



Oadby and Wigston Borough Council

TO COUNCILLOR:

G S Atwal
T Barr
L A Bentley
G A Boulter
J W Boyce

L Darr
B Dave
Mrs L Eaton
B Fahey
D A Gamble (Vice-Chairman)

J Kaufman
K J Loydall
Mrs S B Morris (Chair)
R E R Morris

Dear Sir/Madam,

I hereby summon you to attend a meeting of the **POLICY, FINANCE AND DEVELOPMENT COMMITTEE** to be held in the Council Offices, Station Road, Wigston on **TUESDAY, 21 JULY 2015** at **7.00 pm** for the transaction of the business set out in the Agenda below.

Yours faithfully

Council Offices
Wigston
13 July 2015

Chief Executive

AGENDA

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23.	Exclusion of Press and Public	

The Press and Public are likely to be excluded from the remainder of the meeting in accordance with Section 100 (A)(4) of the local Government Act 1972 (Exempt Information) during consideration of the item below on the grounds that it involves the likely disclosure of exempt information, as defined in the respective paragraph of Part 1 Of Schedule 12A of the Act and the public interest in maintaining the exempt items outweighs the public interest in disclosing the information.

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MINUTES OF A MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE HELD AT THE COUNCIL OFFICES, WIGSTON ON TUESDAY 24 MARCH 2015, COMMENCING AT 7.00 P.M.

IN ATTENDANCE:

Councillor Mrs S B Morris – Chair
Councillor D Gamble – Vice Chair

Councillors L A Bentley, G A Boulter, J W Boyce, B Dave, Mrs J M Gore, J Kaufman, Mrs L Kaufman.

Officers in Attendance: J Dickson, Ms K Garcha, Ms A Pathak-Mould, P Loveday, A Ward, A Thorpe, Ms G Ghuman.

Also in Attendance: Yola Geen (KPMG) and Tim Ridout (CW Audit).6

Min Ref	Narrative	Officer Resp
99.	<p><u>APOLOGIES FOR ABSENCE</u></p> <p>Councillors L Broadley, K J Loydall, R E R Morris, and Mrs R C Kanabar.</p>	
100.	<p><u>APPOINTMENT OF SUBSTITUTES</u></p> <p>None.</p>	
101.	<p><u>DECLARATION OF INTERESTS</u></p> <p>None.</p>	
102.	<p><u>MINUTES OF PREVIOUS MEETING</u></p> <p>RESOLVED: That the minutes of the previous meeting of the Committee held on 4 February 2014, be taken as read, confirmed and signed, subject to an amendment at minute ref 88 stating “a 0% increase in council tax”.</p>	
103.	<p><u>ACTION LIST</u></p> <p>A Member raised a query in relation to the Customer Services Transformation (item no. 32), and it was confirmed by the Chief Financial Officer that a report with an update would be presented to the meeting in July 2015.</p> <p>When a Member raised a query as to the Debt Recovery Policy and report that was missing from the action list, the Chief Financial Officer confirmed the same will be going to the next meeting.</p>	

	<p>A Member also enquired after the costs that were assured would be updated for the Building Control review and the Chief Financial Officer confirmed he would send an email separately about that.</p> <p>A Member raised concern about the Adoption of Open Spaces (item no. 29) asking whether a report had been completed. The Leader confirmed that there is a technical issue that concerns an external matter which is why the report has not yet come to committee and was pulled by the management team on the two occasions prior.</p> <p>Members expressed their concern at items being removed or changed on the action list, particularly those without good reason or an update being provided.</p> <p>RESOLVED: That Members noted the contents of the Action List.</p>	
<p>104.</p>	<p><u>PETITIONS AND DEPUTATIONS</u></p> <p>None.</p>	
<p>105.</p>	<p><u>EXTERNAL AUDIT – AUDIT PLAN 2014/15</u></p> <p>Yola Geen outlined the report and highlighted some key issues to Members. She noted that there is one significant risk in relation to capital expenditure on the leisure centre. She explained that the reason this has been identified as a significant risk is because it is out of the ordinary for Oadby and Wigston Borough Council to have such a project. She advised that when this is accounted for in the financial statement it will be in line with the International Financial Reporting Standards. She added that this would be worked on in April 2015 in time for the audit in July</p> <p>With regards to the VFM audit approach she advised that they are required to give an opinion regarding the efficiency of services and also consider financial resilience. She noted that it is challenging time for local authorities so they must ensure plans are in place on how resources will be best expended.</p> <p>With regards to the Audit fee, she drew attention to the £900 increase as mentioned in section 6 of the report. She said there is also an additional fee of £1700 to cover the supplementary work associated with the significant risk (however approval is awaited from the Audit Commission). A Member raised concern about the additional £900 but was advised that there was a reduction on claims of £1500 (as not all of the work for the NNDR work is required) but as some of</p>	

	<p>the work was needed the £900 was charged.</p> <p>A Member said that management control the internal audit, but it was confirmed by the leader and the Chief Financial Officer reassured Members that unedited reports were presented at committee as they are used as a governance tool. A Member raised a query concerning the financial reports, asking if they would be made aware should there be any anomalies. The Chief Financial Officer confirmed that he had worked with the Finance Team and was satisfied with regards to the financial administration of the Council. Tim Ridout also provided assurance that any anomalies would be flagged.</p> <p>RESOLVED: That Members noted the contents of the report.</p>	
106.	<p><u>EXTERNAL AUDIT REPORT AND CERTIFICATION OF CLAIMS</u></p> <p>The Chief Financial Officer outlined his report, which considered the claims and returns submitted to Central Government in 2013/14.</p> <p>He highlighted the arrangements as per the report and noted improvement from before. He advised that the grant claims and returns had a total value of £25m of which a small adjustment of £167 had to be made for the grant claimed for housing and council tax benefit of 2013/14. He advised that Officers have looked at how the inaccuracy arose and have since introduced new procedures to minimise the risk of the errors in the future.</p> <p>Yola Geen reiterated the above, and said if members wanted a copy of the qualification report she can send it to them. With regards to the audit fees, she stated there is a £4k reduction for certification of claims and that next year's fee has not yet been decided. She said they are required to write with regards to the proposals and will come back this time next year concerning the same.</p> <p>Cllr B Dave left the meeting after this vote.</p> <p>RESOLVED: That Members noted the contents of the report.</p>	
107.	<p><u>INTERNAL AUDIT PROGRESS REPORT 2014/15 AND AUDIT PLAN 2015 – 2017</u></p> <p>Tim Ridout outlined the report and highlighted some key issues to Members, and first discussed the progress report for 2014/15. He stated the field work had been done and that the internal audit team was working in accordance with the original</p>	

	<p>plan subject to the amendments by the management team. He further noted that there were no items of particular concern; only 15 actions remain to be completed out of 195, details of which were set out in the report.</p> <p>A Member emphasised that the Debt Recovery Policy must come to Committee in July.</p> <p>A Member asked whether it was possible to carry days over into the next financial year. Tim Ridout confirmed the same stating that the work will be completed in accordance with managements instructions and will deliver all of the work paid for.</p> <p>With regards to the audit plan 2015 – 17, Tim Ridout outlined the plan and stated that it meets the requirements of delivering a risk based programme and provided assurance to management. He mentioned the charter in the appendix which illustrates how they are compliant with internal audit standards.</p> <p>A Member stated that there may be some flexibility required post elections should the risks change. Mr Ridout confirmed that they would be able to adapt to the changes.</p> <p>RESOLVED: That:</p> <p>(1) Members noted the content of the progress report for 2014/15</p> <p>(2) Members approve the Audit Plan and note the plan for 2016/17 is indicative at this stage.</p>	
<p>108.</p>	<p><u>MEDIUM TERM FINANCIAL STRATEGY 2014/12 – 2017/18</u></p> <p>The Chief Financial Officer noted that these are the key documents of the year. He advised that the strategy report will be coming to the meeting in October and an updated strategy would be brought to committee in July.</p> <p>He confirmed that the Councillors pension contributions have been factored in. A Member queried the Capital receipts and it was confirmed that these would be one off transactions and that nothing would be sold without the prior approval of members. The Chair stated that the Council do not want to sell “the family silver”.</p> <p>The Leader stated that the Council has invests money in order to save it and therefore if land is sold as an investment then it is acceptable.</p>	

	<p>Councillor Mrs J M Gore abstained from the vote.</p> <p>RESOLVED: That Members approve the Medium Term Financial Strategy as set out in the report.</p>	
<p>109.</p>	<p><u>PRUDENTIAL INDICATORS, TREASURY AND INVESTMENT STRATEGIES</u></p> <p>The Chief Financial Officer noted that this was a statutory report which is required to be produced every year. This report had been compiled in conjunction with external advisers and was very detailed and complex.</p> <p>It was confirmed by him that the life of the asset is not the same as length of the contract. The life of the asset is 40 years and the initial contract is 20 years.</p> <p>Councillor Mrs J M Gore voted against.</p> <p>RESOLVED: That Members approved:</p> <ul style="list-style-type: none"> (1) The Prudential Indicators 2015/16; (2) The Treasury Strategy and Plan 2015/16; and (3) The Investment Strategy 2014/15 to 2017/18. 	
<p>110.</p>	<p><u>CAPITAL PROGRAMME 2015/16</u></p> <p>The Chief Financial Officer advised that this was approved by Council on 19 February 2015, where more detail was requested, and is contained within Appendix 1.</p> <p>The Head of Finance confirmed that the Customer Services Centre will open this summer. A member queried the revised site for the cafe (point 6 in appendix 1) and was advised that this is less likely to happen as it does not make economic sense.</p> <p>With regards to point 13 in Appendix 1, a Member wanted details on the costing and whether an additional engineer would be recruited in light of this. The Chair stated that a response would be sent out in writing by the Chief Financial Officer.</p> <p>It was noted that the indicative funding for the Disabilities Facilities Grants (DFG) should be £177k as opposed to £143k and the Head of Finance confirmed this was the case and would be amended.</p>	

	<p>Councillor Mrs J M Gore abstained from the vote.</p> <p>RESOLVED: That:</p> <p>(1) Members confirmed the 2015/16 Capital Programme as detailed in Appendix 1</p> <p>(2) Members approved the budgets to be carried forward as detailed in Appendix 1.</p>	
<p>111.</p>	<p><u>RESIDENT FORUMS BUDGET POSITION</u></p> <p>The Chief Financial Officer outlined the report, which set out the requests from the respective Resident Forums.</p> <p>Members commented on the defibrillators and the Leader stated that this is Council money and that residents can direct the spending but ultimately Members make the decision.</p> <p>Councillor J Kaufman abstained from the vote.</p> <p>RESOLVED: That:</p> <p>(1) Members noted the position of the Forum's budget;</p> <p>(2) Members approved the allocations requested by the Forums as set out in the report;</p>	
<p>112.</p>	<p><u>RETURNING OFFICERS FEES 2015/16</u></p> <p>The Committee gave consideration to the report and appendices delivered by the Head of Corporate Resources as set out in report pages 133-135, which should be read together with these minutes as a composite document.</p> <p>RESOLVED: That Members formally approved the adoption of the scale of fees for the 2015/16 financial year as set out in the report.</p>	
<p>113.</p>	<p><u>HONORARIUM UPDATE</u></p> <p>The Committee gave consideration to the report delivered by the Head of Corporate Resources as set out in report pages 136-137, which should be read together with these minutes as a composite document.</p> <p>A Member asked how an honorarium payment can be ongoing as the report states it cannot be longer than 12 months. The Head of Corporate Resources stated there may be exceptions to the 12 month requirement. The Member asked who would decide whether it can be for more than 12 months and how</p>	

	<p>honorariums are determined and assessed. The Chair stated that a response in writing will be provided.</p> <p>Another Member shared the concern above and stated that an honorarium should be a lump sum payment at the end of the honorarium period as opposed to a monthly payment. The Head of Corporate Resources advised that the policy (that was approved by committee) makes provisions for either a lump sum or monthly payment. The Leader stated that the payment in “service area A” should be classified as significant additional duties/responsibilities because he knew who “A” was and he considered a policy review in about 6 months time.</p> <p>RESOLVED: That</p> <p>(1) Members note the contents of the report</p> <p>(2) The policy be considered for review in 6 months.</p>	
<p>114.</p>	<p><u>OADBY GRANGE COUNTRY PARK UPDATE</u></p> <p>The Committee gave consideration to the report delivered by the Legal Officer as set out in report pages 138-140, which should be read together with these minutes as a composite document.</p> <p>Members welcomed the report and enquired as to the date contracts would be exchanged. It was confirmed by the Legal Officer it would be done shortly (hopefully by the end of March) and Members would be notified by email. The Legal Officer advised that the Legal Team were ready on their part and were just waiting to hear from the other parties solicitor.</p> <p>A Member asked whether an indemnity insurance policy would be incorporated within the conditions of the contract for the potential of contaminated land. The Legal Officer stated that although the land is not classed as contaminated the condition would be considered as being incorporated as part of the contract.</p> <p>Members thanked and commended the Corporate Resources Team for their hard work.</p> <p>Councillor L Bentley abstained from the vote</p> <p>RESOLVED: That Members noted the report.</p>	
<p>115.</p>	<p><u>MEADOW SPORTS GROUND UPDATE</u></p> <p>The Committee gave consideration to the report delivered by</p>	

	<p>the Legal Officer as set out in report pages 141-142, which should be read together with these minutes as a composite document.</p> <p>The Legal Officer confirmed that the completion date should be set with Blaby District Council before the end of the financial year.</p> <p>A Member asked how long the overage provision would last for. From memory the Legal Officer stated it was 50% over 50 years and would confirm in writing if it was otherwise. The Member also stated that the monies should go into a community asset reserve.</p> <p>RESOLVED: That Members noted the report.</p>	
116.	<p><u>ACTION PLAN TO BRING FORWARD DEVELOPMENT SITES IN THE BOROUGH</u></p> <p>The Committee gave consideration to the report delivered by the Planning Policy and Regeneration Manager as set out in report pages 143-145, which should be read together with these minutes as a composite document.</p> <p>The Planning Policy and Regeneration Manager stated that this report was requested by the Leader in December 2014 and the action plan in Appendix 1 sets out a number of generic stages to be undertaken for specific sites. He stated that the action plan is a working document and that the document is under constant review.</p> <p>A Member stated that taking ownership of 41 Canal Street was a logical decision and that it needs to be a separate document which needs to be presented to Place Shaping Working Group in September.</p> <p>It was stated by the Head of Community that between points 4.4 (which Members stated needs to be on separate document) and 4.5 timescales are being obtained and that there have not been any formal commitment as of yet.</p> <p>A Member stated that a revenue prediction is needed on each piece of land. He commented that the Oadby Swimming Pool and the Town Centres need their own appendix, with timescales for each.</p> <p>RESOLVED: That</p> <p>(1) Members approved the Action Plan</p>	

	(2) A revenue prediction is presented to committee, in light of the comments above.	
117.	<p><u>RIPA POLICY</u></p> <p>The Committee gave consideration to the report and appendix delivered by the Head of Corporate Resource as set out in report pages 146-166, which should be read together with these minutes as a composite document.</p> <p>The Head of Corporate Resources advised the policy has been renewed in accordance with the guidance issued in December 2014. A Member noted that the Head of Corporate Resources has delegated authority to make minor amendments to changes in the law. This was confirmed and Members were advised that if there is a significant change only then will members be advised of the same and every March a report will come to committee regarding the Councils use of the Act.</p> <p>A Member asked what the Act states in relation to whom the authorising officers should be. It was confirmed that the Act has left the scope very wide and has stated it needs to be a Senior Officer within the organisation (i.e. Chief Executive, Director or equivalent).</p> <p>RESOLVED: That:</p> <p>(1) Members approve the RIPA Policy</p> <p>(2) Delegation is given to the Head of Corporate Resources to make any amendments arising from changes to the law or to the guidance publications provided by the Home Office and the Office of Surveillance Commissioners.</p>	
118.	<p><u>CLOSE CIRCUIT TELEVISION (CCTV) POLICY</u></p> <p>The Committee gave consideration to the report and appendix delivered by the Head of Community as set out in report pages 167-181, which should be read together with these minutes as a composite document.</p> <p>The Head of Community advised that this policy has been amended in accordance with the guidance notes and code of practice issued by the Information Commissioners Office.</p> <p>RESOLVED: That:</p> <p>(1) Members approve the CCTV Policy</p>	

	(2) Delegation is given to the Head of Community to make any amendments arising from changes to the law or to the guidance publications provided by the Office of Surveillance Commissioners.	
119.	<p><u>SUSTAINABLE YOUTH PROVISION</u></p> <p>The Committee gave consideration to the report delivered by the Head of Community as set out in report pages 182-183, which, should be read together with these minutes as a composite document.</p> <p>The Head of Community advised that the report concerns the small changes in funding for the youth in the borough.</p> <p>RESOLVED: That Members granted the Head of Community delegated to take any reasonable measures, working with other organisations, that will result in securing the long term self sufficiency, sustainability and viability of youth clubs within the borough.</p>	
120.	<p><u>ACTION PLAN TO BRING FORWARD DEVELOPMENT SITES IN THE BOROUGH - APPENDIX 2</u></p> <p><i>The Press and Public are likely to be excluded from the remainder of the meeting in accordance with Section 100 (A) (4) of the Local Government Act 1972 (Exempt Information).</i></p> <p>The committee considered the confidential appendix.</p>	

The Meeting Closed at 9.13pm

Agenda Item 6

Policy, Finance and Development Committee

24.03.2015

ACTION LIST

<u>Min. No.</u>	<u>Title</u>	<u>Action To be Taken</u>	<u>Officer</u>	<u>Target Date</u>	<u>On Target</u>
103	Action List – item 32 – Customer Services Transformation	A report with an update concerning the Customer Services Transformation is presented to committee.	JD	July 2015	Report to July Committee
103.	Action List – Debt Recovery	A Policy and Report concerning the same would need to come to the next committee.	JD	July 2015	Report to July Committee
103	Action List – Building Control	Costings for Building Control be emailed to Members	JD	April 2015	E-mailed to Member
103.	Action List – item 29 – Adoption of Open Spaces	Report needs to come to committee as it had been pulled by management.	KG	July 2015	Verbal update to be given At July committee by AC
110.	Capital Programme 2015-2016	Details on costing for Appendix 1 point 13.	PL/JD	April 2015	Adequate cost/benefit undertaken
110.	Capital Programme 2015-2016	Indicative Funding for the Disabilities Facilities Grants be amended to £177k as opposed to £143k.	PL	April 2015	Already amended prior to previous committee
113.	Honorarium Update	The policy is considered for a review in 6 months.	KG	October 2015	On target
116.	Action Plan to bring Forward Development Sites in the Borough	A revenue prediction is presented to committee.	AT /APM	July 2015	To be presented in October

Agenda Item 7



**Policy, Finance &
Development
Committee**

21 July 2015

**Matter for
Information**

Title: **Internal Audit Progress Report 2014/15 and 2015/16**

Author: John Dickson, Chief Financial Officer and Section 151 Officer

1. Introduction

This report summarises the work of Internal Audit for 2014/15 and the progress towards finalising reports related to internal audit work for that year. This report complements the Annual Internal Audit Opinion Report which is elsewhere on this agenda. The report also provides some commentary and progress on internal audit work relating to 2015/16.

