the first three months of 2014/15.

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

9 **Capital Programme 2014/15 Period 4 Update** – Report of the Assistant Director (Finance and Human Resources)

The report updates Members on the progress of the 2014/15 Capital Programme in terms of expenditure up to the end of July 2013.

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

- 10 **General Fund Budgetary Control Report 2014/15 Period Ended 31 July 2014** – Report of the Assistant Director (Finance and Human Resources)

**Summary**

The report covers revenue expenditure and income for the General Fund between 1 April 2014 to 31 July 2014. The 2014/15 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.

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

- 11 **Housing Revenue Account Budgetary Control Report 2014/15 Period Ended 31 July 2014** – Report of the Assistant Director (Finance and Human Resources)

**Summary**

The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 July 2014.

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

- 12 **A Review of the Effectiveness of Internal Audit 2013-14** – Report of the Deputy Chief Executive

**Summary**

The report allows the Board to consider the annual review of the effectiveness of the system of Internal Audit.

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

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

- 13 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - June 2014** - Report of the Chief Executive and the Deputy Chief Executive

**Summary**

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to June 2014.

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

- 14 **Internal Audit – Performance for First Quarter 2014-15** – Report of the Deputy Chief Executive

**Summary**

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

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

- 15 **Minutes of the Housing Sub-Committee held on 7 July 2014** - copy herewith to be received and noted.

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

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

**Recommendation:**

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

- 17 **Sale of Land** – Report of the Assistant Director (Housing)

The Contact Officer for this report is Paul Roberts (719459)

JERRY HUTCHINSON  
Chief Executive

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE RESOURCES BOARD

2 June 2014

Present: Councillor Moore in the Chair

Councillors Butcher, Davis N Dirveiks, Forwood, Humphreys, Johnston, Smith and Winter.

An apology for absence was received from Councillor Holland (Substitute Councillor Smith).

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

Councillor N Dirveiks declared a non-pecuniary interest in Minute 5, Broadband Update Report, by reason of being a member of Warwickshire County Council.

Councillor N Dirveiks declared a non-pecuniary interest in Minute 18, Owen Street Arts Centre, by reason of being a Director of Owen Street Community Arts Centre and took no part in the voting thereon.

Councillor Davis declared a non-pecuniary interest in Minute 18, Owen Street Arts Centre, by reason of being a member of Atherstone Town Council and took no part in the voting thereon.

#### 2 **Minutes of the Resources Board held on 27 January 2014**

The minutes of the meeting of the Board held on 27 January 2014, copies having previously been circulated, were approved as a correct record and signed by the Chairman.

#### 3 **Internal Audit – Plan of Work for 2014-15**

The Deputy Chief Executive explained the basis upon which the Audit Plan for 2014-15 had been developed, using a variety of sources of information to ensure that all appropriate aspects of service activity were embraced as part of the approved three year review programme.

#### **Resolved:**

**That the Audit Plan for 2014-15 be approved.**

#### **4 Procurement Update Report - Legislation and E-Tendering**

The Assistant Director (Corporate Services) provided an update on the progress made on implementing the Council's Procurement and Commissioning Strategy (2013-2017). Information was also provided on the new European Procurement Directives and the anticipated impact on the Council's Contract Standing Orders. An explanation of how the Coventry, Solihull and Warwickshire E-Tendering System was being implemented in the Council was also provided.

##### **Recommendation to the Council:**

- a That the progress made on implementing the Procurement and Commissioning Strategy be noted; and**
- b That Chairs of Boards continue to take part in Tender Opening ceremonies as described in Section 6.7 of the report of the Assistant Director (Corporate Services).**

#### **5 Broadband Update Report**

The Assistant Director (Corporate Services) provided an update on the progress made on the provision of broadband services and superfast broadband as part of the Coventry, Solihull and Warwickshire (CSW) Broadband Delivery UK (BDUK) Project.

##### **Resolved:**

- a That the report be noted; and**

##### **Recommendation to Executive Board:**

- b That Members agree to the principal of providing some additional funding to the project subject to obtaining satisfactory evidence of improvement and subject to an acceptable sum being agreed.**

#### **6 Membership of the Borough Care Task and Finish Group**

The Board was asked to consider the membership of the Borough Care Task and Finish Group for the ensuing year.

##### **Resolved:**

**That for 2014/15 the membership of the Borough Care Task and Finish Group comprise Councillors Winter, Moore, Pickard, Phillips, Hayfield, Johnston, Smith and Fox.**

**7 Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April-March 2014**

The Chief Executive and the Deputy Chief Executive informed Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April 2013 to March 2014.

**Resolved:**

**That the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April 2013 to March 2014 be noted.**

**8 Annual Treasury Report for 2013/14**

The Deputy Chief Executive detailed the out-turn for 2013/14 and highlighted areas of significance.

**Resolved:**

- a That the Annual Treasury Report for 2013/2014 be noted;  
and**

**Recommended to the Council:**

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

**9 Members' Allowances Out-turn for 2013/14**

The Assistant Director (Finance and Human Resources) advised Members of the allowances paid for 2013/14.

**Resolved:**

**That the report be noted.**

**10 ICT Strategy 2012 – 2015 – Progress Report**

The Assistant Director (Corporate Services) provided an update on the progress made during 2013/2014 towards implementing the approved Information and Communications Technology (ICT) Strategy for 2012-2015.

**Resolved:**

**That the contents of the report be noted.**

**11 Internal Audit – Performance for 2013-2014**

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

**Resolved:**

**That the report be noted.**

**12 Local Authority Mortgage Scheme – Update**

The Assistant Director (Finance and Human Resources) provided an update on activity to 31 March 2014 in relation to the Local Authority Mortgage Scheme (LAMS) launched in February 2013.

**Resolved:**

**That the report be noted.**

**13 Risk Management Annual Report 2013/2014**

The Assistant Director (Finance and Human Resources) informed Members of risk management actions undertaken during 2013/2014 and the risks identified for 2014/2015.

**Resolved:**

**That the progress be noted.**

**14 Adoption of a Discretionary Reoccupation Rate Relief Policy**

The Assistant Chief Executive (Community Services) requested Members adopt the revised Non Domestic Discretionary Reoccupation Rate Relief guidelines as set out in Appendix A to the report.

**Resolved:**

**That the Non Domestic Reoccupation Rate Relief Scheme be adopted.**

**15 Impact of the New Bailiff Regulations and Fees**

The Assistant Chief Executive (Community Services) informed Members of the impact of the new bailiff regulations and fees that came into effect on 6 April 2014.

**Resolved:**

**That the report be noted.**



**16 Minutes of the Housing Sub-Committee held on 28 April 2014**

The minutes of the Housing Sub-Committee held on 28 April 2014 were received and noted.

**17 Exclusion of the Public and Press**

**Resolved:**

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

**18 Owen Street Arts Centre**

The Assistant Director (Streetscape) informed Members of correspondence relating to the Arts Centre Building on Owen Street, Atherstone and the future ownership of the site and asked the Board to agree a response to Atherstone Town Council in relation to a proposed transfer of ownership.

**Resolved:**

- a That the contents of the report be noted;**
- b That no objection be raised to the proposed transfer of the Arts Centre to Atherstone Town Council, as set out in the report of the Assistant Director (Streetscape), so long as the covenant restricting the site to community use remains in place; and**
- c That the Council does not exercise its right of first refusal in relation to the proposed sale.**

**19 Request for Licence for Access Over St Georges Road Development**

The Assistant Director (Housing) informed Members of a request from Mr and Mrs Carney of 76 St Georges Road, Atherstone, to have access over the new development currently taking place.

**Resolved:**

**That the licence be granted.**

J Moore  
Chairman

**Agenda Item No 7**

**Resources Board**

**1 September 2014**

**Report of the  
Assistant Director (Housing)**

**Borough Care Alarm Equipment  
Replacement and Control Centre  
Equipment Modification Report**

**1 Summary**

- 1.1 This report seeks to make Members aware of a funding shortfall to purchase replacement Borough Care alarm units and pendants that is likely to occur this year, and also an increasingly significant issue affecting communication between certain Borough Care alarm users and the Borough Care control centre that may escalate over the coming years.

**Recommendations to Executive Board**

- a That Members approve an increase in the 2014/15 capital alarm equipment replacement budget by £5K to £23K in order to ensure sufficient Borough Care alarms and pendants are available for current and new service users this year ;**
- b That Members consider the same increase in the capital alarm equipment replacement budget in subsequent years, when considering the 2015/16 Three Year Capital programme;**
- c That Members approve an additional capital allocation of £5K to purchase additional alarm call handling equipment to resolve a technical issue affecting the communication between the control centre and some Borough Care service users, which is an unintended consequence of the modernisation of the national telephone network; and**
- d That Members approve a supplementary revenue estimate of £1K per annum to fund the ongoing costs of the additional alarm call handling equipment.**

## 2 Pendant Replacement

- 2.1 Telecare alarm manufacturers estimate the average life expectancy of an alarm unit to be 5 – 7 years and the battery life of alarm pendants to be up to 5 years for most units but in practice, with careful husbandry, alarm units often remain serviceable for many years longer than their design life. However, such careful management of resources has left us in a position whereby the profile of our alarm stock is aging to such an extent that the majority of returned units now have to be scrapped because they are in too poor a state to be recycled or they are obsolete. Also, the increased longevity of alarm units means it is necessary to replace pendants 2 – 4 times during the life cycle of an alarm unit.
- 2.2 Of the 3401 alarm units currently owned by Borough Care, 2370 alarm units (70% of stock) are over 5 years old and 904 (26% of stock) are over 10 years old (See Table 1).