At the request of this committee at the February 2014 meeting and as subsequently agreed with the Chair of this committee, to ensure Members are provided with further detail only on issues which may warrant their concern, Internal Audit are no longer providing the range of information on completed audits as previously provided to Members. Internal Audit now only monitor report-specific findings, recommendations and agreed actions arising from audits where these relate to matters that Internal Audit deem to be high risk priority. Since the last meeting Internal Audit has highlighted a number of such issues in relation to some of the audits and these are set out below for the Committee's information.

2. Recommendations

That Members note the content of the progress report for 2014/15 and 2015/16.

3. Information

The agreed Internal Audit Plan for 2014/15 year totals 257 days. The attached Appendix provides details of all of the audit assignments including the 2015/16 year, together with details of the point in the year at which the assignment is planned for delivery and an update on progress where assignments have commenced.

Email: john.dickson@oadby-wigston.gov.uk Tel: 0116 257 2621

Background Papers:-

- Internal Audit 2014/15 Audit Plan and Internal Audit 2015/16 Audit Plan.

Implications	
Financial	(JD) No direct financial implications.
Risk	(JD) Internal Audit is a key component of the Council's internal control framework. Outcomes of all Internal Audit reviews will be considered in the context of the strategic risk register.
Equalities	No direct implications.
Legal	No direct implications.

Oadby & Wigston Borough Council

Internal Audit Progress Report 2014/15 - and 2015/16 update

July 2015



1. Introduction

This report summarises the work of Internal Audit for the period to early July 2015. The purpose of the report is to update the Committee on progress made in completing the 2014/15 audit plan and in starting the 2015/16 audit plan.

2. Progress summary

The agreed internal audit plan for the 2014/15 year totalled 257 days. Section 5 provides details of all of the audit assignments included in the 2014/15 year, together with details of the point in the year at which each assignment was planned for delivery and an update on the current position. Management requested deferral of certain reviews into April-May 2015 and others to be carried forward into the 2015/16 audit plan. Given the number of delays and deferrals of reviews at management request, our focus thus far in 2015/16 has been on continuing to complete this work as far as possible.

3. Reviews completed

The following 2014/15 reviews have been completed and final reports agreed with management since the last meeting of this Committee.

Review	Status	Level of assurance
Additional review: grant funding (requested by Councillor Boyce)	This review has been completed and a final report agreed with management	N/A
Income Management & Cash Receipting	This review has been completed and a final report agreed with management	Significant
Council Tax	This review has been completed and a final report agreed with management	Significant
Business Rates	This review has been completed and a final report agreed with management	Significant
Benefits	This review has been completed and a final report agreed with management	Significant

Review	Status	Level of assurance
Disabled Facilities Grants	This review has been completed and a final report agreed with management	Significant
Void Housing Property repairs	This review has been completed and a final report agreed with management	Moderate
Income Generation/Fees and Charges	This review has been completed and a final report agreed with management	N/A - advisory

At the request of the Committee at its February 2014 meeting, and as subsequently agreed with the Chair of this Committee, to ensure members are provided with further detail only on issues which may warrant their concern, we now aim only to report specific findings, recommendations and agreed actions arising from our audits where these relate to matters we deemed to be high risk/priority. Since the last meeting we have highlighted 2 such issues in relation to the above audits and this is set out below for the Committee's information.

Void Housing Property Repairs

System Control Objective 2: Robust and demonstrable processes are in place to promptly inspect and identify works required for properties becoming empty / System Control Objective 3: Processes ensure prompt scheduling and delivery of required repairs and maintenance for properties becoming empty / System Control Objective 4: Processes ensure required works to void properties are completed as planned.

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<u>2.2 Void Turnaround</u>	The void property spreadsheet does not show overall turnaround times and there is no evidence of formal monitoring. The target for void turnaround is 28 days and for 2014/15 the average time taken is 40 days (7	Inefficient turnaround of void properties	2	a) The spreadsheet should be amended to calculate void turnaround times and this should be regularly monitored so that any actions required to address performance issues can be	It is agreed that the spreadsheet will be amended to show live time information on turnaround and monitoring will be more formal. Reasons for the delays will be investigated further for any	Overseen by John Stemp	Immediate

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	were over 70 days and of these 2 were over 90 days).			taken promptly. b) Reasons for unavoidable overruns should be recorded for future reference.	lessons to be learned.		
<u>2.7 Budgetary Control</u>	There is currently no formal budget monitoring in place in relation to the individual cost of void work.	Expenditure on voids could increase; loss of assurance of value for money.	2	Management should set and monitor the costs being incurred in relation to void properties and actions taken to minimise these.	With regard to overall budget monitoring, monthly reports are provided by finance and a review meeting takes place. Average cost per void is not monitored but could very easily be produced. Cost of works has been checked against the national schedule of rates by the last two postholders both concluding that local contractors were providing good value for money. This needs to be done in a more methodical way including considering whether OWBC should subscribe to / buy the national schedule of rate books.	John Stemp	Immediate.

Members will note that as part of his responses to the report the relevant manager has advised that the agreed action would be implemented immediately; the manager has since confirmed to us that this has been completed.

4. Recommendation tracking

We provide a system for tracking the actioning of agreed Internal Audit recommendations, as a management assurance tool for the Council and specifically this Committee. Managers are responsible for updating actions taken and other key information directly on the system. An update for the Committee is provided below. This refers to all relevant actions agreed and due by 30/6/15. The first table represents the status of agreed actions due to be implemented by that date, the second table the age of the outstanding recommendations (based on the original date due for implementation). The status shown is as advised by the relevant manager/Head of Service and does not imply that Internal Audit have verified the status.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 30/6/2015	-	23	161	60	244
Implemented	-	15	123	52	190
Closed (effectively implemented or system changed)	-	-	3	1	4
Still to be completed	-	8	35	7	50

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	2	14	2	18
3 – 6 months	-	6	14	1	21
Greater than 6 months	-	-	7	4	11
Total	-	8	35	7	50

We have agreed with the Chief Financial Officer to provide further detail on the most recent status known in relation to the high risk/priority issues, or issues outstanding over 6 months, which is as follows:

*the tables below refer to management updates (where provided) unless specifically stated to be from Internal Audit's own follow-up work.

High risk/priority issues due for action, but not yet reported to be implemented:

Review	Recommendation	Risk Rating	Response and proposed implementation date	Most recent status per management update*
13/14 Health & Safety	<p><u>Policies and Procedures</u></p> <p>The Council should approve and make available to members and staff all required health and safety policies and procedures as a matter of urgency taking into account the impact of recruiting a new officer. During the recruitment process consideration should be given to setting up a temporary officer contact for providing members and staff with guidance and assistance on health and safety issues affecting them at the Council.</p>	2	<p>Agreed.</p> <p>Audit has acknowledged that effort is being made to complete the approval and then availability of health and safety policies to members and officers. Originally this exercise was expected to be completed by August 2014 but due to the resignation of the Corporate Support Officer with effect from the end of May 2014 and the need to recruit a replacement; this is now likely to be delayed. It is hoped that a new Health and Safety Officer can be recruited and in post by September 2014, at the latest to enable the other health and safety policies to be taken to the PFD Committee in February 2015 for approval and adoption.</p> <p>Kalv Garcha, Head of Corporate Resources - 28/2/15</p>	<p>A suitable Health and Safety Officer has been recruited and was inducted for 4 days in Feb 2015. He commenced employment on 2 March 2015. He has been instructed to document training for members and staff alike. It is envisaged that this training will be a part of the corporate induction training. In order to allow him time to settle in, this has been deferred until September 2015 and it is anticipated that this will be on track. He is required to work off and modify existing policies and procedures we have in place.</p> <p>Revised date 30/9/15</p>
13/14 Health & Safety	<p><u>Training & awareness</u></p> <p>It should be ensured that a documented training needs assessment for all members and staff which corresponds to their roles and</p>	2	<p>Agreed. There has been some service specific external training sourced and delivered to specific and specialist staff dealing with some high risk areas of importance. The</p>	<p>A suitable Health and Safety Officer has been recruited and was inducted for 4 days in Feb 2015. He commenced employment on 2 March 2015. He has been instructed to</p>

Review	Recommendation	Risk Rating	Response and proposed implementation date	Most recent status per management update*
	responsibilities is produced as a matter of urgency in order that appropriate training can be identified and linked with current training arrangements to ensure that appropriate health and safety training is provided to all staff and members who need it in a timely manner.		resignation of the Corporate Support Officer (Health and Safety) Officer has impacted on the delivery of the programme of training to staff and members. It is hoped that a new Health and Safety Officer can be recruited and in post by September 2014, at the latest, so that a training programme can be rolled out ensuring priority training can be reported as completed, to the PFD Committee in February 2015. Kalv Garcha, Head of Corporate Resources - 28/2/15	document training for members and staff alike. It is envisaged that this training will be a part of the corporate induction training after the Elections. Revised date 30/9/15
13/14 Health & Safety	<u>Risk assessments</u> It should be ensured that health and safety risk assessments are accurately completed for all areas of the Council as a matter of urgency and the results are used to inform relevant safety action plans and risk registers.	2	Agreed. The resignation of the Corporate Support Officer (Health and Safety) has had Council wide ramifications on the health and safety projects as a whole and in particular the cascading down and training of risk assessments to all line managers. It is hoped that a new Health and Safety Officer can be recruited and in post by September 2014, at the latest, so that training on risk assessments can be given to all line managers by late 2014 so that can be reported as completed, to the PFD	A suitable Health and Safety Officer has been recruited and was inducted for 4 days in Feb 2015. He commenced employment on 2 March 2015. He has been instructed to document training for members and staff alike. It is envisaged that this training will be a part of the corporate induction training. In order to allow him time to settle in, this has been deferred until September 2015 and it is anticipated that this will be on track. Revised date 30/9/15

Review	Recommendation	Risk Rating	Response and proposed implementation date	Most recent status per management update*
			Committee in February 2015. Kalv Garcha, Head of Corporate Resources - 28/2/15	
13/14 Health & Safety	<p><u>Resources</u></p> <p>It should be ensured that sufficient resources are dedicated to achieving compliance with statutory health and safety regulations as soon as possible. Staffing resources should be made available to ensure the completion of the recommended actions at 1.1; 2.1 and 3.1 above, and to price the equipment needs as presented to SMT in January 2014 so that these can either be approved or alternative solutions found.</p>	2	<p>Agreed. The health and safety project is a mammoth project which requires overarching and integral consideration Council wide. The recruitment to a Health and Safety Officer is required to identify all priority tasks detailed in the Action Plan so that work is undertaken as soon as possible to deal with any shortfalls that the Council presently has identified. It is envisaged that considerable progress will be made, following identification of all priority works and training, which can be reported to PFD committee in February 2015.</p> <p>Kalv Garcha, Head of Corporate Resources - 28/2/15</p>	<p>A suitable Health and Safety Officer has been recruited and was inducted for 4 days in Feb 2015. He commenced employment on 2 March 2015. He has been instructed to document training for members and staff alike. It is envisaged that this training will be a part of the corporate induction training after the Parliamentary and Borough Election.</p> <p>Revised date 30/9/15</p>
14/15 Void Property Management	<p><u>Void Turnaround</u></p> <p>a) The void property spreadsheet should be amended to calculate void turnaround times and this should be regularly monitored so that any actions required to address performance issues can be taken promptly.</p>	2	<p>It is agreed that the spreadsheet will be amended to show live time information on turnaround and monitoring will be more formal.</p> <p>Reasons for the delays will be investigated further for any lessons to be learned.</p>	<p>Void spreadsheet currently being amended to show running number of days. Reasons for unavoidable delays now being recorded.</p>

Review	Recommendation	Risk Rating	Response and proposed implementation date	Most recent status per management update*
	b) Reasons for unavoidable overruns should be recorded for future reference.		John Stemp – immediate (deemed to be June 2015)	
14/15 Void Property Management	<p><u>Budgetary Control</u></p> <p>Management should set and monitor the costs being incurred in relation to void properties and actions taken to minimise these.</p>	2	<p>With regard to overall budget monitoring, monthly reports are provided by finance and a review meeting takes place. Average cost per void is not monitored but could very easily be produced. Cost of works has been checked against the national schedule of rates by the last two postholders both concluding that local contractors were providing good value for money. This needs to be done in a more methodical way including considering whether OWBC should subscribe to / buy the national schedule of rate books.</p> <p>John Stemp, Property Manager – immediate (deemed to be June 2015)</p>	Average void costs are being prepared for the first quarter outturn.
14/15 Street Cleansing & Grounds Maintenance	<p><u>Key Service Risks</u></p> <p>It should be ensured that all the risk assessments identified by Audit and/or due for review are reviewed in a timely manner. Additionally new</p>	2	<p>The Depot Manager will instruct foremen to carry these out.</p> <p>Brian Kew, Operations Manager, 31/3/15</p>	All risk assessments have been reviewed with the Health & Safety Officer . The daily records and worksheets are now updated on a daily basis

Review	Recommendation	Risk Rating	Response and proposed implementation date	Most recent status per management update*
	risks to the service should be identified and assessed. Based on the evaluated risks rating undertaken as part of these risk assessments (reviews and additionally identified risks), key service risks should be identified and included in a Risk Register which should then be kept under constant review.			
13/14 Equalities	<p><u>Equality Impact Assessments – not being completed</u></p> <p>An EIA should be completed for all Council Policies and Procedures as outlined in the EIA Guidance Notes</p>	2	<p>H o S and SMT are all aware that EIAs should be undertaken in any new and revised policies etc. A reconciliation exercise can be undertaken on all policies and EIAs</p> <p>Kalv Garcha, Head of Corporate Resources, 31/3/15</p>	Revised date to 31/10/15

Issues originally due to be implemented more than 6 months ago:

Review	Recommendation	Risk Rating	Response/proposed implementation date	Most recent status per management update*
11/12 Corporate Governance: Tenon review-Pest Control service review	a) Management should report the financial benchmarking data that compares the service to other local Authorities in Leicestershire to the Senior Management Team and the Service Delivery Committee. b) Management should also undertake a value for money review of the Pest Control Service to ensure that the Council is managing this area in the most economic and effective manner.	3	a) An annual report to Senior Management Team and Service Delivery Committee. - May 2012 b) A value for money review of the service will be undertaken. - March 2013 Anita Pathak-Mould, Head of Community	The review has been delayed due to staff turnover for various reasons. A trial period of joint working with North West Leicestershire assisting with the service to cover sick leave has been put in place. Revised date amended to 31/12/15
12/13 Debtors	Management should review current working practices/ procedures in light of the revised policy.	4	Delayed implementation of the new Policy was agreed by members. This will be implemented by the end of May. 30/6/13 – Paul Loveday, Finance Manager	The new draft debt recovery policy is being presented to Policy, Finance and Development Committee on 21 July 2015 Revised date 31/7/15
12/13 Debtors	Management should review the appropriate level of authorisation needed to write off different levels of debt and ensure these are reflected consistently in both the corporate Debt Policy and Financial Regulations.	4	Agreed 30/6/13 – Paul Loveday, Finance Manager	A revised draft debt recovery policy is being presented to the policy, Finance and Development Committee on 21 July 2015. Revised date 31/7/15
12/13 Risk Management	An exercise should be undertaken to review all existing partnerships and projects to establish what risk registers are currently in place. A review should then take place to standardise the format of partnership	3	Agreed 28/6/13 – Paul Loveday, Finance Manager	This work is ongoing involving a Zurich consultant but due to operational reasons has been delayed Revised date 30/9/15

Review	Recommendation	Risk Rating	Response/proposed implementation date	Most recent status per management update*
	and project risk registers and ensure that all partnerships and projects maintain such registers.			
12/13 Risk Management	Priority should be given to identifying and implementing a bespoke Risk Management IT package that will allow the Council to develop from a process driven risk management function to one that is fully embedded.	3	In view of budgetary constraints the purchase of a bespoke IT package this cannot be a high priority at present but this will be kept under review. Other methods and initiatives of embedding the function within the Council will be considered in the meantime 31/7/13 – Paul Loveday, Finance Manager	This work is ongoing with a consultant from Zurich having been commissioned to carry this work . However, the work has been delayed for operational reasons Revised date 31/7/15
13/14 Debtors	Consistency – Write-off levels: The Corporate Debt Policy (2012) should be updated to reflect the authorisation limits and officers as per the revised Financial Regulations (July 2013).	4	The Finance Manager will remind the relevant Heads of Service (Customer Services and Communities) of the need to update the Corporate Debt Policy in line with the revised Financial Regulations. 31/3/14 – Paul Loveday, Finance Manager	The revised debt recovery policy is being presented to the Policy, Finance and Development Committee on 21 July 2015 Revised date 31/7/15
12/13 Building Control	Management should consider a) review and cleansing of system data to ensure all data is up to date and as accurate as possible b) visiting a small sample of higher risk sites where no inspections	3	a) Agreed – A data capture exercise has been outsourced to IDox and the review and cleansing of data will be undertaken as part of this exercise. However the end date for this process has	Project still ongoing with IDOX, pilot data due to be loaded for testing. Ongoing discussions with supplier to resolve the issues. Revised date 31/12/15

Review	Recommendation	Risk Rating	Response/proposed implementation date	Most recent status per management update*
	have been carried out as work has not been reported as started, to ensure this position is accurate. Taking any necessary steps to regularize matters where b) identifies unreported and thus uninspected works.		yet to be determined. b) This is already undertaken for larger Commercial properties. Where staffing levels permit this will be undertaken for domestic properties. Where identified this will be undertaken as per the Regularisation fees already set in place.	
13/14 Budgetary Control	Budget holders – training attendance: It should be ensured that all budget holders and other staff with budgetary responsibilities attend budget training sessions.	3	It has been pointed out to those officers who did not attend. Further workshops will be arranged in 2014 and those officers will attend at that point. Chris Raymakers, Principal Accountant, 30/9/14	Budget training will be held at the start of the 2016/17 process. Dates will be chosen for the end of August 15. Revised date 31/8/15
13/14 Main Accounting	It should be ensured that the Council's Communication Technology and Disaster Recovery Plan is fully reviewed and tested to confirm its suitability for purpose.	3	The Disaster Recovery Plan is due for review and this review will also incorporate some changes / improvements to the infrastructure over the next 2/3 months. Once this exercise is completed the plan will then be tested. Paul Langham, ICT Manager 30/9/14	DR Plan has been revised. Technical DR Test scheduled for end Feb 2015. Any 'lessons learnt' will be fed back into the DR Plan. Revised date 31/10/15
13/14 Legal	New, Amended and Revised	3	The Government introduced	Revised date 31/12/15

Review	Recommendation	Risk Rating	Response/proposed implementation date	Most recent status per management update*
Services/Corporate Legal Compliance Arrangements	<p>Statutory Duties, Powers and Legal requirements: Action should be taken to ensure that legislative and other changes are addressed by the Council on a timely basis and can be implemented for the date that such changes come into force.</p> <p>The Council's website should be updated to include accurate information on changes to legislation.</p>		<p>the Scrap Metal Act but didn't release the guidance until after the Act was implemented.</p> <p>Website will be updated as soon as the Communications Officer is in post.</p> <p>Finance team should have liaised with others to ensure updated on website as was their responsibility regarding Procurement strategy</p> <p>Kalv Garcha, Head of Corporate Resources, 31/3/15</p>	
13/14 Human Resources	<p>It should be ensured that :</p> <ul style="list-style-type: none"> - the HR Policy list is complete with all policies recorded on it; - the review dates for all policies are consistently recorded on the policies and the HR Policy List; - all approved policies should have "Final Version" recorded on them); - all policies bear the names of the authors; - committee minutes to confirm approval and adoption of policies are readily available. 	4	<p>Agreed.</p> <ol style="list-style-type: none"> 1. The HR Policy list is now complete, and will be checked periodically for accuracy. 2. A date of review field has been added to Policy template cover page. 3. "Final version" will be added to Committee approved Policies as a watermark by the Compliance Officer. A Policy Guide is in the process of being devised for Council staff to reflect this. 	<p>In progress.</p> <p>Revised date 3/7/16</p>

Review	Recommendation	Risk Rating	Response/proposed implementation date	Most recent status per management update*
			<p>4. The Policies which did not bear the author's name have been updated. Authors' names are added to the more recent policies.</p> <p>5. Committee minutes are more readily available as now added to Policy files in the P: Drive (ongoing).</p> <p>Gurpinder Ghuman, Compliance Officer, 30/9/14</p>	

5. 2014/15 Internal audit plan

Review	Scheduled Start	Status	Level of assurance
Emergency Planning	May/June 2014	Final report issued	Significant
Additional: Grant funding – member request	May 2014	Report issued; work extended see Grant funding-capacity below	N/A
Anti Fraud & Corruption-targeted fraud prevention/detection work*	June/July 2014	Briefing report provided to management	N/A
Corporate Governance – Counter- Fraud policies and awareness for 2014/15*	June / July 2014	Final report issued	N/A
Street Cleansing	July 2014	Final report issued	Limited
Grounds Maintenance	July 2014	Final report issued	Limited
Income Management & Cash Receipting	Jan 2015 onwards	Final report issued	Significant
Elections / Electoral Registration	Oct 2014 onwards	Final report issued	Significant
Budgetary Control/Medium Term Financial Strategy	Oct 2014	Final report issued	Significant
Creditors	Oct – Dec 2014	Final report issued	Significant
Debtors	Jan 2015 onwards	Draft report issued	Significant*
Treasury Management	Oct – Dec 2014	Final report issued	Significant
Main Accounting	Oct - Dec 2014	Final report issued	Significant
Council Tax	Nov – Dec 2014	Final report issued	Significant

Review	Scheduled Start	Status	Level of assurance
Business Rates	Nov – Dec 2014	Final report issued	Significant
Benefits	Nov – Dec 2014	Final report issued	Significant
Private Sector Housing/Disabled Facilities Grants	Jan 2015 onwards	Final report issued	Significant
Additional review: grant funding - capacity	Jan 2015	Report provided to management	N/A – advisory report
Void Property repairs	Jan – Mar 2015	Final report issued	Moderate
Payroll & Expenses	Requested by management to carry out May 2015; further delayed at management request		
Capital Projects	March 2015	Draft report issued and under discussion with management	
Refuse & Recycling collection	April 2015	In progress	
Income Generation/Fees and Charges – in place of planned review on Strategic Procurement / Shared Services Value for Money	March 2015	Briefing report provided to management	N/A - advisory
Housing Rents	Requested by management to carry out by May 2015; further delayed on request		
Housing Landlord services	Requested by management to defer to 2015/16 audit plan		N/A
Housing Repairs & Maintenance	Now scheduled for 2015/16		N/A

Review	Scheduled Start	Status	Level of assurance
Planning Control (follow up)	Now scheduled for 2015/16		N/A
Greening the Borough	Now scheduled for 2015/16		N/A

Agenda Item 8



**Policy, Finance &
Development
Committee**

21 July 2015

**Matter for
Information and
Decision**

Title: **Internal Audit Annual Report 2014/15**

Author: John Dickson, Chief Financial Officer and Section 151 Officer

1. Introduction

As part of the Corporate Governance arrangements the Internal Audit Report is submitted to Policy, Finance & Development Committee.

The purpose of the Internal Audit Annual Report which is attached as an Appendix, is to report the key outcomes arising from the work of Internal Audit for 2014/15 and to provide an audit opinion on the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control.

The Council's Section 151 Officer is required to maintain an adequate Internal Audit service in order to help ensure the probity of the Council's financial affairs. The Internal Audit Annual Report summarises the work completed by the Council's Internal Audit provider throughout the year which results in an assurance statement and an overall Internal Audit opinion. The overall opinion may be used by the Council in the preparation of the Annual Governance Statement.

The preparation and publication of the Annual Governance Statement in accordance with the CIPFA/SOLACE governance framework is necessary to meet the statutory requirements set out in the Accounts and Audit Regulations which set out a statutory requirement for authorities to prepare a statement of internal control in accordance with proper practices.

2. Recommendations

- (1) That the report included on the audit opinion and the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control be noted.
- (2) That Members support the conclusion that the Council has an effective internal audit service.

3. Information

The Internal Audit Annual Report (Appendix 1) provides information on the key outcomes arising from the work of the Internal Audit service for the period 1 April 2014 to 31 March 2015.

Internal Audit progress reports are presented to every meeting of the Policy, Finance & Development Committee so Members can be kept up-to-date with Internal Audit work and findings. This annual report provides an overall summary of the work undertaken for the whole year in relation to the 2014/15 approved Annual Audit Plan.

In accordance with the requirements of the Accounts and Audit Regulations 2003, 2006 and 2011, Internal Audit has a specific role within the Council's overall internal control framework and governance arrangements, including the provision of Internal Audit's opinion of the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control. The audit opinion forms part of the Council's Annual Governance Statement. This report also meets requirements to report on the review of the effectiveness of Internal Audit and to feed results into the Annual Governance Statement.

The Assurance Statement refers to the three overall areas of Council governance: Risk Management, Control and Council Governance have been rated significant assurance with regards to the management of risk in these areas.

The Internal Audit opinion states that significant assurance can be given that there is a generally sound system of internal control designed to meet the organisations objectives and that controls have generally been applied consistently. However, some weakness in the design and/or inconsistent application controls could put the achievement of particular objectives at risk.

The Governance Statement notes that the overall opinion may be used by the Council in the preparation of the Annual Governance Statement. However, Internal Audit highlighted significant internal control issues that they considered would require disclosure within the Council's Annual Governance Statement. These relate to the reviews of:

- Street Cleaning and Grounds Maintenance
- Payroll and Expenses (2013/14)
- Housing Void Property Repairs.
- Health and Safety (2013/14)

Details of the above audits are included in the attached appendix. The review of Payroll and Expenses and also Health and Safety from the 2013/14 programme highlighted a number of significant issues, however the final report for these have yet to be agreed with management.

There have been a number of reviews planned for 2014/15 which have been delayed by management request or deferred to 2015/16. Details of these are again outlined in the attached appendix.

4 Legislation/Policy

Under the Local Government Act 1972 (Section 151) and the Accounts and Audit Regulations, the Council has a responsibility to maintain an adequate and effective Internal Audit function. At Oadby & Wigston Borough Council this responsibility is delivered by CW Audit Services. In responding to this requirement the Internal Audit service works to best practice as set out in the 2006 Code of Practice for Internal Audit in Local Government in the U.K. which is published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

5 Relevant Considerations

There are no other relevant considerations from this report.

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Background Papers:-

- Agenda and Minutes from Meetings of the Policy, Finance & Development Committee 2014/15
- Accounts and Audit Regulations 2003, 2006, 2011
- Code of Practice for Internal Audit of Local Government in the U.K. 2006 (CIPFA).

Implications	
Financial	(JD) There are no financial implications arising from this report.
Risk	(JD) Relevant risks and opportunities in conjunction with this matter have been considered and are referred to in the body of the report as appropriate.
Equalities	There are no direct inclusion, diversity or community cohesion implications arising from this report.
Legal	Please see Section 4 above.

Attached to this Report as an Appendix is the CW Audit Services Oadby & Wigston Borough Council Annual Internal Audit Report 2013/14, June 2014



cw audit services

**Oadby & Wigston Borough
Council**

Annual Internal Audit Report 2014/15
June 2015

Getting value from your service

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1 Introduction

This annual report provides my opinion (see section 2) as the Head of Internal Audit to Oadby & Wigston Borough Council. It also summarises the activities of Internal Audit for the period 1st April 2014 to 31st March 2015.

The Council is required by law (Accounts & Audit Regulations 2011) to maintain an adequate and effective system of internal audit of its accounting records and internal control systems in accordance with proper internal audit practices. The Public Sector Internal Audit Standards (PSIAS) require the Head of Internal Audit to provide a written report to those charged with governance, to support the Annual Governance Statement, (AGS), setting out:

- An opinion on the overall adequacy and effectiveness of the organisation's control environment ;
- Disclose any qualifications to that opinion, together with the reasons for that qualification;
- Present a summary of the work carried out by Internal Audit during the year from which the opinion is derived, including any reliance that is being placed upon third party assurances;
- Draw attention to any issues the Head of Internal Audit deems particularly relevant to the Annual Governance Statement (AGS);
- Consider delivery and performance of the Internal Audit function against that planned;
- Comment on compliance with these Standards and the results of any quality assurance programme.

The Council should consider my opinion, together with management assurances, its own knowledge of the organisation and assurances received throughout the year from other review bodies (such as External Audit) when producing its AGS.

My opinion takes into account the range of individual opinions arising from risk-based audit assignments that have been reported throughout the year. An internal audit plan was developed to provide you with independent assurance on the adequacy and effectiveness of systems of control across a range of financial and organisational areas. **A summary of the work we have performed and delivery against the plan is provided in section 3.**

Alongside the delivery of the operational internal audit work, we have met regularly with Council management to ensure any issues regarding our performance could be highlighted and any necessary action taken to resolve these. Following each audit, management are also requested to provide feedback on the service received. No significant issues or concerns regarding the internal audit service have been raised to date.

2 Annual Head of Internal Audit Opinion

Roles and responsibilities

The organisation is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements.

Internal Audit provides an independent and objective opinion to the organisation on the control environment and plays a vital part in advising the organisation whether these arrangements are in place and operating correctly.

The Annual Governance Statement (AGS) is an annual statement by the Leader and Chief Executive, that recognises, records and publishes an authority's governance arrangements.

In accordance with PSIAS, the Head of Internal Audit (HoIA) is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with management and approved by the Policy, Finance and Development Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below. The Head of Internal Audit's role is also covered by the CIPFA Guidance on the Role of the Head of Internal Audit; we consider we comply substantially with the content of this Guidance.

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The opinion does not imply that Internal Audit have reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans. As such, it is one component that the organisation takes into account in making its AGS.

The Head of Internal Audit Opinion

My opinion is set out as follows:

1. Overall opinion;
2. Basis for the opinion;

My **overall opinion** is that **significant** assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.

The **basis** for forming my opinion is as follows:

1. An initial assessment of the design and operation of the underpinning risk management framework and supporting processes; and
2. An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.
3. Any reliance that is being placed upon third party assurances.

3 Work undertaken during the year

Summary of assurances provided

During the course of the year we have conducted work to provide assurance over financial, governance and operational systems. Appendix One summarises the assurance levels we have given.

Delivery of the plan

An internal audit plan for 2014/15 was developed to provide you with independent assurance on the adequacy and effectiveness of systems of control across a range of financial and organisational areas. To achieve this our internal audit plan was divided into two broad categories; work on the financial systems that underpin your financial processing and reporting and then broader risk focused work driven essentially by principal risk areas that had been identified in your risk register. A summary of work undertaken is included below:

- During the year we have undertaken reviews of your core financial systems (including financial management, general ledger and financial transactions) and given significant assurance with regard to the management of risk in these areas.
- We have undertaken a number of pieces of work on areas of principal risk. In general we have been able to conclude that these systems are robust and operate in a good control environment.

It is my view, taking account of the respective levels of assurance provided for each audit review, an assessment of the relevant weighting of each individual assignment and the extent to which agreed actions have been implemented, that you have a generally sound system of internal control.

However, we have highlighted during the year Significant Internal Control Issues that we consider would require disclosure within your AGS. These are set out below:

- Street Cleaning/Grounds Maintenance – this review provided ‘limited assurance’ and highlighted a number of areas for improvement in managerial processes and controls to ensure the effective and efficient delivery of these services.
- Void Housing Property Repairs – this review provided ‘moderate assurance’ and highlighted a number of control improvements needed, the key areas relating to inadequate monitoring of void spend and lack of reporting and monitoring of void turnaround performance.
- 2013/14 review on Health & Safety - this review reported in June 2014 provided ‘limited assurance’ and highlighted issues relating to health and safety policies, risk assessments, training and corporate support.
- 2013/14 review on Payroll & Expenses – this review reported in June 2014 provided ‘limited assurance’ and highlighted the following key areas:
 - There is no signed SLA with the payroll provider. Further, the current unsigned agreement makes no reference to the monitoring of performance by the service provider.
 - There is no independent reconciliation of the payroll to Human Resources Establishment Lists.
 - Instances of non compliance with payroll procedures
 - There is no periodic production and review of control and exception reports.
 - Checks are not undertaken to confirm the completeness and accuracy of the payroll before it is released.

Management has since provided assurances – through our recommendation tracking process – that all due agreed actions have been implemented. See the note below further in relation to payroll.

In relation to Significant Internal Control Issues that we referred to in our 2013/14 HoIA opinion, with regard to Housing Responsive Repairs our follow up in late 2013/14 noted that certain areas still needed to be dealt with; we reported again to management on this matter and revised actions and timescales for action were agreed. Management has since provided assurances – through our recommendation tracking process – that all due agreed actions have been implemented. Our planned review on this matter for 2014/15 has been deferred into 2015/16 at management request.

We also noted in our 2013/14 opinion that “recent reviews on Health & Safety and on Payroll and Expenses have highlighted some potentially significant matters; formal reports on these subjects have not yet been agreed with management, however. Any Significant Control Issues arising will be reported in due course.” Subsequently internal audit reports giving ‘limited assurance’ opinions were agreed with management and action plans put in place by management to address the areas highlighted. Further detail is given above. Our planned payroll review for 2014/15 has been delayed at management request to June 2015 at the earliest and accordingly is not

complete, thus we are unable to give a revised assurance opinion on this system following the 'limited assurance' opinion provided in 2013/14.

We would also note that several other planned reviews have been delayed at management request or deferred and included in the 2015/16 internal audit plan and we have accordingly not reflected an assurance opinion on these reviews in this annual opinion report. Given the delivery of the bulk of the work planned for 2014/15, covering a range of fundamental control systems we do not consider that this prevents or impacts significantly on the provision of our annual opinion.

Third party assurances

In arriving at our overall Annual Head of Internal Audit Opinion, we have not sought to place reliance on any third party assurances.

Following up of actions arising from our work

All recommendations and agreed actions are subject to an ongoing recommendation tracking process that is facilitated by CW Audit Services, but completed by the relevant managers responsible for implementing the recommendations. This is undertaken on a self-assessment basis, but is supplemented by our independent follow-up reviews where this is deemed necessary (for example following the issuance of a limited or moderate assurance report). A summary of the recommendation tracking results for the 2014/15 year is included as Appendix 2 to this report. The status shown in Appendix 2 reflects management's self-assessments and does not imply that we have verified all of the statuses shown.

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In addition elements of our work involve annual coverage of key areas of control for the organisation, such as in relation to key financial systems, and in such cases we also routinely follow up previously-agreed actions at each review.