Table 1 (Stock balance at 29/4/14)

Manufacturer	Model	Quantity	Age (Yrs)
Caretech	Gina	549	1 – 6
Caretech	Gloria	60	3
Chubb	Classic T	509	5 – 6
Chubb	Eclipse	126	12 – 14
Chubb	Intellilink	953	6 – 12
Possum	POM	1	10 +
Tunstall	Lifeline 2	1	23 +
Tunstall	Lifeline 2+	140	22 – 23
Tunstall	Lifeline 400	140	10 – 14
Tunstall	Lifeline 1000	326	10 – 14
Tunstall	Lifeline 3000	83	10 – 14
Tunstall	Premier S	87	15 – 20
Tynetec	Reach (Black)	418	1 – 3
Tynetec	Reach (White)	1	3
		3394	

- 2.3 Not only are new alarms required for new applicants but it is necessary to replace alarm units that are scrapped each year because of their poor condition when returned, or their being uneconomical to repair, or due to obsolescence. This accounted for at least 150 alarm units of the 250 returned during the last financial year and is expected to continue at least this rate this year and into the future. Also, at least 20 alarm units are returned without pendants each year after the user has died / moved into care etc, and at least 20 pendants are lost each year by service users.

- 2.4 Replacement pendant costs currently range from £34 – £40 each depending upon model and new alarm units costs range from £86 – £96 each depending upon model. Currently two different alarm models are used to service different needs.
- 2.5 The cumulative effect of having to replace more and more alarm units and pendants each year instead of being able to recycle them has meant we have now reached the position where the £18K budget is unlikely to be sufficient this year to purchase the required number of alarm units and pendants needed to service existing customers and ensure there are enough alarm units available for new applicants.
- 2.6 Currently, the £18K equipment budget allows for the purchase of 150 alarm units and 100 pendants. With present and projected equipment disposal rates of at least this amount of alarm units and at least 150 pendants needed each year, a budget increase of £5K will enable the purchase of 175 alarm units and 175 pendants, enabling a small surplus in case more alarm units and/or pendants be required than estimated.

### **3 National Telephone Network Modernisation**

- 3.1 A need has arisen to provide additional call handling facilities to ensure communications between certain Borough Care users and the control centre are not adversely affected by an emerging issue linked to the digitisation of the national telephone network.
- 3.2 This emerging issue has arisen due to the piecemeal development of the national telephone network to convert it from analogue to a fully digital network along with the ever pressing need for greater network capacity.
- 3.3 It was recognised that such a technological advance would have the potential to create operability problems with some existing analogue telephone equipment. This equipment included telecare alarms because they operate with data protocols designed over 20 years ago. All alarm models were therefore tested by alarms manufacturers to ensure compatibility with the new network technical arrangements. Fortunately, no Borough Care alarms were found to be incompatible which would have necessitated replacement.

- 3.4 During the last 4 years however there has been a complete change to the national telephone network digitisation strategy resulting in piecemeal upgrading by individual telephone line providers. An unintended consequence of this has been increasing problems affecting telecare alarm operability because many of the 150 plus telephone line providers have used different technical specifications to deliver their digital services via the national network. This approach has unfortunately invalidated previous alarm compatibility testing results and made it almost impossible to devise a revised standard test with so many different technical configurations being used by telephone line providers.
- 3.5 The differing technical configurations do not noticeably impact on voice communication when using normal telephones but can affect telephone equipment that transmits “data” such as telecare alarms, with the result that alarms can sometimes fail to connect to the control centre at the first attempt and have to re-dial; therefore lengthening the time it takes for the call to connect. Also, even once connected, fluctuating speech volumes between the alarm user and control centre may sometimes be experienced causing difficulties for the operator to understand what the service user is saying or vice versa.
- 3.6 Companies providing landline telephone services have no legal obligation to ensure the quality of data transmissions via “standard” telephone lines and in commercial terms telephone line providers maintain that it would be too costly to amend their current technical arrangements, even though many of the 1.6 million alarms installed nationally are vulnerable to the issues outlined.
- 3.7 The Telecare Services Association has had various national discussions with telecoms industry and OfCom representatives to raise the issue and seek solutions. However, the problems still persist and appear to be becoming more commonplace as technical configurations are further adjusted in attempts to satisfy the ever increasing need for more national telephone network capacity.
- 3.8 The only solution devised so far to address the issue to ensure first time connection and speech stability has been a joint venture by the Telecare Services Association and alarm manufacturers to develop a new data transmission protocol, which has been completed and approved by the British Standards Institute (BS8521). The new protocol has been specifically designed to operate with digital “Next Generation Network” exchange equipment unlike the existing data protocols, which were designed over 20 years ago, making it far more robust than current protocols should network specifications alter further.

- 3.9 As this solution is the only likely means of overcoming the issues for the foreseeable future given that the telecoms industry will not/cannot modify their infrastructure to fully accommodate the current protocols, it would therefore be prudent for Borough Care to adopt the new BS8521 protocol alongside the current one within the call handling equipment to enable prompt and stable communication between all alarm units and the control centre to be maintained.
- 3.10 In order to utilise the new protocol additional components will need to be purchased for the Borough Care call handling system, and an additional telephone line installed at the control centre and disaster recovery centre.

#### **4 Conclusion**

- 4.1 Should the Borough Care alarm equipment budget not be increased, to offset any alarm unit shortages that may develop a waiting list of new applicants will need to be introduced, operating on the basis that installation would only take place as and when an alarm unit became available.
- 4.2 Should the solution to implement the BS8521 data transmission protocol be adopted it will enable prompt call handling and quality voice communication between the operator and service user to be maintained into the foreseeable future. Should it not be adopted, although alarm calls will still be received promptly and speech between the operator and service user will not be affected in most instances, there will still be a number of instances when issues occur with the possibility that the situation may deteriorate further still.

#### **5 Report Implications**

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

- 5.1.1 An increase of the alarm equipment replacement budget by £5K to £23K per year will provide sufficient alarm units and pendants to service current Borough Care users and ensure alarm units are always available for new applicants at projected replacement rates.
- 5.1.2 £5K will purchase the necessary call handling equipment to mitigate the effects of the national telephone network digitisation, and £1K per year will be needed to cover additional telephone line rental and maintenance costs.

##### **5.2 Safer Communities Implications**

- 5.2.1 Borough Care service provision provides service users with a greater sense of security and well-being.

### **5.3 Environment and Sustainability Implications**

- 5.3.1 The lack of further investment in additional alarm units and pendants may lead to difficulties maintaining current service levels to all existing service users and the introduction of a waiting list for new applicants.
- 5.3.2 If the Borough Care service is restricted due to alarm availability it will reduce the independence and ability of many older and vulnerable people to remain living at home without significant additional support from other services.

### **5.4 Health, Well-being and Leisure Implications**

- 5.4.1 The Borough Care service contributes to the Health, Social Care and NWBC well-being agendas by providing a service that helps enable users to maintain their independence in their home as well as the provision of an immediate means for summoning assistance in the event of an illness or accident.

### **5.5 Risk Management Implications**

- 5.5.1 There is the possibility of not being able to maintain Borough Care services to all current service users if there is insufficient alarm and pendant equipment available to replace faulty equipment.
- 5.5.2 Negative publicity and damage to NWBC's reputation may occur should a vulnerable person not be able to access the Borough Care service due to no alarm equipment being available, or should a user suffer a mishap because faulty alarm equipment could not be replaced promptly.

### **5.6 Equalities Implications**

- 5.6.1 If the Borough Care service was restricted due to the availability of equipment a "fair" priority criterion would be required determine which new applicants should receive the service when equipment became available. The determination and application of any criteria will need to be subject to an equality impact assessment to ensure that no adverse impacts are created.

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

- 5.7.1 The effective provision of the Borough Care service will contribute directly to the corporate priorities in respect of:
- Public services and Council Tax
  - Access to services
  - Health and well-being

The Contact Officer for this report is Gary Thomas-McGenity (719303).

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date



**Agenda Item No 8**

**Resources Board**

**1 September 2014**

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

**Treasury Management Update  
Quarter 1 2014/15**

**1 Summary**

- 1.1 This report shows the Treasury Management activity during the first three months of 2014/15.

**Recommendation to the Board**

**That the Treasury Management Report for the first three months of 2014/15 be noted.**

**2 Introduction**

- 2.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before maximising investment return.
- 2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 2.3 CIPFA issued a revised Code of Practice for Treasury Management in November 2011. The revised Code suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This report therefore ensures that the Council is following Best Practice in accordance with the Code.