Closing remarks

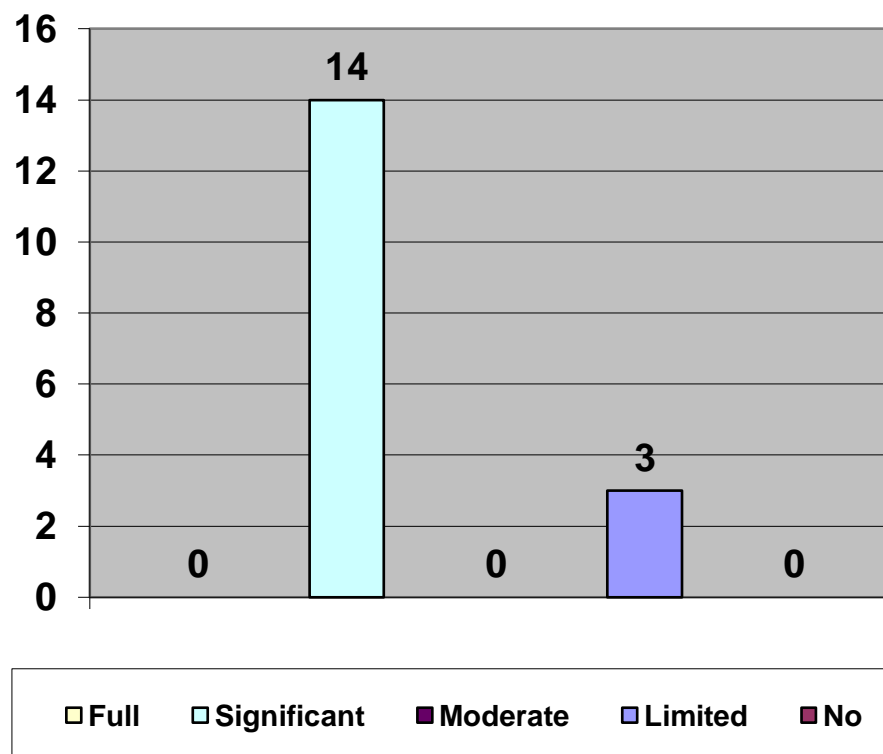
I have discussed and agreed this Annual Report and Head of Internal Audit Opinion with the Policy, Finance & Development Committee (on 21st July 2015). Further detailed findings, conclusions and recommendations in the areas covered by our internal audit plan are covered within the progress reports and individual assignment reports that have been issued to the Committee during the year.

Levels of Assurance – Individual Audit Assignments

The table and chart below set out the level of assurance provided by each relevant audit review during 2014/15.

Audit Review	Level of Assurance
Emergency Planning	Significant
Additional: Grant funding – member request	N/A
Anti Fraud & Corruption-targeted fraud prevention/detection work*	Advisory
Corporate Governance – Counter- Fraud policies and awareness for 2014/15*	N/A
Street Cleansing and Grounds Maintenance	Limited
Income Management & Cash Receipting	Significant
Elections / Electoral Registration	Significant
Budgetary Control/Medium Term Financial Strategy	Significant
Creditors	Significant
Debtors	Significant*
Treasury Management	Significant
Main Accounting	Significant
Council Tax	Significant
Business Rates	Significant
Benefits	Significant
Private Sector Housing/Disabled Facilities Grants	Significant
Additional review: grant funding - capacity	N/A
Void Property Management	Moderate
Payroll & Expenses	Delayed at management request
Capital Projects	
Refuse & Recycling collection – VFM review	N/A
Fees & Charges advisory- in place of planned review re Procurement/Shared Services	Advisory
Housing Rents	Delayed or deferred to 2015/16 at management request
Housing Landlord services	
Housing Repairs & Maintenance	
Planning Control (follow up)	
Greening the Borough	

*Opinion at draft report stage

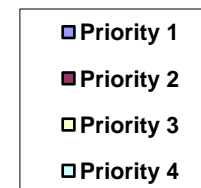
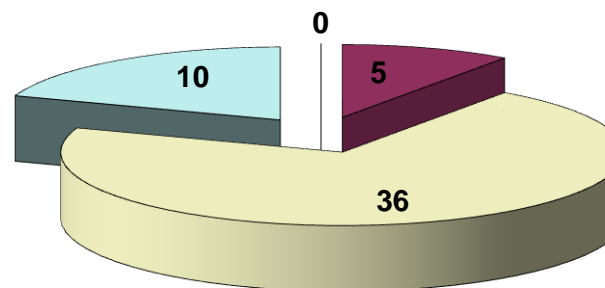


Level of assurance	Criteria
Full	No significant risk issues identified
Significant	Exposure to levels of risk that may only impair the effectiveness of the system or process under review
Moderate	Exposure to levels of risk that render some elements of the system's control environment undeliverable
Limited	Exposure to unacceptable level of risk that could have a serious impact upon the system or process under review
No	Exposure to unacceptable levels of risk that could have a serious impact upon the organisation as a whole

Summary of Internal Audit Recommendations

Recommendations made in 2014/15

Risk level	Number
1	0
2	5
3	36
4	10
Total	51



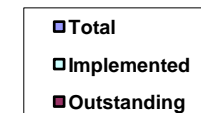
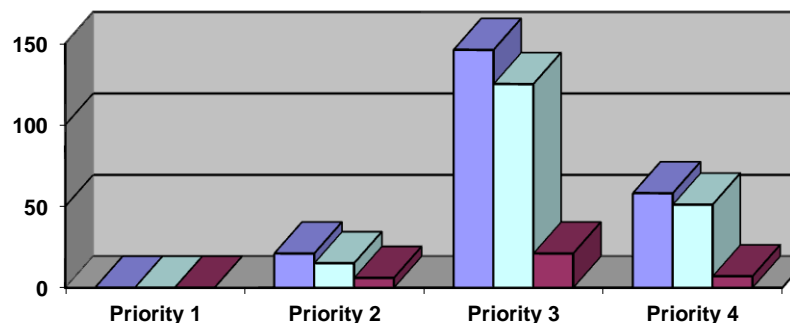
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Current status of all recommendations made and due for implementation by 31st March 2015

Risk level	Number	Impl*	O/S
1	0	0	0
2	21	15	6
3	146	125	21
4	58	51	7
Totals	225	191	34

*incl. 'closed'

NB – of the 34 outstanding items, 23 are less than 3 months overdue.



Definition of our risk rankings

Risk ranking	Assessment rationale
1	The system has been subject to high levels of risk that have, or could, prevent the system from meeting its objectives, and which may also impact on the delivery of one or more of the organisation's strategic objectives.
2	The system has been subject to high levels of risk that have, or could, prevent the system from meeting its objectives, but which are unlikely to impact on any of the organisation's strategic objectives.
3	The system has been subject to medium levels of risk that have, or could, impair the system from meeting its objectives.
4	The system has been subject to low levels of risk that have, or could, reduce its operational effectiveness.



Policy Finance & Development Committee	21 July 2015	Matter for information
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Title: **Provisional Committee Budget Outturn Report –
2014/15**

Author: John Dickson - Chief Financial Officer (Section 151 Officer)

1 Introduction

This report provides Members with details of the Committee’s provisional outturn position for capital and revenue for 2014/15. The Council’s full provisional outturn position is being reported in a further report on this agenda

2 Recommendations

That Members:

Note the outturn positions for 2014/15 (Appendix 1)

3 Information

The outturn position for 2014/15 is still only provisional because at the time of writing, it is still subject to audit.

General Fund

In February 2014, the Council approved a 2014/15 budget for this committee of £2.631m. These estimates were later revised to £2.416m, which was approved at Council in February 2014. The provisional outturn position for 2014/15 is £1.953m, which represents a £463,000 under spend for the financial year as compared with the revised estimate.

The provisional outturn position figures shown in Appendix 1 have been adjusted to remove those technical accounting adjustments, such as depreciation and impairment, that would normally be shown in the statutory year end Statement of Accounts but do not affect the balance on the General Fund. This makes the figures comparable to the approved budgets for the year.

The headline reasons for the variance are explained below.

- Whilst not all variances relating to the salaries budgets relate specifically to this committee, comment on them, in their entirety, is included as this committee is responsible for establishment. A salaries vacancy provision of £153,000 was provided for within the financial year. The actual outturn on salaries showed a saving of £693,000. In net terms, this resulted in a saving of £540,000. However, during the period a £258,000 over spend on hired staff was incurred. The salaries budget was revised in January 2015 to take this into account. At year end the saving on the General Fund when compared to the revised budget is £75,000.
- The Council has during 2014/15 been able to identify overpayments of housing benefit faster than previously, due to an improvement in information from the DWP. This in turn, has led to a substantial increase in the recovery of these overpayments of benefit which has increased income in the year by £94,000

Other savings within the financial year related to this committee are shown below.

	£ 000's
Fewer Bad Debts Write offs	31
Administrative Penalties Issued by Benefits	18
Additional Council Tax Court Cost Income	18
Bank Charges	10
Recruitment Expenses	30
Member Special Responsibility Allowance	15

Significant variances (Over £10,000) are shown in Appendix 2 of this report.

Officers are currently investigating the reasons for the under spend with the view of improving the accuracy of budgeting in the future and to improve the early identification of savings against budget.

Capital Programme

The revised capital programme for this committee had a total budgeted cost of £719,420. The provisional outturn for these schemes is £306,245 which represents an under spend of £413,175.

Details of each scheme are given in Appendix 3.

Carry Forwards

Details of requested carry forward budgets for capital only (no revenue requested) have been included for approval in the main Council outturn report elsewhere on this agenda but are shown for information at Appendix 4.

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Background Papers: Report to Council on 19 February 2015 – Budget
Proposals and Associated Strategies

Implications	
Financial (PL)	Incorporated within the body of the report
Risk (PL)	CR1 Decreasing Financial Resources CR9 Economy
Equalities	No significant implications
Legal	No significant implications

Policy Finance & Development Committee Provisional Outturn Summary 2014/15

Cost Centre	Service Head	Original Budget 2014/15 £	Revised Budget 2014/15 £	Actual 2014/15 £	Variance Revised vs. Actuals (Under) / Over £
30001	Information and Public Relations	72,170	80,990	85,807	4,817
30002	Corporate Management	621,720	617,660	444,175	(173,485)
30004	Health and Safety	39,540	35,340	10,271	(25,069)
30006	Crime and Disorder Partnership	12,450	18,090	13,675	(4,415)
30011	Structural Maintenance	61,030	61,030	49,553	(11,477)
30101	Local Land Charges - Chargeable	2,640	7,200	(1,538)	(8,738)
30201	Democratic Representation and Management	582,890	488,220	463,325	(24,895)
30301	Council Tax	283,240	266,260	264,918	(1,342)
30302	NNDR	64,590	24,590	18,137	(6,453)
30303	Housing Benefits	261,970	236,550	69,103	(167,447)
30304	Council tax Benefits	190,170	137,240	130,506	(6,734)
30401	Register of Electors	64,030	68,000	83,377	15,377
30402	Election Expenses	125,620	112,860	109,641	(3,219)
30501	Non Distributed Costs	56,890	88,820	59,078	(29,742)
30701	Civil Defence	24,460	26,830	27,330	500
41001	Economic Development	167,630	146,670	125,500	(21,170)
	Total	2,631,040	2,416,350	1,952,858	(463,492)

Holding Accounts (Fully recharged to frontline services)

39901	Senior Management Team	319,830	335,090	342,387	7,297
39902	Human Resources	240,620	259,260	224,660	(34,600)
39904	Legal Section	102,930	126,840	120,738	(6,102)
39905	Internal Audit	69,410	71,050	69,316	(1,734)
39906	Finance	475,410	479,920	444,907	(35,013)
39907	ICT Section	406,090	430,130	398,051	(32,079)
39908	Customer Services	311,070	263,380	286,640	23,260
39909	Council Offices	159,360	155,140	162,140	7,000
39910	Head of Customer Services	169,730	152,130	141,453	(10,677)
39913	Corporate Services	177,960	193,260	178,321	(14,939)

Policy Finance and Development Committee Provisional Revenue Outturn Position 2014/15

Cost Centre Code		Service Head	Expense Head	Original Budget 2014/15	Revised Budget 2014/15	Actual 2014/15	Variance Revised vs. Actual (Under) / Over	Comments
30002	2427	Corporate Management	Audit Fees	56,220	56,220	42,692	(13,528)	Rebate received from Audit Commission
30002	2444	Corporate Management	Bank Charges	37,870	37,870	28,351	(9,519)	Lower charges applied by bank
30002	5912	Corporate Management	Provision for Bad Debts	0	0	13,725	13,725	Increase in Corporate Bad Debt provision
30002	9850	Corporate Management	Vacancy Provision	(153,000)	32,830	0	(32,830)	New structures not put in place
30004	0800	Health and Safety	Training Expenses	15,500	15,500	(31)	(15,531)	Training not done in year
30201	0770	Democratic Representation and Management	Members Allowances	65,250	65,250	50,731	(14,520)	Reduction due to pension fund changes
30301	9100	Council Tax	Court Costs	(100,000)	(107,500)	(126,340)	(18,840)	No of cases higher than expected
30303	5902	Housing Benefit	Bad Debts Written Off/Provision for Bad Debts	65,000	65,000	34,290	(30,710)	No write offs done in year
30303	9058	Housing Benefit	Recovery of Benefit Overpayments	(190,000)	(190,000)	(284,551)	(94,551)	New system for the identification of overpayments in place
30303	9102	Housing Benefit	Administration Penalties	(3,580)	(3,580)	(21,533)	(17,953)	Level much higher than expected
30304	4995	Council Tax Support	Discretionary Council Tax Support	30,000	30,000	6,647	(23,353)	Full budget not required
30304	9008	Council Tax Support	Discretionary Council Tax Support Grant	(26,000)	(26,000)	(12,564)	13,436	Grant to cover expenditure above. Excess taken to reserves
30304	9009	Council Tax Support	Pension Credit Grant	(10,230)	(10,230)	0	10,230	Grant not given in 2014/15
30401	9051	Register of Electors	Grant Income	(13,500)	(13,500)	(24,892)	(11,392)	Extra Grant received to cover expected expenditure
41001	5524	Economic Development	Borough Marketing	12,000	12,000	1,757	(10,243)	Alternative funding methods used.

Holding Accounts - Completely Recharged into the Services Above

39901	0100	Senior Management Team	Salaries	242,020	242,020	223,606	(18,414)	Vacancies in the establishment
39901	0200	Senior Management Team	Hired Staff	37,500	54,290	72,899	18,609	To cover vacancies
39902	0981	Human Resources	Recruitment Expenses	50,000	50,000	19,936	(30,064)	Key posts not recruited to
39902	0100	Human Resources	Salaries	99,920	110,920	95,834	(15,086)	Vacancies in the establishment
39902	0200	Human Resources	Hired Staff	0	0	14,719	14,719	To cover vacancies
39904	0100	Legal Services	Salaries	62,810	85,810	70,009	(15,801)	Vacancies in the establishment
39906	0100	Finance	Salaries	336,110	331,370	208,513	(122,857)	Vacancies in the Establishment
39906	0200	Finance	Hired Staff	0	0	85,868	85,868	To cover vacancies
39908	2424	Customer Services	Professional Services	21,000	21,000	39,679	18,679	Website Development Work
39910	9051	Customer Services Manager	Grant Income	0	0	(10,123)	(10,123)	Extra Grant received from government
39913	0100	Corporate Services	Salaries	153,180	171,640	153,424	(18,216)	Vacancies in the establishment

POLICY FINANCE AND DEVELOPMENT COMMITTEE - CAPITAL PROGRAMME

Project Code Reference	Scheme	2014/15 Revised budget	Expenditure to 31st March 15	Budget Remaining	Comments
		£	£	£	
POLICY FINANCE AND DEVELOPMENT					
56001	Council Office Refurbishment/Demolition	52,950	41,705	(11,245)	Works continuing in 2015/16
56003	Customer Service Centre	15,000	29,802	14,802	Works on customer service centre completed earlier than expected
56010	IT Replacement Programme	28,470	28,020	(450)	Project completed
56026	Integra/Orchard Interface	2,000	2,160	160	Project completed
56027	41 Canal Street CPO	350,000	0	(350,000)	Not clear exactly when this will be needed
56037	PARIS Upgrade	40,000	33,355	(6,645)	To be completed in 2015/16
56041	HR System	0	1,209	1,209	Residual works
56053	Public Realm	150,000	133,213	(16,787)	Minor works outstanding
56055	Document Management System Software	50,000	0	(50,000)	To be completed in 2015/16
56056	IT Server Upgrade	18,000	18,081	81	Project completed
56057	IT Storage Improvements	8,000	8,320	320	Project completed
56059	Council Offices Drainage Works	5,000	10,380	5,380	Project completed
TOTAL COMMITTEE EXPENDITURE		719,420	306,245	(413,175)	

Revenue Budgets Carried Forward 2014/15 to 2015/16

Budget Code	Expenditure Narrative	Budget £	Spend £	Requested Carry Forward £	Reason for Carry Forward
39906 2428	Finance - Estate Agents	11,400	5,475	5,925	Contribution towards 5 year asset valuation.
39907 2423	ICT Section - Prof Services	66,190	52,184	14,006	Contribution towards the ICT Project Manager for 2015/16
39907 2004	ICT Section - Computer Software	62,990	54,553	8,437	Upgrade of IDOX to be finished in 2015/16
30004 0800	Health & Safety Training Expenses	15,500	0	15,500	Greater programme of training in 2015-16 to compensate for previous years
30101 0200	Local Land Charges Hired Staff	4,650	0	4,650	Expenditure to be incurred in 2015/16
30201 2520	DRM Advertising	5,090	0	5,090	Expenditure to be incurred in 2015/16
30201 2801	DRM Conferences	1,500	56	1,445	Expenditure to be incurred in 2015/16
39902 0970	HR Long Service Awards	1,050	0	1,050	Expenditure to be incurred in 2015/16
39902 0981	HR Recruitment Expenses	50,000	40,036	9,964	To be taken to reserve for recruitment processes in 2015-16 (spend includes £20k already set up in reserve)
39902 5178	HR Corporate Training	25,000	16,027	8,973	Training requirement to increase in 2015/16
30011 1021	Structural Maintenance - Council Offices	9,000	2,481	6,519	Works at the office are currently on hold until 2015/16 this budget will be needed when they restart
	Total General Fund			81,559	

Capital Budgets Carried Forward 2014/15 to 2015/16

Budget Code	Expenditure Narrative	Budget £	Spend £	Requested Carry Forward £	Reason for Carry Forward
	General Fund				
	Policy, Finance & Development Committee				
56001	Council Office Refurbishment/Demolition	52,950	41,705	11,245	Spend required in 2015/16
56010	IT Replacement Programme	28,470	28,020	450	Spend required in 2015/16
56027	41 Canal Street CPO	350,000	0	350,000	Scheme still being progressed
56037	PARIS Upgrade	40,000	33,355	6,645	Work to be continued in 2015/16
56053	Public Realm	150,000	133,213	16,787	Further spend may be required
56055	Document Management System Software	50,000	0	50,000	Now scheduled for 2015/16
	Total General Fund			435,127	

Agenda Item 10



**Policy, Finance
and Development
Committee**

21 July 2015

**Matter for
Information and
Decision**

Title: **Overall Provisional Budget Outturn Report – 2014/15**

Author: **John Dickson - Chief Financial Officer (Section 151 Officer)**

1 Introduction

This report gives a summary of the overall provisional outturn position for the financial year 2014/15 including the effect on the reserves as at 31 March 2015.

The provisional outturns for both the General Fund and the Housing Revenue Account (HRA) are net under spends against the revised budgets. The draft annual financial statements have been prepared and signed off by the Section 151 Officer before the statutory deadline of 30 June 2015 but will not be finalised until after the external audit process is finished at the end of September. These figures are, therefore, subject to revision.

2 Recommendations

That Members:

- (1) Note the report and overall provisional outturn positions for both the General Fund (Appendix 1) and the Housing Revenue Account 2014/15 (Appendix 2).
- (2) Approve the requested revenue and capital carry forwards for both the General Fund and Housing Revenue Account as set out in Appendix 3.
- (3) Approve the transfer of £400,000 from the General Fund Reserve to the Budget Equilibrium Reserve as at 31 March 2015
- (4) Approve the transfer of £200,000 from the General Fund Reserve to the Management of Change Reserve as at 31 March 2015

3 Information

The following commentary summarises the outturn position for each of the Council's funds in respect of both revenue and capital expenditure and compares these with the corresponding revised budget for the year. A statement of reserves and balances in hand at 31 March 2015 is also included.

General Fund

The Council has seen a substantial reduction in net expenditure which has allowed it to reconsider its level of earmarked reserves, as detailed in the recommendation. After taking the recommended transfers to earmarked reserves into consideration and £106,345 of budget items to be carried forward to 2015/16 (Appendix 3). There is a provisional overall reduction in outturn net expenditure against the revised budgets for 2014/15 of £203,206. A summary of the position is shown at Appendix 1. The main reasons for the variances are explained below.

- The Council has received a larger than anticipated amount of funding from the new arrangement for distributing Non Domestic (Business) Rates amounting to £215,000. This along with an increase in other general grant funding of £50,000 have helped increase balances.
- A salaries vacancy provision of £153,000 was provided for within the financial year. The actual outturn on salaries showed a saving of £693,000. In net terms, this resulted in a saving of £540,000. However, during the period a £258,000 over spend on hired staff was incurred. The salaries budget was revised in January 2015 to take this into account. At year end the saving on the General Fund when compared to the revised budget is £75,000
- The Council has during 2014/15 been able to identify overpayments of housing benefit faster than previously, due to an improvement in information from the DWP. This in turn, has lead to a substantial increase in the recovery of these overpayments of benefit which has increased income in the year by £94,000
- There have been savings made in a large proportion of budgets across all services. Further details of these are contained in the committee specific reports for both this committee and Service Delivery. However some of the larger items are listed below;

	£ 000's
Fewer Bad Debts Write offs required	31
Administrative Penalties Issued by Benefits	18
Additional Council Tax Court Cost Income	18
Micro-filming Project Deferred	23
Purchase of Refuse Sacks	20
Transport	20
Bank Charges	10
Health and Safety Training	15

More specific reasons for the variances are given in the respective committee provisional outturn reports.

Housing Revenue Account

In February 2015, the revised forecast for the HRA was that a contribution would be required from balances of £251,000 leaving an estimated balance of £1,646,000 at 31 March 2015. However, the provisional outturn position has been influenced by the following main issues.

Although the Capital programme has progressed well in 2014/15 it has not caught up its schedule after the later than expected commencement in 2013/14. The Boulter Crescent refurbishment is now progressing well and should complete in the first quarter of 2016/17. However the new scheduling of costs relating to this scheme has meant the Council has not needed to make the expected revenue contribution to capital this year which has resulted in an in year saving of £757,000 which will be required to fund the remainder of the scheme in 2015/16.

The other major saving in the year relates to revenue repairs and maintenance. There has been a reduction in both void repairs, of £123,000, and planned maintenance of £189,000.

Finally, a variance of £356,000 for depreciation, which is a required technical accounting entry, is adjusted for elsewhere within the Housing Revenue Account resulting in a neutral effect on balances.

All of the above major variances result in a surplus of £827,000 for the year with a closing balance of £2,724,000. This represents a £1,078,000 under spend against the revised budget.

Full details of the HRA provisional outturn position are given at Appendix 2.

Capital Programmes (General Fund and HRA)

Details of the provisional outturn position for 2013/14 on both the housing and non-housing capital programmes together with details of their funding are shown below.

Committee	Revised Allocation £ 000's	Provisional Outturn £ 000's	Variance £ 000's
Service Delivery (Housing Related)			
Housing Revenue Account	3,852	2,531	(1,321)
General Fund	416	247	(169)
	<u>4,268</u>	<u>2,778</u>	<u>(1,490)</u>
Service Delivery (Other General Fund)	5,278	3,664	(1,614)
Policy, Finance and Development	719	306	(413)
Total	<u>10,265</u>	<u>6,748</u>	<u>(3,517)</u>

Financed By	
Capital Receipts	312
Government Grants	150
Borrowing	3,296
External Funding	130
Revenue and Reserves	663
Major Repairs Allowance	2,197
Total	6,748

The above programme shows an under spend on the total programme of £3.517m.

The under spend is mainly associated with four schemes

	£ 000's
Boulter Crescent Refurbishment	£ 963
Leisure Centre Redevelopment	£ 831
Weekly Collection Support Scheme	£ 991
Compulsory Purchase of 41 Canal Street	£ 350

More specific reasons for the variances are given in the respective committee provisional outturn reports.

Reserves as at 31 March 2015

All revenue reserves form part of the General Fund, but they may be earmarked for specific purposes. The overall provisional reserve position at 31 March 2014 is shown in the table below. The balances shown at 31 March 2013 are after allowing for budget carry forward items.

General Fund (Revenue Reserves)	Balance 1 April 2014 £ 000's	Movement in Year £ 000's	Balance 31 March 2015 £ 000's
General Fund Reserve	891	122	1,013
Budget Equilibrium Reserve	200	400	600
Management of Change Reserve	300	145	445
Contingency Reserve	200	0	200
Other Earmarked Reserves	3,338	(283)	3,055
Total	4,929	384	5,313

Due to the savings made this year the Council has been able to transfer £200,000 to the Management of Change Reserve which, after applying funding for capital schemes, increases this reserve by £145,000 as well as £400,000 to the Budget Equilibrium Reserve which was set up in 2013/14 to safeguard against any unforeseen changes in available Central Government funding which includes the risks associated with the element that is generated by the local retention of business. As dictated by Financial

Regulations, any use of reserves or balances requires the authorisation of the Chief Financial Officer.

The Housing Revenue Account Reserve balance (and the associated earmarked reserves) may only be used for housing purposes. The overall provisional reserves position is again shown in the table below.

HRA Reserves	Balance 1 April 2014 £ 000's	Movement in Year £ 000's	Balance 31 March 2015 £ 000's
HRA Reserve	1,897	827	2,724
Regeneration Reserve	500	0	500
Major Repairs Reserve	1,012	(1,012)	0
Total	3,409	1,437	3,409

The Council has an approved Policy on reserves and confirmed its approach to levels of reserves in the Budget Proposals Report 2015/16 which was approved at Council on 19 February 2015.

It is the availability of reserves, that has enabled the Council to plan ahead with confidence, meet exceptional expenditure items, mitigate against significant budget risk and uncertainty and keep the Council Tax at reasonable levels.

The continued uncertainties surrounding public expenditure were outlined in the Budget Proposals Report 2015/16, in particular the Report of the Chief Financial Officer on the Robustness of the Estimates Made for the Purposes off the Budget and Tax Setting Calculations and the Adequacy of the Proposed Financial Reserves. The section highlighted key assumptions and risks surrounding the 2015/16 budget setting in particular those relating to government grant in 2015/16 and future years. With the current national economic situation and the Government's position on financial support to local authorities it is important to ongoing financial sustainability that reserves are maintained. In addition, the Council will need to continue the transformation programme in order to deliver budget efficiency savings. This will require the use of earmarked reserves such as the Contingency and Management of Change Reserve to support this programme.

Carry Forwards

Details of requested carry forward budgets for both revenue and capital have been included at Appendix 3 for approval by committee. These figures have been included in the provisional outturn positions for 2014/15 for both the General Fund and the Housing Revenue Account.

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Background Papers: Report to Council on 25 February 2014 – Budget Proposals 2014/15

Report to Council on 19 February 2015 – Budget
Proposals 2015/16

Implications	
Financial (PL)	Incorporated within the body of the report
Risk (PL)	CR1 Decreasing Financial Resources CR9 Economy
Equalities	No significant implications
Legal	No significant implications

OUTTURN SUMMARY 2014/15				
GENERAL FUND	Budget 2014/15 £	Revised Estimate 2014/15 £	Outturn 2014/15 £	Variance Revised to Outturn £
Net Committee Expenditure	6,418,260	6,516,630	5,730,122	786,508
Capital Financing	482,970	241,530	236,385	5,145
Total Expenditure	6,901,230	6,758,160	5,966,507	791,653
Contributions to/(from) :				
H.P.D.G. Reserve	(54,110)	(105,290)	36,230	(141,520)
Grants Reserve	0	0	10,424	(10,424)
Budgets Carried Forward Reserve	(42,170)	(30,340)	76,395	(106,735)
Capital Reserve	10,000	10,000	6,570	3,430
Recycling Improvements	(125,000)	(125,000)	0	(125,000)
Troubled Families Reserve	(23,334)	(23,330)	0	(23,330)
Management of Change	(62,070)	(150,520)	200,000	(350,520)
Income Profiling Reserve	0	(40,000)	0	(40,000)
Budget Equilibrium Reserve	0	197,280	400,000	(202,720)
Operations Reserve	0	(22,000)	0	(22,000)
HR Recruitment Reserve	0	20,000	20,000	0
Land Valuation Reserve	0	24,000	(2,000)	26,000
Greening the Borough Reserve	(3,040)	(3,040)	(1,000)	(2,040)
Net Expenditure	6,601,506	6,509,920	6,713,126	(203,206)
Financed By :				
RSG	(1,458,105)	(1,458,105)	(1,458,103)	(2)
NNDR Contribution	(1,316,174)	(1,316,174)	(1,530,896)	214,722
Council Tax Surplus/(Deficit)	(87,855)	(87,855)	(87,855)	0
NNDR Surplus/(Deficit)	0	95,330	95,325	5
Other General Grants	0	(60,270)	(109,527)	49,257
Council Tax Freeze Grant	(165,740)	(165,740)	(166,045)	305
New Homes Bonus	(238,479)	(238,479)	(243,117)	4,638
Precept on Local Tax Payers	(3,335,153)	(3,335,153)	(3,335,153)	0
Reserves (Movement on GF)		56,526	122,245	(65,719)
	(6,601,506)	(6,509,920)	(6,713,126)	203,206
Reserves Balance as at 1st April	891,338	891,338	891,338	0
Transferred to Earmarked Reserves	0	0	0	0
Reserves Used in Year	0	56,526	122,245	(65,719)
Reserves Balance as at 31st March	891,338	947,864	1,013,583	(65,719)

Housing Revenue Account Provisional Outturn Report 2014/15

Service Head	Original Budget 201415	Revised Budget 201415	Actual 201415	Variance
	£	£	£	£
Housing Revenue Account	(3,838,600)	(3,829,230)	(4,083,952)	(254,722)
Estate Management	823,830	954,560	909,609	(44,951)
Older Persons Services and Community Care :				
Churchill Close	38,940	43,580	(7,207)	(50,787)
Marriott House	46,100	43,310	19,134	(24,176)
William Peardon Court (Kings Drive)	47,000	45,720	26,343	(19,377)
Communal Services	142,640	135,060	153,719	18,659
Housing Support Officer	26,400	26,570	5,504	(21,066)
Caretakers Services :				
Elizabeth Court	28,050	27,950	26,659	(1,291)
Bennett Way	16,810	16,680	17,420	740
Boulter Crescent	26,380	18,030	23,064	5,034
Burgess St, Maromme Sq, Junction Rd	16,680	15,930	15,942	12
TOTAL SUPERVISION & MANAGEMENT	(2,625,770)	(2,501,840)	(2,893,765)	(391,925)
REPAIRS AND MAINTENANCE	1,291,580	1,297,120	1,020,648	(276,472)
NET COSTS OF SERVICES	(1,334,190)	(1,204,720)	(1,873,117)	(668,397)
Capital Charges	524,190	524,190	516,115	(8,075)
NET OPERATING EXPENDITURE	(810,000)	(680,530)	(1,357,002)	(676,472)
Appropriations	919,000	931,460	530,449	(401,011)
DEFICIT / (SURPLUS) FOR THE YEAR	109,000	250,930	(826,553)	(1,077,483)
HRA DEFICIT/(SURPLUS) BOUGHT FORWARD	(939,914)	(1,897,272)	(1,897,272)	0
DEFICIT / (SURPLUS) FOR THE YEAR	109,000	250,930	(826,553)	(1,077,483)
HRA DEFICIT/(SURPLUS) CARRIED FORWARD	(830,914)	(1,646,342)	(2,723,825)	(1,077,483)

Revenue Budgets Carried Forward 2014/15 to 2015/16

Budget Code	Expenditure Narrative	Budget £	Spend £	Requested Carry Forward £	Reason for Carry Forward
39906 2428	Accountancy - Estate Agents	11,400	5,475	5,925	Contribution towards 5 year asset valuation.
39907 2423	ICT Section - Prof Services	66,190	52,184	14,006	Contribution towards the ICT Project Manager for 2015/16
39907 2004	ICT Section - Computer Software	62,990	54,553	8,437	Upgrade of IDOX to be finished in 2015/16 Greater programme of training in 2015-16 to compensate for previous years
30004 0800	Health & Safety Training Expenses	15,500	0	15,500	
30101 0200	Local Land Charges Hired Staff	4,650	0	4,650	Expenditure to be incurred in 2015/16
30201 2520	DRM Advertising	5,090	0	5,090	Expenditure to be incurred in 2015/16
30201 2801	DRM Conferences	1,500	56	1,445	Expenditure to be incurred in 2015/16
39902 0970	HR Long Service Awards	1,050	0	1,050	Expenditure to be incurred in 2015/16
39902 0981	HR Recruitment Expenses	50,000	40,036	9,964	To be taken to reserve for recruitment exercises in 2015-16 (spend includes £20k already set up in reserve)
39902 5178	HR Corporate Training	25,000	16,027	8,973	Training requirement to increase in 2015/16
40001 2412	PO 5002390 - Idox Software Limited (Building Contr	27,800	13,722	4,237	50% of order paid (requirement of the order) and we are awaiting the completion of the project before the final payment is made. Large Data Capture project dating back to 2012. This has had an initial payment on commencement of the project and work is now progressing again. Revisions to contract over timing of payment is muted to ensure project delivery is done.
29907 2412	Idox Software Limited	2,210	2,210	576	see above
40001 2412	Idox Software Limited	27,800	13,722	8,064	Following the appointment of a new member of staff in March, there is likely to be a requirement to pay some university fees in the 2015/16 financial year. £750 relates to 2015/16 spend - Architect/Quality Surveyor to prepare plans in relation to potential options for Horswell Lane
40901 0800	Anticipated University Fees for 2015/16	2,300	380	1,920	
41001 5520	Eco development - Projects Other	6,125	4,750	750	Community Assets Strategy - Economic Development Projects. 50% split between 2014/15 and 15/16
41001 5520	Economic Development - Project	7,750	5,375	2,375	Works at the office are currently on hold until 2015/16 this budget will be needed when they restart Training will commence when the vacant posts are filled in 15/16
30011 1021	Structural Maintenance - Council Offices	9,000	2,481	6,519	
19901 0800	Environmental Health - Training	2,500	536	1,964	
14203 2900	Grants Core Funding	80,500	78,600	1,900	Grant unclaimed in 2014/15
14102 5325	Health Promotion - GP Referral	3,000	0	3,000	Spend for 14/15 covered by external funding
	Total General Fund			106,345	
	Grants Received.				
65002 0000	Edith Murphy Trust Fund	23,145	8,945	14,199	Grant carry forward
	Total Grants			14,199	
	Housing Revenue Account				
12003 5157	Estates management - Tenant Involvement	10,000	380	9,620	Budget not spent as TPAS membership was cancelled. Staff have now been recruited to carry out work
12003 5158	Estates management - Under Occupation scheme	5,000	1,000	4,000	Welfare reforms will push demand up in 2015/16
13901 2500	Housing Management - Printing and Stationery	4,900	1,470	3,430	new policies just approved - new leaflets will be needed in 15/16
	Total HRA			17,050	