### 3 Economic Forecast

- 3.1 The Bank of England have upgraded their growth forecasts for this year to 3.5% (from 3.4%) and have similarly upgraded next years forecast growth to 3% (from 2.9%). Further, the amount of spare capacity in the economy, a Bank of England measure of the extent to which the UK economy is underperforming, has fallen to around 1% of GDP – down from 1.5% previously.
- 3.2 Despite these positive signals, wage growth forecasts have been halved for this year from 2.5% to 1.25%. This has been identified by Mark Carney, Governor of the Bank of England, as one of the major uncertainties which the Monetary Policy Committee are having to contend with.
- 3.3 As such, the first increase in bank rate is not expected until February 2015, although increases in November 2014 remain a possibility if the wages data picks up in the coming months.
- 3.4 The expected longer run trend for PWLB borrowing rates is for them to start to rise from January 2014 onwards.
- 3.5 The Council's Treasury Advisor, Capita, has undertaken a review of its interest rate forecast and these are summarised below:

	<b>Bank Rate Forecast</b>	<b>10 Year PWLB</b>	<b>25 Year PWLB</b>	<b>50 Year PWLB</b>
Q3 Jul 14 to Sept 14	0.50%	3.70%	4.40%	4.40%
Q4 Oct 14 to Dec 14	0.50%	3.70%	4.40%	4.40%
Q1 Jan 15 to Mar 15	0.75%	3.80%	4.50%	4.50%
Q2 Apr 15 to June 15	0.75%	3.90%	4.60%	4.60%
Q3 Jul 15 to Sept 15	1.00%	4.00%	4.70%	4.70%
Q4 Oct 15 to Dec 15	1.00%	4.00%	4.70%	4.70%
Q1 Jan 16 to Mar 16	1.25%	4.10%	4.80%	4.80%
Q2 Apr 16 to June 16	1.25%	4.20%	4.80%	4.80%

### 4 Treasury Management Strategy Statement

#### 4.1 Review of Annual Investment Strategy

- 4.1.1 The Treasury Management Strategy Statement (TMSS) for 2014/15 was approved by Resources Board on 27 January 2014. The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:

- Security of Capital
- Liquidity
- Yield

- 4.1.2 The Council will also aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate generally to keep investments short term, and only invest with highly rated financial institutions, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita. However a different approach is appropriate with UK semi-nationalised institutions, such as Lloyds Banking Group, which is currently significantly UK government owned.
- 4.1.3 Investment rates in the market have increased slightly in recent months on the back of renewed optimism on the state of the UK economy and the belief that UK interest rates would be on the increase in the next six to twelve months. This enthusiasm has been tempered somewhat by the uncertain economic forecast in the Eurozone and the ongoing tensions in Ukraine, Syria and the Middle East.
- 4.1.4 The average level of funds available for investment purposes during the first three months was £15.322 million. These funds were available on a temporary basis and the level of funds available for investment purposes was mainly dependent on the timing of precept payments, the receipt and payments of grants and the timing of both capital and revenue expenditure. Officers can confirm that the approved limits within the Annual Investment Strategy have not been breached.
- 4.1.5 Interest gained on investments in the first three months of the year totalled £25,386.53, slightly ahead of the profiled position of £24,932. This represents an increase on the same period last year, £22,699 (budget £37,500), which is reflective of the increased optimism in the UK economy. The average interest rate on investments for this period was 0.78% compared to the benchmark of the 7 day LIBOR rate of 0.48%. (See Appendix A)
- ...

## 4.2 **Borrowing**

- 4.2.1 The Council's Capital Financing Requirement (CFR) for 2014/15 was estimated at £70 million. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.
- 4.2.2 The table below shows the Council's external borrowings and the utilisation of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

	2014/15 Original Estimate £m	2014/15 Estimated Out-turn £m
External borrowing – Housing	56,195	56,195
Internal borrowing – General Fund	13,510	13,510
CFR (year end position)	69,705	69,705

4.2.3 The Council has not needed to borrow any funds on a short term basis during the first three months of 2014/15.

#### 4.3 Prudential Indicators

4.3.1 It is a statutory duty for the Council to determine and keep under review its “Affordable Borrowing Limits”. The Council’s authorised Borrowing Limit and Operational Boundary Limits for 2014/15 were set at £86.212 million and £69.705 million respectively. Activity has remained within these limits for the first three months.

### 5 Report Implications

#### 5.1 Finance and Value for Money Implications

5.1.1 Up to 30 June 2014, interest earned on investments was £25,387. The Council has not needed to borrow during the first three months of the year, to fund any temporary shortfalls in the day to day cash flow.

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

#### 5.2 Environment and Sustainability Implications

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

#### 5.3 Risk Management Implications

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

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

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

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

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

INVESTMENT OUTSTANDING

Appendix A

CURRENT LOANS & INVESTMENTS

01-Jul-14

Investment General Account	Investment or Loan No.	Amount	% Invested	Type of Investment	Current Interest Rate	Date of Investment	Maturity Date
Lloyds TSB	5355	1,500,000.00	9.74%	Fixed	1.01	22-Jul-13	22-Jul-14
Lloyds TSB	5277	1,500,000.00	9.74%	Fixed	0.98	10-Sep-13	10-Sep-14
Barclays	5338	1,500,000.00	9.74%	Fixed	0.62	17-Jun-14	17-Dec-14
Barclays (CD)		1,000,000.00	6.49%	Fixed	0.89	02-May-14	01-May-15
Standard Chartered		2,000,000.00	12.99%	Fixed	0.58	15-May-14	14-Nov-14
Royal Bank of Scotland		1,829,000.00	11.88%	CALL	0.60	01-May-12	
Federated Cash Plus		1,000,000.00	6.49%	eMMF	0.8500	31-Jan-14	
RLAM Cash Plus		1,000,000.00	6.49%	eMMF	1.0100	22-Jan-14	
Deutsche Managed Sterling Fund - Advisory		-	0.00%	MMF	0.3549		
CCLA MMF		-	0.00%	MMF	0.3407		
Federated MMF		-	0.00%	MMF	0.4049		
Ignis MMF (Bank of New York Mellon) - class 2		4,071,000.00	26.44%	MMF	0.4396		
Ignis MMF (Bank of New York Mellon) - class 3		-	0.00%	MMF	0.3844		
INSIGHT MMF		-	0.00%	MMF	0.3546		
Morgan Stanley Sterling Liquidity Inst ZNAG		-	0.00%	MMF	0.3770		
ROYAL BANK OF SCOTLAND MMF		0.00	0.00%	MMF	0.3137		
<b>TOTAL CURRENT GENERAL INVESTMENTS:</b>		<b>15,400,000.00</b>			<b>0.78</b>		

**1 Summary**

- 1.1 The report updates Members on the progress of the 2014/15 Capital Programme in terms of expenditure up to the end of July 2013.

**Recommendation to the Board**

- a That progress made against the 2014/15 Capital Programme is noted; and**
- b That virements between budget headers be approved.**

**2 Consultation**

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

**3 Introduction**

- 3.1 The Executive Board approved the Council's Capital Programme of £9,868,220 for 2014/15 in February 2014.
- 3.2 At the Executive Board on 17 June, it was agreed to carry forward £3,976,820 of unspent 2013/14 budget. This gives a total approved capital programme for 2014/15 of £13,845,090 (Appendix A).

**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 is monitored on a monthly basis and discussed with Budget Holders.

## 5 Housing Schemes

- 5.1 The original budget for 2014/15 is £4,068,750 and there is an agreed carry forward of £2,602,540 which provides a total Housing Capital budget of £6,671,290 (Appendix A).
- 5.2 There has been a total of £261,220 spent or committed on the housing capital programme during the first four periods of 2014/15; this is compared to a profiled budget of £378,477.
- 5.3 It is asked that this Board consider pooling the following budgets in order to support the Capital Scheme programme of works for 2014/15 and to assist with the budget monitoring process:
- Move £463,210 from Kitchens to Roofing in line with programme of work for the year.
  - Move budget balances totalling £158,960 from various cost centres to the new Multi Trade Contract budget, which will cover multiple strands of Capital expenditure.

## 6 General Fund Schemes

- ... 6.1 The original budget for 2014/15 was £5,799,470 and there is an agreed carry forward of £1,374,330 which provides a total General Fund Capital budget of £7,173,800 (Appendix A)
- 6.2 There has been a total of £1,979,271 spent and committed against the general fund capital projects for 2014/15, against a profiled budget of £2,477,868.
- 6.3 The Council Office refurbishment is now complete and we are awaiting confirmation from the contractors of the final project cost. It is anticipated at this time that the project will come in under budget.
- 6.4 Work on the new Coleshill Leisure Centre continues and the project will be completed within this financial year. Additionally, expenditure of £95,150 to fund replacement gym equipment at Atherstone Leisure Complex has been committed and this will be funded by use of Earmarked Reserves.

## 7 Report Implications

### 7.1 Finance and Value for Money Implications

- 7.1.2 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.



## 7.2 Safer Communities Implications

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

## 7.3 Environment and Sustainability Implications

7.3.1 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.

## 7.4 Risk Management Implications

7.4.1 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.

## 7.5 Equality Implications

7.5.1 The Council is required to ensure it meets the requirements of the Equality Act 2010. The Act brings together all previous equality legislation and includes a public sector duty (the equality duty) replacing separate duties relating to race, disability and gender equality. The capital programme includes some provision for improving accessibility as previously required under the Disability Discrimination Act. The DDA defines discrimination in a number of ways and outlines four specific types of discrimination: direct discrimination, failure to make reasonable adjustments, disability-related discrimination and victimisation.

7.5.2 Failure to make reasonable adjustments could result in limiting access to services provided from our buildings and facilities by disabled people and the potential for legal challenges being taken against the Council.

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

### Background Papers

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

Background Paper	Author	Nature of Background Paper	Date

## Capital Budgetary Control Summary 2014/15 - as at P4

## APPENDIX A

Assistant Director	Cost Centre Code	Cost Centre Description	Original Budget 2014/15	Budget Slippage from 2013/14	(A)	(B)	(C)	(D)
					Total 2014/15 Approved Budget	Profiled Budget	Total Yr To Date	Total v Profiled Bud
		<b>Capital Expenditure</b>						
Angela Coates	8400	Cap Hsg Unallocated	-	58,970	58,970	19,657	6,679	(12,978)
Angela Coates	8401	Cap Hsg Disabled Facility Adaptation CH	175,000	-	175,000	58,333	33,164	(25,170)
Angela Coates	8402	Cap Hsg Community Centres	-	-	-	-	-	0
Angela Coates	8403	Cap Hsg Windows	-	5,430	5,430	-	-	0
Angela Coates	8404	Cap Hsg Kitchens	-	463,210	463,210	-	-	0
Angela Coates	8405	Cap Hsg Insulation	626,470	723,160	1,349,630	-	-	0
Angela Coates	8406	Cap Hsg Roofing	382,070	158,020	540,090	-	8,571	8,571
Angela Coates	8408	Cap Hsg Garages	-	16,510	16,510	-	-	0
Angela Coates	8409	Cap Hsg Heating	1,000,000	28,460	1,028,460	40,000	51,543	11,543
Angela Coates	8410	Cap Hsg Electrics	4,680	-	4,680	-	-	0
Angela Coates	8412	Cap Hsg External Works	-	40,680	40,680	-	-	0
Angela Coates	8421	Cap Door Entry Scheme	-	-	-	-	180	180
Angela Coates	8429	Cap Structural Work	-	13,910	13,910	4,637	2,014	(2,623)
Angela Coates	8430	Cap Hsg Loft Insulation Work	-	162,150	162,150	-	-	0
Angela Coates	8432	Cap Hsg UPVC Entrance Screens	-	-	-	-	1,858	1,858
Angela Coates	8433	Cap-Unadopted Roads	22,820	41,840	64,660	21,553	-	(21,553)
Angela Coates	8477	Cap New Build Housing Project	1,081,350	798,540	1,879,890	-	5,092	5,092
Angela Coates	8478	Cap Chimney Stacks	-	26,140	26,140	-	-	0
Angela Coates	8481	Cap Fencing	-	65,520	65,520	-	-	0
Angela Coates	8483	Cap Multi Trade Contract	543,520	-	543,520	181,174	97,981	(83,193)
Angela Coates	8484	Cap Rep DLO Vehicles	45,000	-	45,000	-	-	0
Angela Coates	8485	Cap Rep Wardens Vehicles	28,470	-	28,470	-	-	0
Angela Coates	8486	IBS Software	-	-	-	-	1,016	1,016
Angela Coates	8453	Cap Hsg General Costs	159,370	-	159,370	53,123	53,123	(0)
		<b>Total HRA</b>	<b>4,068,750</b>	<b>2,602,540</b>	<b>6,671,290</b>	<b>378,477</b>	<b>261,220</b>	<b>(117,258)</b>
Richard Dobbs	8002	Cap DDA	-	351,250	351,250	117,084	-	(117,084)
Richard Dobbs	8005	Cap Electrical Work to Council Premises	15,000	87,850	102,850	34,283	8,253	(26,030)
Simon Powell	8008	Cap Enhancement to Parks and Playing Fie	120,000	-	120,000	13,333	-	(13,333)
Simon Powell	8023	Cap General Leisure Equipment	20,000	-	20,000	6,667	1,031	(5,636)
Simon Powell	8025	Cap ALC Gym Equipment	-	-	-	-	95,148	95,148
Richard Dobbs	8041	Cap Ath Accommo Project	423,830	130,310	554,140	554,140	465,140	(89,000)
Angela Coates	8052	CAP Borough Care System Replace	-	2,500	2,500	833	4,030	3,197
Simon Powell	8056	CAP Coleshill Leisure Centre	3,111,280	191,540	3,302,820	1,120,000	1,120,220	220
Simon Powell	8057	Cap Piccadilly Sports Field	-	27,860	27,860	9,287	-	(9,287)
Simon Powell	8058	Cap Polesworth Abbey Green Park	-	11,430	11,430	3,810	3,988	178
Simon Powell	8059	Cap Dordon Long Street Recreation Ground	-	2,870	2,870	957	1,501	544
Simon Powell	8060	Cap Kitwood Avenue Rec Ground	-	32,410	32,410	10,803	-	(10,803)
Simon Powell	8061	Cap Baddesley Ensor Environment Improvem	-	26,170	26,170	8,723	70,660	61,937
Richard Dobbs	8063	Cap Bear & Ragged Staff	-	120,000	120,000	40,000	-	(40,000)
Simon Powell	8065	Cap Bretts Hall Recreation Ground	-	30,000	30,000	10,000	-	(10,000)
Richard Dobbs	8066	Cap Innage Park Cladding	200,000	-	200,000	-	-	0
Richard Dobbs	8067	Cap Pavillions Roof	175,000	-	175,000	58,333	-	(58,333)
Angela Coates	8068	Cap Warden Call Scheme	59,010	-	59,010	19,670	-	(19,670)
Linda Bird	8201	Cap Computer Software	30,000	12,620	42,620	14,207	16,410	2,203
Linda Bird	8205	Cap Infrastructure Improvements	20,000	-	20,000	-	1,800	1,800
Linda Bird	8224	Cap Warwickshire Direct Partnership	11,080	-	11,080	-	-	0
Linda Bird	8240	Op Ssystem Upgrade	15,000	-	15,000	-	-	0
Linda Bird	8245	Cap IT Replace Leisure booking system	-	50,000	50,000	30,000	38,777	8,777
Linda Bird	8253	Cap Customer Relationship Manager	-	-	-	-	-	0
Angela Coates	8300	Cap Life Lines	18,000	-	18,000	6,000	11,991	5,991
Steve Maxey	8307	CAP Mobile CCTV	11,310	7,590	18,900	-	-	0
Richard Dobbs	8500	Cap Transport	1,193,170	7,510	1,200,680	200,000	83,442	(116,558)
Sue Garner	8605	Car Loan	-	-	-	-	3,744	(3,744)
Angela Coates	8702	Cap Home Safety Check Scheme	-	-	-	-	-	0
Angela Coates	8703	Cap Disabled Facilities (expenditure)	300,000	178,320	478,320	102,857	33,944	(68,913)
Angela Coates	8704	Cap DHS Assistance	57,500	104,100	161,600	110,450	20,248	(90,202)
ALL	8303	Cap Capital Salaries	19,290	-	19,290	6,430	6,430	(0)
		<b>Total General Fund</b>	<b>5,799,470</b>	<b>1,374,330</b>	<b>7,173,800</b>	<b>2,477,868</b>	<b>1,979,271</b>	<b>(498,597)</b>
		<b>Total Expenditure</b>	<b>9,868,220</b>	<b>3,976,870</b>	<b>13,845,090</b>	<b>2,856,346</b>	<b>2,240,491</b>	<b>(615,855)</b>

**Agenda Item No 10**

**Resources Board**

**1 September 2014**

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

**General Fund Budgetary Control  
Report 2014/15  
Period Ended 31 July 2014**

**1 Summary**

- 1.1 The report covers revenue expenditure and income for the General Fund between 1 April 2014 and 31 July 2014. The 2014/15 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.

**Recommendation to the Board**

**That the report be noted.**

**2 Consultation**

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

**3 Introduction**

- 3.1 Resources Board is responsible for monitoring the Council's overall financial position on the General Fund, and this report gives details of the position at 31 July.
- 3.2 The Board is also directly responsible for a number of internal and front line services. Accounting rules require front line services to show the total cost of providing the service, which includes support costs such as finance and IT services, as well as costs and income directly incurred.
- 3.3 Internal service costs are therefore recharged to all the services they support, both those that remain within Resources Board and those which are the responsibility of other Boards. This report provides some detail on both the front line services relating to this Board and the internal service costs that are recharged, at 31 July 2014.
- 3.4 Where possible, the year-to-date budget figures have been calculated with some allowance for seasonal variations, in order to give a better comparison with actual figures.

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

4.1 The total expenditure for those services that remain within Resources as at 31 July 2014, is £1,020,753, compared with a profiled budgetary position of £1,076,733; an under spend of £55,980 for the period. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

#### 4.2 **Democratic Process**

4.2.1 There has been a reduction in one of the corporate subscriptions paid and an under spend to date on members training, allowances and travel.

#### 4.3 **Registration of Electors**

4.3.1 Whilst there are overspends on recruitment, hardware and printing these are funded by additional external funding. Any funding not utilized will need to be carried forward.

#### 4.4 **Council Tax Collection**

4.4.1 There is an under spend on Council Tax Collection as a result of increased legal fee income relating to the collection of unpaid Council Tax.