Capital Budgets Carried Forward 2014/15 to 2015/16

Budget Code	Expenditure Narrative	Budget £	Spend £	Requested Carry Forward £	Reason for Carry Forward	
Housing Revenue Account						
50002	Boulter Crescent - Whole Unit Refurbishment	2,782,500	1,819,542	962,958	These budgets are linked to the Boulter Crescent refurbishment and are required to be carried forward for completion in 2015/16	
50003	Central Heating	390,351	272,834	117,516		
50004	Heating, Ventilation and Insulation	39,217	20,740	18,478		
50006	Front & Rear Doors	75,000	0	75,000		
50007	Car Hardstandings	49,541	17,178	32,364		Programme to be continued in 2015/16
50010	Fire Safety Work	41,465	0	41,465		Fire safety work to continue into 2015/16
50016	Decent Homes Work	78,773	22,291	56,482		Decent homes is an ongoing requirement and will continue into 2015/16
50017	Major Adaptations	122,920	83,369	39,551		It is important to be able to meet the demand for adaptations when required
50024	Heating, Ventilation and Insulation	75,000	10,230	64,770	Programme to be continued in 2015/16	
Total Housing Capital Programme				1,408,583		
General Fund						
Service Delivery Committee						
52002	Disabled Facilities Grant	404,920	241,201	163,719	All grant is committed with work scheduled for 2015/16	
52003	DEC Grant Expenditure	10,920	6,283	4,637	Capital Grant to be carried forward to 2015/16	
52010	Disabled Access/Facility Improvements	3,000	1,169	1,831	Scheme to continue in 2015/16	
52015	Blaby Road Park	14,430	0	14,430	Scheme to continue in 2015/16	
54007	Weekly Collection Support Scheme	1,170,000	178,707	991,293	Vehicles on order to arrive June 2015	
54008	Disposal Shed Doors	8,840	1,370	7,470	Work to be carried out in 2015/16	
54009	Notice & Information Boards	2,683	0	2,683	Notice boards to be updated in 2015/16	
54012	Cemeteries - Memorial Safety	15,000	3,128	11,872	Work to be carried out in 2015/16	
54025	Grand Union Canal Footbridge	7,000	0	7,000	Ongoing project	
54037	Wigston Cemetery Wall	6,750	0	6,750	Work to be carried out in 2015/16	
54543	Brocks Hill Building Redevelopment	68,045	45,659	22,386	Scheme to continue in 2015/16	
54549	Leisure Facility Redevelopment	3,700,000	2,869,421	830,579	All budget is committed with the scheme due to complete in 2015/16	
Policy, Finance & Development Committee						
56001	Council Office Refurbishment/Demolition	52,950	41,705	11,245	Spend required in 2015/16	
56010	IT Replacement Programme	28,470	28,020	450	Spend required in 2015/16	
56027	41 Canal Street CPO	350,000	0	350,000	Scheme still being progressed	
56037	PARIS Upgrade	40,000	33,355	6,645	Work to be continued in 2015/16	
56053	Public Realm	150,000	133,213	16,787	Further spend may be required	
56055	Document Management System Software	50,000	0	50,000	Now scheduled for 2015/16	
Total General Fund Capital Programme				2,499,777		

Agenda Item 11



**Policy, Finance
and Development
Committee**

21 July 2015

Information

Title: **Committee Budget Review – April to May 2015**

Author: **John Dickson - Chief Financial Officer (Section 151 Officer)**

1 Introduction

This report provides Members with details of the 2015/16 budgetary position for the committee at 31 May 2015 for both capital and revenue.

2 Recommendations

That Members note the current positions.

3 Information

Currently, there is no predicted change to the committee's General Fund budget for 2015/16 of £2,325,960.

The spend to date for the capital programmes for the Committee is shown in Appendix 1 attached to this report.

No requested carry forward budgets from 2015/16 are included in these figures, as these require approval as part of a report elsewhere on this Committee's agenda.

Members are asked to note that this report is very early in the financial year. Therefore, only the first two months are available for proper consideration.

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Background Papers: Report to Council on 25 February 2015 – Budget
Proposals 2015/16

Implications	
Financial (CR)	Incorporated within the body of the report
Risk (CR)	CR1 Decreasing Financial Resources CR9 Economy
Equalities	Not applicable
Legal	No significant implications

POLICY FINANCE AND DEVELOPMENT COMMITTEE - CAPITAL PROGRAMME

Project Code Reference	Scheme	2015/16 Original budget	Expenditure to 31st May 15	Budget Remaining	Comments
		£	£	£	
POLICY FINANCE AND DEVELOPMENT					
56001	Council Office Refurbishment/Demolition	13,000	580	(12,420)	Additional works to be completed in year
56003	Customer Service Centre	142,000	94,287	(47,714)	Programme to be spent in year
56010	IT Replacement Programme	20,000	0	(20,000)	Full spend expected
56037	PARIS Upgrade	0	9,800	9,800	Residual costs, C/F required from 2014/15
56053	Public Realm	0	234	234	Residual costs, C/F required from 2014/15
56054	Customer Relationship Management Software	45,000	0	(45,000)	Full spend expected
56060	MS Office Suite Upgrade	20,000	0	(20,000)	Full spend expected
56061	Uninterruptible Power Supply Replacement	10,000	0	(10,000)	Full spend expected
56062	Server OS Upgrade	8,000	0	(8,000)	Full spend expected
TOTAL COMMITTEE EXPENDITURE		258,000	104,901	(153,099)	

Agenda Item 12



**Policy, Finance and
Development
Committee**

21 July 2015

**Matter for
Information and
Approval**

Title: Draft Annual Governance Statement 2014/15

Author: John Dickson, Chief Financial Officer and Section 151 Officer

1. Introduction

The purpose of this report is to advise Members on the content of the Council's Annual Governance Statement for 2014/2015 following the review of the effectiveness of the Council's system of internal control.

All Local Authorities are required to produce in line with proper practice and guidance an Annual Governance Statement (AGS). The purpose of the AGS is to set out and evaluate the Council's corporate governance arrangements. This year the AGS format has been reviewed and reflects the Local Code of Corporate Governance. The AGS must be approved by this committee prior to its certification by the Leader of the Council and Chief Executive, and published alongside the Council's Statement of Accounts.

Good governance arrangements are also essential in ensuring we get the basics right. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately a good outcome for citizens and service users. The AGS articulates these arrangements along with the updated action plan have been included as Appendix 1.

This paper provides the Committee with the draft Annual Governance Statement 2014/15 ahead of formal approval by this Committee in September 2015.

The Accounts and Audit Regulations 2011 have established requirements that all Local Authorities must adhere to in relation to systems of internal control. This has implications for the whole Authority and all its services. The regulations require Councils to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which include the arrangements for the management of risk.

The Council is required to review at least annually the effectiveness of the system of internal controls and make a statement on that alongside the Statement of Accounts.

Whilst the legislation requiring this statement is placed within the Accounts and Audit Regulations, this is not just an accounting or auditing issue. The Annual Governance Statement is a key measure of the overall effectiveness of the Authority.

As part of the production of the Annual Governance Statement assurance is required from all services regarding their current systems procedures and accompanying controls operated. All services have therefore been asked to complete a service assurance assessment and any issues have been reflected in this document.

2. Recommendations

That the Annual Governance Statement (2014/15) as set out in Appendix 1 be approved and referred to the Leader of the Council and Chief Executive for formal certification.

3. Background

The Council has a statutory requirement to produce an Annual Governance Statement (AGS) in accordance with delivering good governance in Local Government Framework and Guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

The purpose of the AGS is to report publically on the extent to which the Council complies with its own code of governance known as the Local Code, including how they have monitored the effectiveness of their governance arrangements in year, or any planned changes in the current period. The process of preparing the Governance Statement should itself add value to the corporate governance and the internal control framework of an organisation.

In March 2010 further guidance was issued by CIPFA on the application of the role of the Chief Financial Officer in local Government and how the AGS can reflect compliance with the requirements of the role as set out in the CIPFA statement. The AGS includes a specific statement confirming that the Council's arrangements conform to the governance requirements of the CIPFA statement.

In December 2012 CIPFA refreshed its' previous framework and guidance last issued in 2007 and whilst the six principals of good governance remain the same, as did the supporting principals, the suggested evidence in which a Council could rely on for its commitment and seek assurances was updated.

A Local Government review published by Grant Thornton in 2013 reported on how organisations in the public sector could improve their governance by learning from other sectors and their peers. The report emphasised that effective imbedded governance frameworks are essential if Councils are to meet the challenges faced by Local Government whilst retaining the support of their stakeholders. The findings produced in the report highlighted that whilst considering the CIPFA/SOLACE guidance, each Council should capture its own priorities and achievements so local residents can recognise their own Council in the statement. The Council has previously expressed its' commitment in its Local Code of Corporate Governance to the six core principals of good governance and the underpinning principals as set out in the CIPFA/SOLACE guidance. The AGS provides an update against how the Council is responding to these main principals. The Councils local core of proper governance was last reviewed and adopted at Council in 2011.

In line with the Accounts and Audit Regulations (2011) from 31 March 2011 the AGS accompanies the Financial Statements rather than included within them. The purpose of this change was to make clear that the AGS is not part of the Statements on which the auditor's opinion is given. However, a Council has discretion to decide whether it should be part of the same document as the Accounting Statements or be issued as a separate document. For this Council it was decided to continue to publish the AGS together with the Statement of Accounts. In addition, this committee must approve the AGS prior to its formal certification by the Leader and the Chief Executive.

Councils need to adopt a Local Code of Corporate Governance that sets out a commitment to corporate governance and how the approved code will be developed and implemented.

Within Oadby & Wigston Borough Council corporate governance operates to:

- Establish and monitor the Council's vision and objectives
- Facilitate policy and decision making
- Ensure compliance with policies, procedures, laws and regulations
- Ensure that economic efficient and effective use of resources and secure continuous improvements
- Enable the financial management of the Council and financial reporting
- Support delivery of high quality services and effective performance management
- Identify and manage the Council's risk.

The CIPFA/SOLACE framework applied by the Council focuses on six key principals of corporate governance and sets out a process that should be followed to enable the Authority to review and improve governance arrangements. These actions have been applied by officers and are summarised below:

- Review existing governance arrangements against the CIPFA/SOLACE framework
- Develop and maintain an up-to-date Local Code of Governance including arrangements for ensuring its ongoing application and effectiveness
- Prepare a governance statement on an annual basis to include how the effectiveness of governance arrangements have been monitored in the year and any planned changes in the coming period
- Consider the extent to which the Council complies with the principals and requirements of governance as set out in the model
- Identify systems, processes and documentation that provide evidence of compliance
- Identify the individuals and committees responsible for monitoring and viewing the systems, processes and documentation identified
- Identify the issues that have not been addressed adequately in the Council and consider how they should be addressed
- Identify the individuals who would be responsible for undertaking the actions required and plan accordingly.

The CIPFA/SOLACE principals are:

- A clear definition of the Authority's purpose and desired outcomes focussing on the purpose of the Authority and on outcomes for the community and creating and implementing the vision for the local area
- Well-defined functions and responsibilities – members and officers working together to achieve a common purpose with clearly defined functions and roles
- An appropriate corporate culture promoting values for the Authority demonstrating the values of good governance to upholding high standards of conduct and behaviour
- Transparent decision making taking informed and transparent decisions which are subject to effective scrutiny and managing risks
- A strong governance team developing the capacity and capability of members and officers to be effective

- Review accountabilities to stakeholders, engaging with local people and other stakeholders to ensure robust public accountability.

The signatories to the Annual Governance Statement (the Leader of the Council and Chief Executive) must be satisfied that the document is supported by reliable evidence and that procedures are in place to demonstrate this.

At a corporate level assurance of compliance requires the assessment of local procedures and arrangements against the principals and requirements of governance.

At service level assurance of compliance with the principals and requirements of good governance requires all Heads of Service to complete, certify and return of Service Assurance Statements each year.

As a result of the assessment of governance arrangements and procedures, actions were identified to improve the high quality of governance arrangements already in place for the Council. Any actions considered significant are included in the Annual Governance Statement attached as Appendix 1.

4. Options

The alternative option is to defer its referral to the Leader of the Council and the Chief Executive. This is not considered appropriate due to the requirement for documents to be formally certified.

5. Legislation Policy

The preparation and publication of the AGS in accordance with the CIPFA/SOLACE framework is necessary to meet the statutory requirements set out in Regulation 4 (3) in the Accounts and Audit Regulations 2011.

Effective Corporate Governance practice is essential if the Council is to demonstrate that it is acting in the best interests of the governing legislative framework in the community it serves. The Corporate Governance arrangements are tested through a number of audit channels and studies.

6. Financial Implications

Robust scrutiny of the Council's Annual Governance Statement and framework applied in line with best practice will further strengthen the Council's sound base of strong financial management and assist in reducing risk.

7. Risk Management Implications

A strong internal control environment contributes to the overall effective management of the Council and will minimise the risk of the council failing to achieve its' ambitions and priorities and service improvements.

Without robust governance arrangements there are potential service continuity and reputation risk implications.

8. Inclusion, Diversity and Community Cohesion Implications

Ensuring the Council has arrangements in place to ensure inclusion, diversity and community cohesion forms part of the Council's governance arrangements.

9. Other Relevant Considerations

All aspects of the work of the Council are affected by the corporate governance regime as well as the Council's partners in service delivery and other agencies in which the Council shares information. External bodies in particular need to have confidence in the way the Council operates and this can be achieved by demonstrating robust corporate governance arrangements that are fully embedded.

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Implications	
Financial (JD)	Please see paragraph 6 above
Risk (JD)	Please see paragraph 7 above
Equalities (JD)	Please see paragraph 8 above
Legal (JD)	Please see paragraph 5 above

Background Papers:-

- CIPFA/SOLACE document – delivering good governance in Local Government
- Oadby & Wigston Borough Council – local code of corporate governance
- Audit Commission – annual audit and inspection letter.
- Internal Audit Annual Report 2014/15

10. Appendices

- Appendix 1 – Annual Governance Statement 2014/15



APPENDIX 1 : ANNUAL GOVERNANCE STATEMENT 2014/15

DRAFT ANNUAL GOVERNANCE STATEMENT 2014/15

Scope of Responsibility

Oadby & Wigston Borough Council (the Council) is responsible for ensuring that its' business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its' functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility the Council is responsible for putting in place proper arrangements for the governance of its' affairs and facilitating the effective exercise of its functions including arrangements for the management of risk.

The Council has previously approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government. A copy of the Authority's code can be obtained from Corporate Resources. This Statement shows how the Council has complied with the Code and also meets the requirements of Regulation 4(3) of the Accounts and Audit Regulations 2011 which requires the Council to prepare an Annual Governance Statement.

Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It reflects activities through which the Council meets the needs of the community. It includes arrangements to monitor the achievements of its strategic objectives and to consider whether those objectives have lead to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and therefore can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. Evaluation of the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at Oadby & Wigston Borough Council for year ended 31 March 2015 and up to the date of the approval of the Statement of Accounts.

The Governance Framework

Vision and Priorities

The Council's Corporate Plan was updated in June 2014 with the Council's three main priorities being declared as:

- A good quality of life for all residents
- A clean, green and safe environment
- A successful economy.

These priorities were agreed with residents through the consultation process and the residents' forums.

In 2011 the Council set out a vision for 2011-15 represented by the following seven priorities:-

- Protect the good quality and consistent value for money frontline services provided to residents, particularly with the refuse and recycling collections
- Enhance the green environment of the Borough so the residents can take full advantage of it
- Revitalise the town centres through development and by retaining free shoppers car parking
- Work with the Police to create a safer Borough where people feel comfortable and at ease
- Better community engagement including listening to and delegating more to the three town forums
- Work smarter to deliver the efficiency, savings required to meet the continuing budget cuts
- Working with others to try and improve the health and wellbeing of the residents of the Borough.

These priorities will:

- Focus and drive forward the Council's strategic plan over the next four years
- Form the basis of the Council's Medium Term Finance Strategy
- Provide the direction for allocating resourcing and restructuring
- Set the parameters for the annual Service Delivery and Development Plans.

The vision on objectives of individual departments are outlined in the annual Service Delivery and Development Plans. The plans for 2014/15 were approved by relevant committees in July 2014.

The Council's financial strategy is outlined in the medium term financial strategy 2014 to 2017 which was approved by the Policy, Finance & Development Committee in March 2014. The document outlines 11 financial objectives which the Council looks to achieve in order to meet the continuing pressure and available resources. Alongside this the Council has put in place the Housing Revenue Account (HRA) business plan which sets out how the Council will respond and operate under the new system of self-financing.

Quality of Services

Service plan targets and key performance indicators as set for each department within the Service Delivery and Development Plans. Progress against targets is monitored monthly by the management team and relevant committees. The Council's financial position is reported against budget to every Policy Finance and Development Committee meeting. Detailed budget information is provided to budget holders each month and dedicated project teams provide financial information for large projects or schemes. A full review of the budgetary control process was carried out during 2014/15. This aimed to ensure that budget information provides value for users and effectively informed decisions.

The Council ensures that its key priorities determine the allocation of resources to deliver its agreed activities. A robust Corporate Business Planning programme is used to identify projects against criteria including the Council's agreed policies, its priorities, the outcomes of public consultation, demonstration of continuous improvement and change in legislative need. New funding (investment) or funding from services downsize or de-prioritise is allocated to projects based on outcomes of this exercise. Agreed projects are then included in the relevant service plans as priorities for the Borough in 2013/14.

Achievements of the priorities for the Borough have been monitored throughout 2013/14 by the Council's Senior Management Team and reports to the relevant committees. This included brief details of key achievements against these priorities. The monitoring of delivery against the priorities ensures the Council's capacity to deliver against projects within the agreed cost, time and resources.

To further ensure that non-core resources are directed or re-directed towards the achievement of agreed objectives and priorities within the overall priorities for the Borough, there is an annual critical review of existing services and budgets. This process helps ensure the economic, effective and efficient use of resources and is undertaken within the framework of the Value for Money Strategy.

The financial elements of the Council's Corporate Business Planning process are set out in the Medium Term Financial Strategy and looks three years' ahead to ensure the Council's commitment to deliver its' priorities. The Council has a good track record of robust financial management and internal control but the Council's resources are necessarily limited and efficiencies year-on-year continue to be required. There is therefore increasing reliance on excellent partnership working to ensure the Council demonstrates value for money and the delivery of its' plans and actions.