#### 4.5 **Corporate and Democratic Core**

4.5.1 There is an over spend on bank charges due to one off costs relating to changing banks. (Co-op to Lloyds)

#### 4.6 **Carlyon Road Industrial Estate**

4.6.1 An over spend has arisen as the Council has become liable for business rates at a vacated unit.

#### 4.7 **Innage Park Industrial Estate**

4.7.1 There is a significant under spend on business rates as previously vacant units have now been let, this in turn has generating additional rental income above the profiled budget.

#### 4.8 **Rent Allowances**

4.8.1 The over spend relates to a lower than expected recovery of Housing Benefit overpayments is below the profiled levels.

#### 4.9 **Rent Rebates**

4.9.1 There is an under spend on Rent Rebates as the recovery of Housing Rent Rebates overpayments above the profiled levels.

#### 4.10 Car Parks

4.10.1 There is an over spend on car park maintenance, due to alterations that have been made to Woolpack Way car park to provide the County Council parking spaces. In addition to this there is an increase in business rates payable at the Market Square car park and a reduction in penalty fines income.

### 5 Services Recharged to Other Directorates and Services

5.1 Net expenditure for those services that are recharged to other Directorates and Services, as at 31 July 2014, is £75,329, compared with a profiled budgetary position of £127,848; an under spend of £52,519 for the period. Appendix B to the report gives the profiled and actual positions for the period for each service, together with the variance.

#### 5.2 Directorate Budgets

5.2.1 The Council's budget requirement for 2014/15 assumed that there would be a salary vacancy saving in the year of £80,000 and this was included as a central amount. The central vacancy factor has been added into the budget columns shown in Appendix B, to enable easier comparison with the actual position. Current vacancy levels within the Directorates mean that we have exceeded this target, taking into account the use of temporary and agency staff to cover key duties and any recruitment costs resulting from these vacancies, and excluding vacancies that relate to the Housing Revenue Account.

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

	£
Current agency staff variance	9,500
Current professional fees variance	410
Current salaries underspend	(109,150)
<b>TOTAL</b>	<b>(99,240)</b>

5.2.3 Other variances include under-spends relating to training, travel, and utility bills. There is also additional income arising from the use of Council offices by the County Council and additional legal fee income. These have been partially offset by increased maintenance costs within transport.

### 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 Overall General Fund Position

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

7.2 The actual level of Board expenditure for the period to 31 July 2014 is £3,009,610 compared with a profiled budgetary position of £3,149,289, an under spend of £142,011. The variations on Resources Board account for much of this underspend, and are detailed in sections 4 and 5. In addition income on Planning Control is ahead of target by £87,514 as a result of an increase in the number of planning applications being submitted and the receipt of several larger applications. The overall underspend has been reduced by an over spend to date on Refuse and Recycling due to the increased participation rates and volumes of recycling.

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

7.4 Taking these amounts into account, net expenditure for the Council to the end of July totals £2,567,521, compared with a profiled position of £2,709,532. This increases the general under-spend for the period to £142,011.

## 8 Risks to the Budget

8.1 In setting the budget in February 2014, a number of key risks to the overall budgetary position of the Council were highlighted and these are shown below:-

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

8.2 Some more specific risks to the budgetary position of the Council from services under the control of this Board were identified in setting the budget and these are set out below:

- Further changes to the employee taxation system (National Insurance)
- Additional increases in pension contribution rates above those already included
- Higher than anticipated rises in utility costs (electricity, gas and water)
- Changes in legislation that effect service delivery and/or software requirements
- Above inflation increases in vehicle fuel costs
- Increased insurance costs, especially those relating to vehicles
- Termination of employment costs
- Auto enrolment leading to increased membership of the pension scheme and higher employer pension contributions
- Increases in vacancies at industrial estates and shops that will impact on the level of rental income the Council receives and the amount of business rates that the Council is liable for;
- A higher level of maintenance on property assets and car parks, over and above that budgeted for;
- An increase in the level of Local Authority error made in processing benefit payments could lead to a loss of subsidy;
- A significant increase in workload due to an increase in benefit claimants and non payment of Council Tax and/or Business Rates;
- The effect of planned Government changes in how benefits services are delivered and the structure of benefit payments;
- A fall in the level of recovery of Housing Benefit overpayments (greater than that expected) would impact on the level of expenditure borne by the Council;
- Further reductions in benefit administration grant levels;
- Contracts based on RPI (which was running at 2.65% in November 2013).

## 9 **Estimated Out-turn for the General Fund**

9.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position. The anticipated out-turn for the General Fund is detailed in the table below: -

<b>Board</b>		<b>£</b>
	<b>Approved budget 2014/2015</b>	<b>8,977,060</b>
Planning	Additional Planning Fee Income	(100,000)
Resources	Increase In the vacancy factor	(50,000)
Resources	Income from the County Council for office accommodation	(40,000)
Resources	Additional rental income at Industrial Estates	(15,000)
Resources	Savings on business rates	(13,000)
Planning	Additional Land Charge Income	(5,000)
C & E	Additional costs of Refuse and Recycling based on additional participation rates and volumes of recycling partially offset by a change in funding for 3 recycling vehicles	150,170
C & E and Resources	Increases relate to Superannuation on overtime and more employees in scheme due to auto enrolment	45,000
Resources	loss of income within legal Shared Service, income for job shadowing at Atherstone Pool and additional costs for LGA Affiliation fee and revenue implications of some small IT capital projects	14,800
Resources	Increase in the interest payable to the HRA to reflect a change in earmarked reserves balances held	7,780
	<b>Expected Out-turn 2014/2015</b>	<b>8,971,810</b>

## 10 Report Implications

### 10.1 Finance and Value for Money Implications

10.1.1 The Council's budgeted contribution from General Fund balances for the 2014/2015 financial year is £595,460. This is expected to decrease by £5,250, as shown above in section 9. Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board at future meetings.

### 10.2 Environment and Sustainability Implications

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

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

### Background Papers

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

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



**North Warwickshire Borough Council**  
**RESOURCES BOARD (REMAINING)**  
**Budgetary Control Report 2014/15 as at 31 July 2014**

Description	Original Budget 2014/2015	Profiled Budget to July 2014	Actual to end July 2014	Variance to Date	Comments
Democratic Process	648,300	223,643	214,119	(9,524)	comment 4.2
Election Expenses	29,540	8,180	8,045	(135)	
Registration of Electors	38,410	8,697	(5,556)	(14,253)	comment 4.3
Business Rates	54,160	54,770	51,563	(3,207)	
Council Tax Collection	171,260	70,527	59,565	(10,962)	comment 4.4
Finance Miscellaneous	600	200	(573)	(773)	
Compensation and Pension Increases	505,000	123,716	119,667	(4,049)	
Assisted Car Purchases	(340)	(113)	-	113	
Electricity at Work	22,290	11,777	8,532	(3,245)	
Finance Unused Land	2,820	940	940	(0)	
Corporate and Democratic Core	620,940	128,500	134,630	6,130	comment 4.5
Unallocated Central Support Services	44,910	3,141	5,763	2,622	
Coleshill Shops and Flats	(63,210)	(18,310)	(18,698)	(388)	
The Arcade	-	-	(50)	(50)	
The Pavilions, Holly Lane	(75,070)	(32,737)	(32,737)	(0)	
Carlyon Road Industrial Estate	(110,570)	(47,141)	(41,917)	5,224	comment 4.6
Innage Park Industrial Estate	45,250	49,904	15,356	(34,548)	comment 4.7
Polesworth Workspace Units	(160)	665	(322)	(987)	
The Bear and Ragged Staff	(13,530)	(4,590)	(4,591)	(1)	
Homeless Persons	111,610	40,417	40,417	(0)	
Public Conveniences	118,900	35,303	34,883	(420)	
Customer Contact	88,650	16,923	17,263	340	
Rent Allowances	175,460	19,094	31,817	12,723	comment 4.8
Rent Rebates	67,510	16,993	9,201	(7,791)	comment 4.9
Concessionary Fares	25,600	9,350	6,581	(2,769)	
Council Tax Support	223,120	49,385	49,499	114	
Car Parks	61,980	38,086	43,346	5,260	comment 4.10
Broadband Delivery UK	50,190	63	63	-	
Animal Control	77,030	25,480	24,716	(764)	
Abandoned Vehicles	10,060	3,353	3,287	(67)	
Private Sector Housing Assistance	191,950	23,943	23,943	(0)	
CCTV	113,170	31,229	34,006	2,777	
Community Support	546,820	183,484	185,927	2,443	
North Warwickshire LEADER (External)	1,710	1,859	1,859	(0)	
<b>TOTALS (before adjustment)</b>	<b>3,784,360</b>	<b>1,076,733</b>	<b>1,020,546</b>	<b>(56,187)</b>	
Budgeted pay award not yet determined	-	-	207	207	
<b>TOTALS (after adjustment)</b>	<b>3,784,360</b>	<b>1,076,733</b>	<b>1,020,753</b>	<b>(55,980)</b>	

**North Warwickshire Borough Council**  
**RESOURCES BOARD (RECHARGED)**  
**Budgetary Control Report 2014/15 as at 31 July 2014**