The Council continues to ensure the accounts are compliant with the Local Authority Accounting Code of Practice for 2014/15. Performance against its' budget is monitored at committee meetings and by Senior Management Team and through the Corporate Business Planning process. It ensures that the level of reserves it holds is sustainable over the medium term. The Medium Term Financial Strategy will continue to take account of the current economic climate and the recent changes to Local Authority funding.

The Council has a Treasury Management Strategy that is reviewed each year and monitored on a regular basis. This ensures the Council has sound processes and controls over the Treasury function that minimises risk to the Council.

The Council communicates the Borough vision and achievements against its priorities by a quarterly publication that is delivered to the homes of its' residents and on its website. The Council Tax information leaflet gives further information on the Council's performance, expenditure and efficiencies and is posted on the Council's website.

The Council, the Policy, Finance and Development Committee and the Service Delivery Committee take decisions on service and management matters. They are timetabled to meet four times a year. The Policy, Finance and Development Committee undertakes the role of the Audit Committee and provides ongoing monitoring and scrutiny of financial management, performance, policy and action plans. Further challenge is provided by Members through meetings with Committee Chairmen, Resident Forums and Member Workshops.

Scrutiny is provided at Officer level through the work of the Council's internal audit function which since May 2012 has been delivered by CW Audit Services. The annual risk based audit plan contributes to the review of the Council's key internal control systems, risk management processes and corporate governance arrangements. CW Audit supports the design and effectiveness of the Governance framework. Each internal audit review is given an assurance level. The definition of each of these assurance levels are provided in the table below.

Table – Definition of Assurance Levels

Level of Significance	Criteria
Full	No significant risk issues identified
Significant	Exposure to levels of risk that may only impair the effectiveness of the system or process under review
Moderate	Exposure to levels of risk that render some elements of the system's control environment undeliverable
Limited	Exposure to unacceptable level of risk that could have a serious impact upon the system or process under review
No	Exposure to unacceptable levels of risk that could have a serious impact upon the organisation as a whole

Regular monitoring meetings are held with the Chief Financial Officer as the Council's Section 151 Officer and the Director of Services. This ensures the high standard of internal audit support is maintained. The annual audit plan is reviewed on a frequent basis to identify any amendments needed to reflect changing priorities, emerging risks or resourcing changes.

Further challenges are provided by the Senior Management Team.

It is important to ensure that Members and Officers work together to achieve a common purpose with clearly defined functions and roles. The Constitution includes a Scheme of Delegation and Terms of Reference for each of the Council's committees. Responsibilities are recorded to make clear how the Council and its committees operate within the Council. The Constitution reflects the legislative arrangements for defining these functions. To emphasis the separation of these functions the Terms of Reference are divided into relevant sections.

The Scheme of Delegation defines the general power to that granted to the Chief Executive and Chief Officers within the areas of their service responsibility. The Constitution is published on the Council's website.

The Members are responsible for ensuring that effective policy making, scrutiny and monitoring of activities occur. A clear committee structure assists such responsibilities to be effectively carried out. Members' expertise and involvement is further enhanced by ongoing training and development of Members.

The Council has a statutory responsibility to have a Section 151 Officer and a Monitoring Officer. The interim Chief Financial Officer is the Section 151 Officer who has a duty to the Council's tax payers to ensure that public money is being appropriately spent and managed. The Monitoring Officer is the Council's Director of Services who acts as guardian of the Council's Constitution to ensure lawfulness, probity and fairness of Council decision making. The Chief Financial Officer reports directly to the Chief Executive. The Chief Financial Officer ensures that appropriate

advice is given on all financial matters. He is responsible for keeping proper financial records and the Council maintaining an effective system of internal control.

Officer decision making at a strategic level is led by the Senior Management Team comprising the Chief Executive, Interim Chief Financial Officer and Director of Services. They meet usually on a weekly basis and addressed at each meeting is finance, policy, governance, human resource issues and performance including delivery of the priorities for the Borough.

The Council's financial management arrangements conform with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

To ensure that a constructive working relationship exists between elected Members and Officer there is an agreed protocol which governs Members and Officers working relationships.

An Annual Governance Statement promotes governance values for the Council and demonstrates the values of good governance through upholding high standards of conduct and behaviour.

To ensure Councillors and any co-opted Members of the Borough Council behave in a way that exemplifies high standards of conduct and effective governance, the Standards Committee promoted and maintained high standards of conduct. The Council Officers are likewise expected to maintain such high standards of conduct. Following changes to the standards regime a new Member Code of Conduct was approved by Council in 2012. The Council has a staff Code of Conduct that is on the Council's Intranet, in the same way as all Council policies. Regular records of advice and Code issues are kept by the Monitoring Officer. The Standards Committee oversaw the number and types of complaints dealt with through the local referrals process.

Declaring interests under the Code of Conduct is a standard item on the agenda at every committee meeting and Council and declarations are minuted by the Clerk. A legal advisor attends all Council and Committee meetings to advise on code and other issues where this is requested or otherwise considered appropriate. A Planning Code of Conduct is in place and is adhered to by members who sit on the Development Control Committee. Members and Officers comply with a Gift and Hospitality Policy. They can also be called in at any time by the Monitoring Officer.

There is an Internet page explaining how complaints can be made against Councillors. This can be done by either downloading a complaint form or making a complaint on-line. The web page also has links to the Code of Conduct within the Constitution. The confidential Monitoring Officer e-mail in-box is available to receive complaints. A register of the Council's contracts is published on the Council website. In addition, details of the Council's spend above £250 (excluding VAT) is published on a quarterly basis. Another key element of the systems in process in the Council's Governance arrangements are to make informed and transparent decisions which are subject to effective scrutiny in managing risk.

Underpinning the Council's financial management arrangements is a regularity framework comprising Financial Regulations, Contract Procedure Rules, annual audits of key financial systems, audits of other systems undertaken on a risk-based basis and the role of the Statutory Section 151 Officer. Other processes and procedures such as the Procurement Strategy and Risk Management Strategy are monitored on a regular basis.

An annual review and update of Financial Regulations and Contract Procedure Rules is undertaken. These reviews are led by the Chief Financial Officer and involve relevant key officers. Key financial systems have supporting procedure notes and manuals which are regularly reviewed to show they remain current.

The Risk Management strategy was reviewed in 2014 and will be reviewed bi-annually unless changes are made which require the documents to be updated in the interim. In addition, the Policy, Finance & Development Committee receive reports on risk management which enables them to monitor as appropriate.

The Monitoring Officer has processes for the review of legislative changes which feed into the annual review of the Constitution. Consultation meetings and other forms of communication between the Monitoring Officer and Senior Managers as appropriate ensures that managers can contribute to revisions for the scheme of delegation and Terms of Reference. The Annual Review of the Council's Constitution which includes all Terms of Reference and Scheme of Delegation is discussed with Members who are on the Constitutional Task Group. The Monitoring Officer retains overall responsibility for monitoring the Constitution.

The Council's policies and procedures are drawn up and regularly reviewed to ensure compliance with current legislation and regulations. Legal Services assist with updating and amending relevant policies and advice on legal implications including legislative impacts or decisions put forward in committee reports. Equalities implications are also considered as part of the committee reports. Concerns regarding non-compliance with policies, procedures, laws and regulations can be reported through the Council's anti-fraud and confidential reporting (whistle blowing) policies. Concerns raised are investigated and acted on following clearly defined guidelines.

The Whistle Blowing Policy is published on the Council's Intranet and internet to raise awareness and outlines procedures in place to staff, contractors and the public and features in the induction of new staff. The Anti-Fraud and Corruption Policies are on the Intranet and are given to all new members of staff as part of the Council's comprehensive staff induction process. The Monitoring Officer after consultation with the Chief Executive and Section 151 Officer has statutory powers to report to Council in relation to any function, any proposal, decision or omission that he/she considers would give rise to unlawfulness or any decision or omission that has given rise to mal-administration. Such a report would have the effect of stopping the proposal or decision being implemented until the report has been considered.

The Policy, Finance & Development Committee receives regular reports from the Council's External Auditor and Internal Audit. Where appropriate, comment is made on non-compliance with legislation that has been identified as part of a routine audit. The Chief Financial Officer has direct access to this Committee as well as to External Auditors. All members of the Policy, Finance & Development Committee have received formal training in risk management so as to allow them to appreciate the nature of risks presented to the Council through its activities. Training on Internal Audit will also be given to augment the Committee's knowledge of this function.

Another key element of the systems and processes that comprise the Council's governance arrangements is to develop the capacity and capability of Members and Officers to be effective.

The Council's appraisal process not only identifies progress and performance but also skills gaps. Any identified gaps are then addressed through an individual's personal

development plan. Personal development and delivery against agreed personal objectives are monitored in ongoing one-to-one discussions. This process ensures that the Council continually has in post individuals equipped to carry out their functions with due regard to law, policy and regulation.

As part of the business planning process each service plan includes learning and development needs linked to specific actions. This ensures that the skills sets required to deliver the key priorities and actions for the Council are identified and development planned and provided.

Changes to and development of training programmes are disseminated to relevant staff and published on the Intranet and more broadly using the Council's other internal communication mechanisms.

The Council fully supports the development of Members.

Engaging with local people and other stakeholders to ensure robust public accountability is a key element of the governance framework.

The Council's corporate business planning process includes an annual timetable of formal consultation events ensuring statutory, voluntary and business partners have the opportunity to comment on budget proposals under consideration.

The Council has given delegated authority on budget provision to three Residents Forums. These can make recommendations to the Policy, Finance & Development Committee on various projects and how the funding can be allocated. The Forum's membership is open to people who live in the three areas and it has been found to be a very good source of communication and consultation of the Council's policy initiatives.

Reviewing the effectiveness is another important element of the governance framework.

The Council has responsibility for conducting at least annually a review of the effectiveness of its' governance framework including the system of internal control. The review of effectiveness is informed by the work of the Senior Managers within the Council who have responsibility for the development and maintenance of the governance environment. The annual report from the Council's Internal Auditors (CW Audit Services) is a key mechanism for reviewing the effectiveness of the Council's arrangements on governance. Also, comments made by External Auditors and where relevant other review agencies and inspectorates are important.

The Senior Management Team chaired by the Chief Executive reviews the Council's governance framework and control environment and is responsible for the preparation of the Annual Governance Statement.

Each Head of Service and Corporate Manager, as appropriate, is responsible for producing their own service assurance statements and developing an improvement action plan to rectify any identified governance weaknesses within their service areas. The Chief Financial Officer reviews all of these documents. The Policy, Finance & Development Committee members are informed of progress on producing this Annual Governance Statement and will review it and evaluate the robustness of the underlying assurance statements and evidence.

No cases of mal-administration were found against the Council by the Local Government Ombudsman during 2014/15.

The Policy, Finance & Development Committee has reviewed progress against the Annual Governance Statement 2013/14 action plan that was implemented in 2014/15. The Council has taken action where improvements were needed to be made in response to audit recommendations. The results of this process are summarised in the tables at the end of this Annual Governance Statement.

Constitutional Matters

The key roles and responsibilities of Council committees, elected members, the Chief Executive, Monitoring Officer and Section 151 Officer are set out in the Council's constitution scheme of delegation.

The constitution includes the Contract Procedure Rules and Financial Regulations which detail the processes and improvements required for various levels of purchase and the internal control procedures required for managing the risk across the Council. The constitution scheme of delegation, Financial Regulations and Contract Procedure Rules were extensively updated during 2014 by the Policy, Finance & Development Committee.

Code of Conduct

The standards of behaviour expected from members and officers are set out in Member/Officer Codes of Conduct. A register of members' interest is maintained and the records of interest are declared at council and committee meetings. All members are required to complete Related Party Declarations at the end of the financial year in support of the statutory financial statements. Members' allowances are examined on an annual basis and a review of the allowance scheme was undertaken in 2014/15 by an independent remuneration panel.

The Constitution, Contract Procedure Rules, Financial Regulations, Whistle Blowing Policy and the Anti-Fraud and Corruption Policy set the rules and standards within which Council business is conducted and provide the mechanism for dealing with any failures in these procedures.

Chapter 7 of the Localism Act 2011 outlines that there is no longer a statutory requirement to have a Standards Committee. However each Council has to put in place arrangements dealing with complaints and standards issues. The Standards Committee decided its' preference was to adopt a common code in collaboration with other Local Authorities in Leicestershire and Rutland and was approved by the Council in April 2012.

The Standards Committee monitored performance of members, senior officers and the Council's Committees.

Standards

Councillors have to abide by this Constitution, which includes a Code of Conduct in order to ensure high standards in the way they undertake their duties. The Council promotes excellence, probity and transparency in public services and provides training and advice for Councillors governance matters including the Code of Conduct.

The Localism Act 2011 (the Act) brought about a number of key changes to the Standards Regime operating in Local Authorities. Under the Act, Local Authorities remain under a statutory duty to promote and maintain high standards of conduct by

their Councillors. In discharging this duty, the Council is still required to adopt its own Code of Conduct (previously the content of the Code was prescribed by legislation). Oadby and Wigston Borough Council adopted the common Code of Conduct for Leicestershire Authorities which is set out in Part 5 of this Constitution together with the procedure for dealing with complaints about a Councillor's conduct.

The Act repealed the statutory requirements for the Council to have a Standards Committee. At the Council meeting on 25 February 2014 the Council agreed to disband the existing Standards Committee in view of the fundamental changes to the national Standards Regime. The Policy, Finance and Development Committee has taken on the responsibility for promoting and maintaining high standards of conduct and where a panel of Councillors is required to hear a complaint is allocated from the membership of the Policy, Finance and Development Committee on a rotational basis; the procedure for investigations will be carried out in accordance with the process set out in Part 5 of this Constitution.

Scrutiny

Oadby and Wigston Borough Council operates a committee style arrangement and therefore is not required by law to have a separate Scrutiny Committee to support and monitor the work of the Committees and Council. At the Council meeting on 25 February 2014 it was agreed that each Committee will scrutinise its own decisions as they are being debated and made in the public arena. If necessary a Task Group may be convened by the Council to deal with any specific matter.

Corporate Plan

The Council's decision making practices are guided by the values as set out in the 2014/15 Corporate Plan which is attached as an appendix and purely consolidates in a focus document the Council's previously agreed priorities and governance arrangements.

There will be a complete review of the Corporate Plan in 2014/15, including consultation ready for and to coincide with the election of the new Council in May 2015 when it will start its term of office and set out its vision for its four year administrative period of what it wants to achieve.

Audit Committee Functions

In 2013/14 the Policy, Finance and Development Committee and Internal Audit undertook the core functions identified in CIPFA publication: Audit Committee - Practical Guidance for Local Authorities. The Committee receives reports from the internal audit service and then ask questions at each meeting and can call upon Service Heads to attend meetings as appropriate. Reports from External Auditors are also received at these meetings.

Policies, Procedures, Laws and Regulations

The Council's statutory officers are the Chief Executive, the Section 151 Officer and the Monitoring officer. They are responsible for ensuring the Council acts within the law and in accordance with established policies and procedures. No report can be presented to Council or Committee for approval without first being reviewed by these officers or their delegated representative(s). These Officers are responsible for ensuring that legislation and policy relating to service delivery, health and safety are implemented in practice.

Risk Management

The Strategic Risk Management Group is an operational management group and co-ordinate risk management arrangements across the Council. Following recommendations from Internal Audit and the Strategic Risk Management group the Council's insurers, Zurich Municipal, were engaged to update the Council's Risk Management Strategy, Procedures and Strategic Risk Register.

Risk management workshops are held on a regular basis with Members and Senior Management to provide training on risk management and to identify the key risks facing the Council's objectives. A revised Risk Management Strategy, Strategic Risk Register and further development plan were presented to Committee in October 2013. Further work was performed in 2014/15 informed by the development plan to further embed the appropriate processes, procedures and culture within the authority.

During 2014/15 the Strategic Risk Register was reported quarterly to the Committee. This register identified major risks and commented on their likelihood and impact on the Council's objectives. Each risk is allocated a responsible officer who is responsible for identifying an action plan and provides an update on residual risk for each quarter. Risk management is embedded in processes such as Capital Appraisals and Service Development Plans.

The Council awarded a new £10 million Leisure contract in 2014 to Sports and Leisure Management Limited (SLM) following a procurement exercise. The construction works for a new build swimming pool and gym facilities at Wigston and a new build swimming pool together with refurbished gym facilities at Parklands, Oadby is underway. The construction programme is monitored through the Project Liaison Group who meet formally on a monthly basis. The Group consists of representatives from SLM, the build contract Manager and officers of the Council, including a representative from Finance. A monthly report is considered by the group on the programme overview, works summary, inspections and finances for each site. A summary of the progress is reported to the Service Delivery Committee. In between these timetabled monthly meetings ad-hoc meetings take place as necessary. The works are progressing well.

Whistle blowing and Complaints

The Council's Whistle Blowing Policy is available to all employees and those contracting with the Council. A corporate complaints procedure is in place which includes staged levels of escalation depending on the seriousness of the complaint.

Training and Development

An induction programme is provided for all new Members and Officers. Member training is provided. A Member training programme exists throughout the Leicestershire & Rutland Improvement Partnership. In-house training is provided for Members which includes covering significant changes in Council business such as new legislation.

The skills and resources required by Statutory Officers are set out in Person Specifications. Rigorous recruitment processes are followed to appoint these key posts. Responsibilities are reinforced through the Council's Constitution and development needs identified through employee development interviews.

Communication and Consultation

Local people and stakeholders are engaged through the community strategy, resident forums, youth, senior citizens and multi-cultural groups. A programme of meetings is in place for these groups with agendas largely being set in conjunction with residents and other stakeholders. A number of public consultations have taken place in year on pertinent issues including Open Spaces, Blaby Road Park and residents of Boulter Crescent.

All meetings are held in public. There is a high level of interest in matters considered at the three Resident Forum meetings as evidenced by the high level of attendance. Minutes are produced of all meetings with action lists of issues raised to be reported back to the next meeting.