Description	Original Budget 2014/2015	Profiled Budget to July 2014	Actual to end July 2014	Variance to Date	Comments
Building Maintenance Fund	-	(0)	(0)	0	
Council Offices	(1,490)	68,522	38,646	(29,876)	comment 5.2.3
Central Telephones	-	(1,805)	(3,758)	(1,953)	comment 5.2.3
Recruitment	-	(0)	(0)	0	
Printing and Stationery	(770)	181	193	12	
Training	-	0	1,942	1,942	
Depot and Stores	(250)	14,797	15,607	810	
Postal Services	-	93	0	(93)	
Chief Executive Directorate	(6,360)	(2,244)	(3,726)	(1,483)	
Assistant Chief Executive	(40,060)	(11,173)	(32,429)	(21,256)	comment 5.2.3
Directorate of Community Services	(39,480)	(18,139)	(38,121)	(19,982)	comment 5.2.3
Deputy Chief Executive	(96,230)	(22,936)	(100,733)	(77,797)	comment 5.2.3
Corporate Services	(23,250)	132,251	139,435	7,184	comment 5.2.3
Transport	(2,160)	(5,028)	11,820	16,849	comment 5.2.3
<b>TOTALS</b>	<b>(210,050)</b>	<b>154,518</b>	<b>28,875</b>	<b>(125,643)</b>	
Central Vacancy Factor	(80,000)	(26,670)	-	26,670	
<b>TOTALS (before adjustment)</b>	<b>(290,050)</b>	<b>127,848</b>	<b>28,875</b>	<b>(98,973)</b>	
Budgeted pay award not yet determined	-	-	46,454	46,454	
<b>TOTALS (after adjustment)</b>	<b>(290,050)</b>	<b>127,848</b>	<b>75,329</b>	<b>(52,519)</b>	

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

	Budgeted performance	Profiled Budgeted performance	Actual performance to Date
<b>Registration of Electors</b>			
Cost per elector for the Electoral Register	£0.77	£0.18	£0.20
<b>Business Rates</b>			
% of NDR Collection Rate	99.30%	33.10%	38.51%
Cost per NDR Property	£24.51	£24.78	£22.91
<b>Council Tax Collection</b>			
% of Council Tax Collection Tax	98.00%	39.20%	39.47%
Cost per Household	£6.34	£2.61	£2.19
<b>Coleshill Shops and Flats</b>			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Shop	(£10,076)	(£2,926)	(£2,925)
<b>The Pavilions</b>			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Unit	(£10,609)	(£4,446)	(£4,446)
<b>Carlyon Road Industrial Estate</b>			
Occupancy Rate	87.50%	87.50%	85.90%
Annual Income per Unit	(£7,633)	(£3,161)	(£3,114)
<b>Innage Park Industrial Estate</b>			
Occupancy Rate	64.00%	64.00%	68.29%
Annual Income per Unit	(£4,047)	(£1,523)	(£1,752)
<b>Polesworth Workspaces</b>			
Occupancy Rate	75.00%	75.00%	75.00%
Annual Income per Unit	(£1,116)	(£372)	(£372)
<b>Rent Allowances</b>			
Rent Allowances per Claimant	£4,795	£1,576	£1,551
Cost of Administration per Claimant	£103.21	£24.27	£30.95
<b>Rent Rebates</b>			
Rent Rebates per Claimant	£3,739	£1,402	£1,413
Cost of Administration per Claimant	£40.00	£10.15	£5.80

North Warwickshire Borough Council  
**CONSOLIDATED BUDGETARY POSITION**  
 Budgetary Control Report 2014/15 as at 31 July 2014

Board	2014/2015 Original Budget	Expected position at July 2014	Actual position at July 2014	Variance
Executive	624,010	234,650	222,520	(12,129)
Planning and Development	453,730	130,781	44,356	(86,425)
Licensing Committee	2,440	7,293	7,860	566
Community and Environment	4,989,610	1,571,984	1,638,792	66,808
Resources (including staff vacancies)	3,413,550	1,204,581	1,096,082	(108,499)
<b>Net Board Expenditure</b>	<b>9,483,340</b>	<b>3,149,289</b>	<b>3,009,610</b>	<b>(139,679)</b>
Payments to Parish Councils	98,210	49,105	49,105	-
Other Contingencies	119,320	-	-	-
<b>Net Board Expenditure</b>	<b>9,700,870</b>	<b>3,198,394</b>	<b>3,058,715</b>	<b>(139,679)</b>
Investment Income	(100,000)	(33,333)	(33,355)	(22)
RCCO	119,000	39,667	39,667	-
Use of Balances	(595,460)	(198,487)	(198,487)	-
Financing Adjustment	(742,810)	(247,603)	(249,913)	(2,310)
<b>Net Expenditure</b>	<b>8,381,600</b>	<b>2,758,637</b>	<b>2,616,626</b>	<b>(142,011)</b>

**Agenda Item No 11**

**Resources Board**

**1 September 2014**

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

**Housing Revenue Account  
Budgetary Control Report 2014/2015  
Period Ended 31 July 2014**

**1 Summary**

- 1.1 The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 July 2014.

**Recommendation to the Board**

**That the report be noted.**

**2 Consultation**

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

**3 Report**

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

**4 Overall Position**

- 4.1 The Housing Revenue Account (HRA) includes all costs and income relating to the letting and management of the Council's housing stock, and this has to be kept separate from General Fund expenditure. The actual position for the HRA for the period ended 31 July 2014 is a surplus of 1,319,177, compared with a forecast surplus position for the period of £1,220,735. 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 £98,442 against the forecast position. Appendix A to this report provides details of the profiled and actual position for expenditure and income incurred by the HRA, and an explanation of significant variations are given in more detail below.

- 4.2 The overspend on Supervision and Management General relates to higher than expected level on Council Tax on void/empty properties.
- 4.3 There is an under spend on Supervision and Management Special relating to utility costs and window cleaning at flats and communal centres. In addition there is an underspend on Tenant Participation supplies budget and an underspend on equipment repairs and replacement at the laundries.
- 4.4 There is an under spend to date on capital expenditure relating to the multi trade contracts and disabled facilities adaptations budgets.
- 4.5 There has been a lower level of dwellings rental income to date due to higher than expected sales of 9 dwellings against a budget of 5 and a higher level of void properties.

## 5 **Housing Repairs Fund**

- 5.1 The Housing Repairs Fund covers expenditure on all repairs and maintenance, both day to day and programmed whether carried out by Housing Direct Works or external contractors. This includes any surplus or deficit on the operation of Housing Direct Works.
- 5.2 The balance on the Fund at the start of the year amounted to £71,619. The balance can be used to cover timing issues between years. In 2014/15 the contribution to the fund is £3,141,950. 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.

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

## 6 **Housing Direct Works**

- 6.1 There is an under spend on employee costs reflecting the use of temporary agency staffing on day to day repairs and voids due to vacancies. There is a decrease to date in supplies and services due to lower usage and cost of materials, scaffolding and skip hire. This has been partially offset by additional hired transport costs and vehicle maintenance costs. Appendix C to this report provides the profiled and actual expenditure of Housing Direct Works in more detail.

## 7 **Risks to the Budget**

- 7.1 The key risks to the budgetary position of the Housing Revenue Account in 2014/15 include:
- The impact of Benefit changes on the ability to collect rents,
  - 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.

## **8 Estimated Out-turn**

- 8.1 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 2014/15 is £386,480 surplus.
- 8.2 The estimated out-turn for the Repairs Fund remains the same as that included in the original budget.

## **9 Report Implications**

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

- 9.1.1 The Council is currently forecasting a contribution to the Housing Revenue Fund balance for the 2014/15 financial year of £386,480. Income and expenditure will continue to be closely managed and any issues that arise will be reported to this Board for comment.

### **9.2 Environment and Sustainability Implications**

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

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

	Original Budget 2014/2015	Expected Spend to July 2014/2015	Actual Spend to July 2014/2015	Variance	Comments
<b>EXPENDITURE</b>					
Repairs and Maintenance	3,141,950	959,000	957,960	(1,040)	Comment 5
Supervision and Management - General	1,275,410	413,063	419,239	6,176	Comment 4.2
Supervision and Management - Special Services	488,840	164,319	151,901	(12,418)	Comment 4.3
Provision for Bad Debts	175,410	58,470	58,470	-	
Interest on Loans	1,633,270	544,423	544,423	-	
Revenue Set Aside (debt Repayment)	1,250,000	416,667	416,667	-	
PWLB Settlement Fee	-	-	-	-	
Contribution to Contingency Reserve	372,300	124,100	124,100	-	
Contribution to New Build Reserve Reserve	54,840	18,280	18,280	-	
Capital Expenditure - New Build	1,026,760	-	5,092	5,092	
Capital Expenditure	2,347,140	378,477	256,128	(122,349)	Comment 4.4
<b>Total Expenditure</b>	11,765,920	3,076,799	2,952,260	(124,539)	
<b>INCOME</b>					
Gross Rent Income from Dwellings	(11,693,780)	(4,141,547)	(4,114,990)	26,557	Comment 4.5
Gross Rent Income from Non-Dwellings	(341,140)	(128,074)	(128,833)	(759)	
Charges for Services and Facilities	(77,590)	(14,616)	(14,317)	299	
<b>Total Income</b>	(12,112,510)	(4,284,237)	(4,258,140)	26,097	
<b>NET COST OF SERVICES</b>	<b>(346,590)</b>	<b>(1,207,438)</b>	<b>(1,305,880)</b>	<b>(98,442)</b>	
Investment Income - Mortgages	(20)	(7)	(7)	-	
- Other	(39,870)	(13,290)	(13,290)	-	
<b>TOTAL (SURPLUS)/DEFICIT FOR THE YEAR</b>	<b>(386,480)</b>	<b>(1,220,735)</b>	<b>(1,319,177)</b>	<b>(98,442)</b>	



## Appendix B

### HOUSING REPAIRS FUND (to end of July 2014)

	£
<b>Balance available at 1 April 2014</b>	<b>71,619</b>
Contribution 2014/15 (to July 2014)	959,000
Expected Use of Fund (to July 2014)	(957,960)
<b>Surplus on the Fund at 31 July 2014</b>	<b>72,659</b>

APPENDIX C

**HOUSING REVENUE ACCOUNT**  
**HOUSING DIRECT WORKS**  
**Budgetary Control Report as at 31 July 2014**

	Original Budget 2014/2015	Expected Spend 2014/2015	Actual Spend 2014/2015	Variance
<b>EXPENDITURE</b>				
Employee Costs	872,110	290,890	276,681	(14,209)
Supplies and Services	740,400	246,740	196,781	(49,959)
Transport	95,410	29,473	40,276	10,802
<b>Gross controllable Expenditure</b>	1,707,920	567,103	513,737	(53,366)
Central Support	261,910	87,303	87,303	-
Capital Charges	41,320	13,773	13,773	-
<b>Housing Direct Works Expenditure</b>	<b>2,011,150</b>	<b>668,180</b>	<b>614,814</b>	<b>(53,366)</b>

**Report of the  
Deputy Chief Executive**

**A Review of the Effectiveness of  
Internal Audit 2013-14**

**1 Summary**

- 1.1 The report allows the Board to consider the annual review of the effectiveness of the system of Internal Audit.

**Recommendation to the Board**

**That Members note the findings of the annual review of the effectiveness of the system of internal audit for 2013-14; and note that the system of internal audit is operating effectively and can be relied upon as reflected in the Annual governance Statement for 2013-14.**

**2 Report**

- 2.1 In accordance with the Accounts and Audit (England) Regulations 2011 the Council is required to undertake an annual review of the effectiveness of its system of Internal Audit.

PSIAS (Public Sector Internal Audit Standards) were adopted as a common set of standards effective from 1 April 2013 enabling the effective measurement of an internal audit service.

The objectives of the PSIAS were outlined in a report to Resources Board on 2 September 2013 and these are used to evaluate the performance of the internal audit team throughout the year.

**3 Review Details**

- 3.1 The elements of this review are:

- A self assessment to determine compliance with the Standards undertaken by the Head of Audit.
- Production of an Action Plan identifying where full compliance has not been achieved to ensure full compliance with the Standards in future.
- The level of assurance placed upon the work of Internal Audit by the External Auditor.
- Report upon the results of any satisfaction questionnaires and audit surveys.

- Report upon any other performance indicators collected in respect of Internal Audit.

## **4 Review Results**

- 4.1 Overall, the review so far has shown that Internal Audit is operating effectively and can be relied upon when considering the Annual Governance Statement for 2013-14. This assessment may be reviewed by the Council's External Auditor as part of their review of Internal Audit.
- 4.2 The lengthy detailed assessment consists of 316 criteria used to measure the Internal Audit service and results so far raise no concerns over non-compliance. Work is continuing to complete this review and a report will be submitted to this Board on November outlining any areas of non or partial compliance accompanied by an improvement plan.
- 4.3 The External Auditors (Price Waterhouse Coopers) have stated that they are able to place full reliance on the work of Internal Audit following their review carried out in April 2014.
- 4.4 In addition to the self-assessment against the PSIAS, other factors are deemed to be important when trying to determine the effectiveness of the system of internal audit. These include both qualitative and quantitative issues such as:
  - Customer Satisfaction Questionnaires are issued to all managers after a final report has been issued to establish the quality and effectiveness of the review. In all those returned there was 100% satisfaction. An annual survey confirmed that the service exceeded expectations.
  - Internal audit are required to achieve at least 90% of the Audit Plan. During 2013-14 90% of the Plan was completed.
  - 100% of recommendations made were accepted by management and implemented.
  - 89% of audits were completed by the set deadline and 83% completed within the time allowed, extended time due to extra work being agreed and undertaken.

## **5 Report Implications**

### **5.1 Risk Management Implications**

- 5.1.1 Not complying with the Code of Practice for Internal Audit in Local Government will result in non compliance with the Accounts and Audit Regulations 2011.

## 5.2 Links to Council's Priorities

- 5.2.1 An effective, productive and compliant Internal Audit service will contribute to the Councils priority of "Making best use of resources through achieving a balanced budget and developing our workforce".

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

**Agenda Item No 13**

**Resources Board**

**1 September 2014**

**Report of the Chief Executive and the Deputy Chief Executive**

**Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - June 2014**

**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 June 2014.

**Recommendation to the Board**

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

**2 Consultation**

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

**3 Background**

- 3.1 This report shows the first quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2014/15. This is the first report showing the progress achieved so far during 2014/15.

**4 Progress achieved during 2014/15**

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with our local performance indicators during April to June 2014/15 for the Resources Board.

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

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

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

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

## 5 Performance Indicators

- 5.1 The current performance indicators have been reviewed by each division and Management Team for monitoring for the 2014/15 year.

## 6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 100% of the Corporate Plan targets and 67% of the performance indicator targets are currently on schedule to be achieved. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

### Corporate Plan

Status	Number	Percentage
Green	8	100%
Amber	0	0%
Red	0	0%
Total	8	100%

### Performance Indicators

Status	Number	Percentage
Green	12	67%
Amber	5	28%
Red	1	5%
Total	18	100%

## 7 Summary

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

## 8 Report Implications

### 8.1 Safer Communities Implications

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

## 8.2 Legal and Human Rights Implications

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

## 8.3 Environment and Sustainability Implications

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

## 8.4 Risk Management Implications

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

## 8.5 Equality Implications

8.5.1 There are a number of equality related actions and indicators highlighted in the report including improving broadband access, the borough care review and procurement strategy and practices.

## 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, 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



	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 039	To continue to contribute to the effectiveness and savings targets through delivery projects which help implement the Procurement and Commissioning Strategy	Public Services & Council Tax	Bird, Linda	Work on specific projects and to support the delivery of the Strategy is on target.	★ Green	↑
NWCP 040	To update the Council's ICT Strategy by March 2015 and to continue to contribute to the effective provision of services through implementing the actions and projects which help deliver the ICT Strategy	Public Services & Council Tax	Bird, Linda	ICT Strategy research has started and consultation with service is planned for August/September	★ Green	↑
NWCP 041	To monitor the operation of the Housing Revenue Account Business Plan and maintain a 30 year	Public Services & Council Tax	Garner, Sue	The Business Plan is due to be updated in September.	★ Green	↑
NWCP 043	To undertake work in line with the Human Resources Strategy, including a) Monitoring/managing sickness absence;b) Ensuring compliance with employment legislation and report by March 2015	Local Employment	Garner, Sue	Training on the management of sickness absence has been delivered. Absence is monitored throughout the year. The Retirement Policy and guidance on the Right to Request Flexible Working have been updated, and briefing sessions will be held in September.	★ Green	↑
NWCP 050	To work through a programme of key Council buildings community buildings, shops and industrial units, including seeking ways to reduce, where possible, our carbon footprint	Public Services & Council Tax	Dobbs, Richard	Energy efficiency measures have been introduced as part of the works to the Council Offices including roof insulation, new windows, LED lighting, new efficient boilers and BMS. CLC will include renewables and meet current building standards for energy efficiency - highly inefficient buildings such as the Arcade and old Coleshill leisure centre have been (or will be) disposed of.	★ Green	↑
NWCP 082	To work to improve broadband access for the people and businesses of North Warwickshire through the work of the Council and specifically the Coventry, Solihull and Warwickshire BDUK Project	Access to Services	Bird, Linda	Recommendation on further match funding approved by Council. Further work to be carried out on evidence of improvement and impact of contributions.	★ Green	↑
NWCP 084	To implement the work of the Task and Finish Group established to review the Borough Care Service and deliver any actions agreed by the Resources Board as part of the review	Housing	Coates, Angela	The Task Group has been meeting regularly to consider the service.	★ Green	↑
NWCP 088	To update Standing Orders and procurement practices to comply with modernised EU Procurement Rules when they become effective (estimated to be during 2014)	Public Services and Council Tax	Bird, Linda	Changes to the EU Procurement Regulations were reported to June Resources Board. Changes to CSO's and processes will be made once UK law is enacted.	★ Green	↑

Ref	Description	Section	Priority	Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 052	The % of invoices for commercial goods and services which were paid by the authority within 30 days of such Invoiced being received by the Authority (former BV8)	Financial Accountancy	Public Services & Council Tax	98	96.08	Amber	↘	Delays in the procedure are being reviewed in a few areas.
NWLPI 054	The proportion of working days / shifts lost to sickness absence (former BV12)	Human Resources	Public Services & Council Tax	8.5	2.57	Green	↗	
NWLPI 055	Voluntary leavers as a % of staff in post (former BV13)	Human Resources	Public Services & Council Tax	10	4.44	Green	↗	
NWLPI 57	Percentage of calls answered through the Central Control system within 60 seconds. (TSA national standard 96.5%):	Community Support	Housing	99	99.49	Green	↗	
NWLPI 135	Percentage of response repairs completed right first time	Housing Maintenance	Housing	94.90%	90.15%	Amber	↘	We are resolving issues with regard to getting materials for jobs in a more timely manner
NWLPI 068	Gas certificates completed	Housing Maintenance	Housing	100.00%	98.53%	Amber	↘	The systems of work are sound. However five tenants did not allow access for a number of reasons.
@NW:NI156	Number of households living in temporary accommodation (snapshot at end of each quarter)	Housing Management	Housing	3	1	Green	↘	
NWLPI 136	Number of tenants with more than 7 weeks rent arrears	Housing Management	Housing	2.75%	3.61%	Amber	↘	We constantly work to address arrears at an early stage.
NWLPI 070	Average time taken to re-let local authority housing (former BV212)	Housing Management	Housing	22 days	52 days	Red	↘	The number of transfers required because of welfare reforms as increased supply of vacancies and is causing an issue with regard to letting. We also have some sheltered scheme flats which are becoming harder to let. Housing Sub Committee has agreed to some proposals to address these issues.
NWLPI 039	The percentage availability of corporate systems available to users Monday to Friday 8.00 am to 5.30 pm :	Computer Services	Public Services & Council Tax	99.7	100	Green	↗	
NWLPI 040	The percentage of initial response to helpdesk calls within four hours of a call being placed :	Computer Services	Public Services & Council Tax	95	97	Green	↗	
NWLPI 041	Percentage of Service Desk Calls resolved in target (total of IS3 to IS6)	Computer Services	Public Services & Council Tax	95	97	Green	↗	
NWLPI 096	The Percentage of Calls answered in 20 seconds in the contact centre	Revenues & Benefits	Public Services & Council Tax	75	71	Amber	↘	There has been a reduction in staffing resources in the first quarter which has contributed towards the lower level of performance.

Ref	Description	Section	Priority	Year-End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 100	Housing Benefit Security: : The number of prosecutions and sanctions, per 1,000 caseload (former BV76d)	Revenues & Benefits	Public Services & Council Tax	5	5	★ Green	➡	
@NW:NI181	The average time taken in calendar days to process all new claims and change events in Housing Benefit and Council Tax Benefit	Revenues & Benefits	Public Services & Council Tax	12	9.82	★ Green	➡	
NWLPI 106	The percentage of non-domestic rates due for the financial year which were received by the authority (former BV10)	Revenues & Benefits	Public Services & Council Tax	29.5	29.63	★ Green	➡	
NWLPI 107	Proportion of Council Tax collected (former BV9)	Revenues & Benefits	Public Services & Council Tax	29.5	29.96	★ Green	➡	
NWLPI 161	Percentage of abandoned calls in the Contact Centre	Contact Centre	Public Services & Council Tax	5	4.8	★ Green	➡	

**Report of the  
Deputy Chief Executive**

**Internal Audit – Performance for  
First Quarter 2014-15**

**1 Summary**

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

**Recommendation to the Board**

**That the report be noted.**

**2 Introduction**

- 2.1 The PSIAS -Public Sector Internal Auditing Standards on Internal Audit in Local Government defines standards of best practice for internal audit. The Standard requires that Members both approve the Internal Audit Section's strategic work plan and receive periodic reports on performance against plan. This report summarises performance for April 2014 to June 2014.

**3 Summary of Work Completed**

- ... 3.1 Appendix A to the report summarises progress on the approved audit plan for the period, identifying audits completed and indicating the extent of progress on those audits still outstanding. The number of audits scheduled has reduced due to the complexity of the reviews currently being undertaken. This revised approach has been agreed with the Deputy Chief Executive as improving the efficiency and effectiveness of the internal audit function benefitting to the maximum, service provision. Appendix B provides definition for the levels of assurance applied which have been improved for 2014-15 and ensuing years.

- ... 3.2 The external auditors reviewed the work of Internal Audit in April 2014 and as in previous years were completely satisfied with the work that had been completed. The first ever annual audit survey was undertaken in house at the end of 2013 and this provided assurance that the team are working effectively and efficiently.

- 3.3 Internal Audit can place a substantial level of assurance on the following final review that refers to 2013-14 but was performed in 2014-15; Budgetary Control. The review for Treasury Management has been deferred pending the completion of the review of council financial records by the external auditors. Adequate levels of assurance can be placed on the 2014-15 reviews of Procurement and Ordering and Payment of Goods and Services.
- 3.4 The Internal Audit Section has undertaken an increased amount of work recorded under contingency audits. These are reviews carried out either resulting from departmental requests, external audit suggestions, counter fraud activity and monitoring of reporting information from the National Fraud Initiative.
- 3.5 The performance standards set by the Audit Commission require that Internal Audit complete at least 90% of planned work in the year unless there are good reasons otherwise. In calculating that statistic, planned work deferred at client request is ignored if such deferrals have appropriate justification. All client requests for deferrals have been based on sound, service based justifications.

#### 4 Report Implications

##### 4.1 Risk Management Implications

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

**Audits Completed first quarter 2014-15**

<b>Audit</b>	<b>Quarter Due</b>	<b>Status</b>	<b>Assurance Level</b>	<b>Tot No. of Recs</b>	<b>Priority1</b>	<b>Priority2</b>	<b>Not Agreed</b>
Treasury Management 2013-14	1	Postponed	to quarter 2				
Budgetary Control 2013-14	1	Final	Substantial	0			
Procurement	1	Final	Adequate	5	2	3	
Ordering and Payment of Goods	1	Draft	Adequate	8	2	6	

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

Procurement processes allowed payment to be made for goods not yet received and this highlighted several necessary changes to improve internal control.

Authorisation limits were inappropriate or non-existent and not regularly reviewed leaving purchasing/authorisation methods weakened.

**Progress Against Audit Plan**

<b>Audit</b>	<b>Status</b>	<b>Due</b>	<b>Audit</b>	<b>Status</b>	<b>Due</b>
Ordering and Payment of Goods	Draft	Qtr 2	Corporate Health & Safety	Draft	Qtr 2
Grounds Maintenance	Ongoing	Qtr 2			

Performance of Audit 2014-15 for Quarterly Indicators			Performance for 2014-15
No.	Indicator	Suggested Frequency	
1	Performance reports to Resources Board	Quarterly	September 2014
3	Number of audits where time taken to complete the work is more than 10% longer than planned.	Quarterly	0
4	Number of audits completed by set deadline	Quarterly	2 completed and 1 prolonged due to service staff responses awaited
5	Final report issued within 4 weeks of completion of fieldwork	Quarterly	2 issued
9	Questionnaire: Feedback obtained from report recipients is good (average 4 out of 5)	Quarterly	Good in those returned.
10	% of sickness levels within Audit is below 5%	Quarterly	1.5%- target exceeded





**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE  
HOUSING SUB-COMMITTEE**

**7 July 2014**

Present: Councillor Winter in the Chair

Councillors N Dirveiks, Fox, Lewis and Moore.

Apologies for absence were received from Councillors Davis and Johnston

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

None were declared at the meeting.

**2 Minutes of the Housing Sub-Committee held on 28 April 2014**

The minutes of the meeting of the Sub-Committee held on 28 April 2014, copies having previously been circulated, were approved as a correct record and signed by the Chairman.

**3 Booklet on Affordable Housing Developments in North Warwickshire**

The Assistant Director (Housing) informed Members of the current housing developments coming forward for completion during the next two years and their type of tenure.

**Resolved:**

**That the report be noted.**

**4 Review of the Lettings Scheme**

The Assistant Director (Housing) provided an update on progress with the Lettings Scheme and the impact on the Council's housing register and ability to let certain properties.

**Resolved:**

**a That the current context which the Lettings Scheme needs to address be noted and considered;**

**b That to address the current context those applicants who are privately renting who meet the qualifying criteria and are in housing need because they are at risk of losing their home or need to move to give or receive support, gain employment or for financial reasons be placed in a new Band 4;**

- c That to address the current context those applicants who meet the qualifying criteria and are in housing need because they are living at home with parents and/or family and seeking independence be placed in a new Band 4;
- d That the ground floor sheltered scheme flats at Church Road and Long Street, Dordon and Alexandra Court, Atherstone are re-designated to be let to younger applicants with initial priority being given to applicants aged over 55 and may have a medical need for ground floor property; and
- e That meetings be held with existing residents at Church Road and Long Street, Dordon and Alexandra Court, Atherstone to advise them of the resolution outlined in (d) above.

**5 Exclusion of the Public and Press**

**Resolved:**

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

**6 Housing Maintenance Service – Review of Team Structure**

The Assistant Director (Housing) provided the Sub-Committee with information about the Maintenance Section and proposed some changes to the staff structure.

**Resolved:**

- a That the revised staff structure for the Housing Maintenance Section be approved; and

**Recommendation to Resources Board:**

- b That the evaluated job descriptions and financial implications of the new structure be submitted for consideration and approval.

**John Winter  
CHAIRMAN**

**Agenda Item No 16**

**Resources Board**

**1 September 2014**

**Report of the  
Chief Executive**

**Exclusion of the Public and Press**

**Recommendation to the Board**

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

**Agenda Item No 17**

**Sale of Land**

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

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