The Council communicates to residents through the Letterbox Newsletter which is circulated to all residents each quarter. Key documents such as the Corporate Plan, Statutory Accounts and Council Budget Book are published setting out achievements, performance and planned activity. Regular staff communication is achieved through the staff and management notice boards and regular briefings held by the Senior Management Team.

Partnerships

The Council aims to fully exploit the opportunities for partnership working to ensure joined up service delivery and efficiency savings. Key partnerships involving the Council include the Community Safety and Crime and Disorder reduction partnerships for Oadby and Wigston. At County level the Council is involved in Leicestershire Together and works with other public sector providers to improve the wellbeing of residents of Leicestershire.

From an operational perspective the Council continues to pursue opportunities for joint work with other Councils. Some joint arrangements however have been terminated as they did not prove as effective as when they were originally introduced.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed by the work of the Senior Management Team and the results of the work of Internal Audit/External Audit and comments received from other review agencies/review inspectorates. The sections below set out how the Governance Framework has been maintained and reviewed up to the date of the approval of the Statement of Accounts.

A review of the Council's Governance structure was presented to the Policy, Finance & Development Committee during 2013 and included a number of suggested amendments to the current organisation. These changes were partly implemented during 2013 with the remaining changes completed during 2014.

Current Governance Structure

Oadby and Wigston has retained a Committee system. The vast majority of Councils operating use a cabinet system where a small group of councillors have been given the power to make the majority of decisions on behalf of all other councillors.

The benefits of the Committee system are that all councillors sit on a range of Committees and every member has a vote that counts every time. This is the cornerstone on which this Council is built in order that councillors do not feel marginalised from decision making. All decisions are debated and made during open committee in full public view. All Councillors and constituents can hear the full debate including the views of Ward councillors. Only urgent decisions are delegated to the Chair/Vice Chair which are then reported back to the full Committees at the earliest opportunity so all members are engaged. In addition to the statutory requirement to have a separate Council and distinct Development Control and Licensing Committees, the Council has two main Committees:

- The Policy, Finance and Development Committee which has overall responsibility for setting the long term aims of the Council and moving it forward in line with these objectives.
- The Service Delivery Committee which has the direct responsibility for the day-to-date operation of all services.

The Council's principal Committees have considered the following key areas in 2014/15.

Council

- Budget proposals and budget monitoring
- Council Tax Base
- Council Tax Setting
- Council Tax Support
- Evolving Council Governance
- Delegated reports from Forums and Committees
- Equality and Diversity
- Voluntary Sector Funding
- Licensing Policy
- Pay Policy
- Members Allowances
- Members' Code of Conduct
- Constitutional Review (Including Contract Procedure Rules and Financial Regulations)

Policy Finance and Development Committee

- Individual internal audit reports and the annual report and plan
- Reports from the external auditor including annual plan and report on the Statement of Accounts
- Budgetary Control and financial updates
- Treasury Management and Prudential Indicators
- Welfare Reform and Council Tax Support
- Pooling of Non Domestic Rates
- Risk management reports and strategy
- Procurement Strategy
- Updating of Council policies and Strategies
- Medium Term Financial Strategy and Housing Business Plan and regular updates
- Review of Financial Regulations
- Leisure Procurement and Strategy

Service Delivery Committee

- Greening the Borough
- Tenants Charter
- Choice Based Lettings
- Refuse and Recycling Operations
- Housing Business Plan
- Council Tax Support and Welfare Reform
- Disabled Facilities Grant
- Service Charters

Senior Management Team

The Senior Management Team consisting of the Chief Executive, Director of Services and Chief Financial Officer are responsible for ensuring proper standards of internal control within the Council. At the end of each financial year Heads of Service complete a declaration to confirm that they have reviewed the systems within their areas of responsibility and have identified all areas where improvements are necessary.

Officer Governance arrangements were reviewed during 2014 and a new structure was developed and implemented during 2014/15.

External Audit

The Council's external auditors are KPMG.

The external auditors review the Council's arrangements for:

- Preparing accounts and compliance with statutory and other relevant requirements
- Ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice
- Managing performance to secure economy, efficiency and effectiveness in the use of resources.

The Council has taken action where appropriate to respond to external audit recommendations.

Internal Audit

Internal audit is responsible for the review of the systems of internal control and for giving an opinion on both corporate and service specific standards. From May 2012 following a competitive tender exercise the Coventry and Warwickshire Audit Services (CWAS) were awarded a three year internal audit contract. The Council and CWAS have developed a very good professional relationship. Because of this and the pressure of other work the Council have agreed to extend CWAS Internal Audit contract to 31 March 2016. The Council will initiate a full procurement process during 2015.

The annual audit plan for 2014/15 has been completed apart from a few minor audits which were agreed by Senior Management Team to be deferred until 2015/16. Details of the findings for each individual audit have been reported to the Council's Senior Management Team and then to the Policy, Finance and Development Committee.

The Chief Financial Officer/Section 151 Officer reviewed the effectiveness of internal audit through the quality of recommendations and audit reports and subsequent comments made by the Committee on audit findings. The Annual Audit Plan for 2014/15 was approved by the Policy, Finance and Development Committee in March 2014.

The Internal Audit Report for 2014/15 provided a year end opinion on the Council's internal control framework. The report stated that "The overall opinion is that significant assurance can be given that there is generally a sound system of internal control designed to meet the organisation's objectives and that controls have generally been applied consistently." However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.

The basis for forming the internal audit opinion is as follows:

- An initial assessment of the design and operation of the underpinning risk management framework and supporting processes
- An assessment of the range of individual opinions arising from risk based audit assessments contained within internal audit risk based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas of the management's progress in respect of addressing control weaknesses
- Any reliance that has been placed on third party assurances.

During the course of the year Internal Audit undertook work to provide assurance over financial governance and operational systems:

- During the year Internal Audit undertook reviews of the Council's core financial systems (including financial management including ledger and financial transactions) and gave full or significant assurance with regard to the management of risk in these areas
- Internal Audit also undertook work on areas of principal risk. In general internal audit were able to conclude that these systems are robust and operating in good controlled environments.

It is the view of Internal Audit taking an account of the respective levels of assurance provided for each audit review, an assessment of the relevant weighting of each individual assignment and the extent to which agreed actions have been implemented that the Council generally has sound systems of internal control.

However, Internal Audit highlighted during the year Significant Internal Control issues that they considered would require disclosure within your AGS. These are set out below:

- Street Cleaning/Grounds Maintenance – this review provided 'limited assurance' and highlighted a number of areas for improvement in managerial processes and controls to ensure the effective and efficient delivery of these services.
- Void Housing Property Repairs – this review provided 'moderate assurance' and highlighted a number of control improvements needed, the key areas relating to inadequate monitoring of void spend and lack of reporting and monitoring of void turnaround performance.

- 2013/14 review on Health & Safety – this review reported in June 2014 provided ‘limited assurance’ and highlighted issues relating to health and safety policies, risk assessments, training and corporate support.
- 2013/14 review on Payroll and Expenses – this review reported in June 2014 provided ‘limited assurance’ and highlighted the following key areas:
 - There is no signed SLA with the payroll provider. Further, the current unsigned agreement makes no reference to the monitoring of performance by the service provided.
 - There is no independent reconciliation of the payroll of Human Resources Establishment Lists.
 - Instances of non-compliance with payroll procedures.
 - There is no periodic production and review of control and exception reports.
 - Checks are not undertaken to confirm the completeness and accuracy of the payroll before it is released.

It must be stressed that Management has since provided assurances – through the Council’s recommendation tracking process – that all due agreed actions have been implemented. See the note below further in relation to payroll. Further information is included in the Internal Audit Progress Report 2014/15 elsewhere on this PFD Committee agenda dated 21 July 2015.

In relation to Significant Internal Control Issues that Internal Audit referred to in their 2013/14 HoIA opinion, with regard to Housing Responsible Repairs in their follow-up in late 2013/14 noted that certain areas still needed to be dealt with; they reported again to management on this matter and revised actions and timescales for action were agreed. Management has since provided assurances – through the recommendation tracking process – that all due agreed actions have been implemented. Internal Audit’s planned review on this matter for 2014/15 has been deferred into 2015/16 at management request.

Internal Audit also noted in their 2013/14 opinion that “recent reviews on Health & Safety and on Payroll and Expenses have highlighted some potentially significant matters; formal reports on these subjects have not yet been agreed with management, however. Any Significant Control Issues arising will be reported in due course. Subsequently internal audit reports giving ‘limited assurance’ opinions were agreed with management and action plans put in place by management to address the areas highlighted. Further detail is given above. Internal Audit’s planned payroll review for 2014/15 has been delayed at management request to June 2015 at the earliest and accordingly is not complete, thus they were unable to give a revised assurance opinion on this system following the ‘limited assurance’ opinion provided in 2013/14.

Internal Audit also noted that several other planned reviews have been delayed at management request or deferred and included in the 2015/16 internal audit plan and they have accordingly not reflected an assurance opinion on these reviews in their annual opinion report. Given the delivery of the bulk of the work planned for 2014/15, covering a range of fundamental control systems Internal Audit do not consider that this prevents or impacts significantly on the provision of their annual opinion.

Mark Hall

John W. Boyce

Date

Chief Executive

Leader of the Council

Agenda Item 13



**Policy, Finance &
Development
Committee**

21 July 2015

Matter for Decision

Title: Resident Forum Budget Position and Allocation Requests

Author: John Dickson, Chief Financial Officer (Section 151 Officer)

1 Introduction

This report is to update members as to the financial position on the Local Residents Forums at 30 June 2015 and give an indication of the amount of unallocated balances.

2 Recommendations

- 1) That Members should note the position of the Forum's budget.
- 2) That Members approve that any ongoing forum schemes have their budgets carried forward for completion in 2015/16.
- 3) That members approve the allocations requested by the forums as set out below.

3 Information

- 1) The attached report (Appendix 1) shows the financial position for the three Local Residents Forums at 30 June 2015. The report shows the actual spend at the end of June 2015 for each scheme approved by the forums. Once a scheme is complete any under spend on that scheme is placed back into the spending pot for future allocation. Members should take note of the current position when considering requests for funding.

Forum	Original Allocation	Budgets Allocated	Unused Balances for Reallocation	Total Unallocated Funds	Spend to 30 June 2015
	£	£	£	£	£
Wigston	230,000	202,572	10,492	37,920	181,543
South Wigston	115,000	103,190	7,436	19,246	76,067
Oadby	230,000	197,802	11,494	43,692	174,932
	575,000	503,564	29,422	100,858	432,542

- 2) The Wigston Residents Forum met on the 26 June, at which the following requests were made;
 - i. That a bus shelter be placed on Horsewell Lane with a budget of £3,000
 - ii. That a grant of £1,000 be given to the Friends of Brocks Hill Country Park for the recruitment and training of volunteers to work at the site.

- 3) The Oadby Residents Forum met on 8 July 2015, at which the following requests were made;
- i. That a litter bin be placed on Uplands Road near Manor Road School at a cost of £450.
 - ii. That a grant of £1,000 be given to the Friends of Brocks Hill Country Park for the recruitment and training of volunteers to work at the site.
 - iii. That the drinking fountain at Ellis Park together with the adjacent notice board be refurbished and cleaned at a cost of £1,793.
- 4) The South Wigston Residents Forum met on 9 July 2015 at which the following request was made;
- i. A grant of £2,000 be given to the Family Foodies Project for the purchase of promotional materials, subsequent marketing and running a Family Foodies Event including the purchase of food.

Email: chris.raymakers@oadby-wigston.gov.uk

Tel: **0116 2572 891**

Implications	
Financial (CR)	Members should bear in mind the financial position of each Forum when considering whether to approve future schemes
Risk	None
Equalities	None
Legal	None

SOUTH WIGSTON RESIDENT FORUM	Approved amount	Actual amount spent at 30/06/15	Completed projects - balance available for reallocation	Progress Report
	£	£		
Total allocated budget	115,000	115,000		
Approved spending				
Christmas Decorations	17,000	17,974	974	Job Complete balance to be re-allocated
William Gunning Park Fence	10,000	5,050	(4,950)	Quotations came in less than budget. Job Complete
Fairfield Road Bus Shelters	9,160	9,060	(100)	Job Complete balance to be re-allocated
Gloucester Crescent Bus Shelters	2,000	400	(1,600)	Job Complete balance to be re-allocated
Planters/ Litter bins (Policy 31st March 09)	5,000	3,807	(1,193)	Job Complete balance to be re-allocated
Planters, hanging baskets etc particularly for Blaby Road (Forum 24/6/09)	10,000	0	0	Delayed due to other capital works. Will start shortly
Bus Shelters 2010-11	2,000	2,000	0	Job Complete
Information Boards 2010-11	1,600	1,600	0	Job Complete
Saffron Road bus shelter	2,500	2,460	(40)	Job Complete balance to be re-allocated
William Gunning Park additional equipment	5,000	4,400	(600)	Job Complete balance to be re-allocated
Christmas Capers 2012	4,000	4,000	0	Job Complete
Flagpole at Blaby Road Park (PFD July 13)	490	423	(67)	Job complete
S Wigston Chamber of Commerce to buy Christmas Lighting (PFD July 13)	12,500	12,640	140	Job Complete
S Wigston Chamber of Commerce for Christmas Capers (PFD July 13)	4,000	4,000	0	Job Complete
Rascals Mother and Todler Group (PFD Feb 2014)	590	590	0	Job Complete
S Wigston Chamber of Commerce for Christmas Capers (PFD March 14)	4,000	4,000	0	Job Complete
Mobile Speed Awareness Sign (PFD Feb 15)	3,000	2,663	0	
Grant to Community First Response (PFD March 15)	2,000	0	0	
S Wigston Traders 2 events in Christmas Capers (PFD March 15)	4,200	0	0	
S Wigston Traders Provision of Festive Lights (PFD March 15)	3,150	0	0	
Grant to the Oadby and Wigston Lions (PFD March 15)	1,000	1,000	0	Job Complete
Total committed	103,190	76,067	(7,436)	
Completed projects - balance available for reallocation	7,436			
Funds remaining	19,246			

WIGSTON RESIDENT FORUM	Approved amount	Actual amount spent at 30/06/15	Completed projects - balance available for reallocation	Progress Report
	£	£	£	
Total allocated budget	230,000	230,000		
Approved spending				
St. Wistan's Church Path	15,000	11,908	(3,092)	Quotations came in less than budget. Job Complete
Peace Memorial Park Interpretation Sign	4,000	2,852	(1,148)	Job Complete balance to be re-allocated
Christmas Decorations	30,000	30,000	0	Job Complete
Peace Memorial Park Bins	1,860	1,860	0	Job Complete
Provision of seats within Wigston	3,700		(3,700)	Project not going forward - money to be reallocated
Meadows - Junior Play Area	45,000	47,000	2,000	Job Complete balance to be re-allocated
All Saints Church	2,000	2,000	0	Job Complete
Wigston Club for Young People	5,000	5,000	0	Job Complete
Additional Christmas Lighting - Wakes Road, etc	10,000	8,395	(1,605)	Job Complete balance to be re-allocated
Bus Shelters - Rolleston Road	5,000	5,156	156	Job Complete
Planters (Policy 31st March 09)	6,252	3,807	(2,445)	Quotations came in less than budget. Job Complete balance to be re-allocated
Roof of Remembrance Re-rendering external walls (R&R 30th June 09)	1,000	1,000	0	Job Complete
Replacement CCTV camera at the opening of Bell Street (Forum 9/9/09)	6,000	6,000	0	Job Complete
Bell Street - Additional planters	5,000	4,459	(541)	Job Complete balance to be re-allocated
Bus Shelters 2010-11	4,000	4,000	0	Job Complete
Information Boards 2010-11	3,200	3,200	0	Job Complete
Horsewell Lane - Multiplay Unit	5,820	5,820	0	Job Complete
Horsewell Lane - Bench	600	600	0	Job Complete
Bell Street Public Art Work (PFD Cttee Sept 12/Jan 13)	850	840	(10)	Job Complete
Grant to Lions for Community Work (PFD July 13)	1,000	1,000		Job Complete
Mobile Vehicle Activated Sign (PFD July 13)	3,000	2,663		Job now commenced.
Grant to Wigston Traders for Purchase of Christmas lights (PFD July 13)	10,000	10,344	344	Job Complete
Grant to little Hill Residents Forum for Mowers (PFD Oct 13)	540	540	0	Job Complete
15 Grit Bins positioned around Wigston (PFD Feb 2014)	3,200	2,800	(400)	Job Complete
Friends of Peace Memorial Park (Peace Sculpture) (PFD Feb 2014)	750	750	0	Job Complete
Grant to Wigston Traders for Purchase of Festive lights (PFD March 2014)	17,000	16,999	(1)	Job Complete
Grit Bins to be placed in Mere Road area (PFD March 2014)	600	600	0	Job Complete
All Saints Church War Memorial(PFD 28 Oct 14)	4,000	0	0	
Replacement Bus Shelter Seats (PFD 28 Oct 14)	1,000	950	(50)	Job Complete
Grant to Community First Response (PFD March 15)	1,000	0		
Grant to the Oadby and Wigston Lions (PFD March 15)	1,000	1,000	0	Job Complete
Grant to All Saints Church re Bell Tower Lighting (PFD March 15)	1,200	0		
Bus Shelter with seating Paddock Street (PFD March 15)	4,000	0		
Total committed	202,572	181,543	(10,492)	
Completed projects - unused balance available for reallocation	10,492			
Funds remaining	37,920			

OADBY RESIDENT FORUM	Approved amount	Actual amount spent at 30/06/15	Completed projects - balance available for reallocation	Progress Report
	£	£	£	
Total allocated budget	230,000	230,000		
Approved spending				
Christmas Decorations	17,000	17,000	0	Job Complete
East Street Car Park Improvements	12,400	12,255	(145)	Job Complete balance to be re-allocated
Florence Wragg Way Bus Shelters	6,400	4,830	(1,570)	Job Complete balance to be re-allocated
Benches at Chestnut Avenue	900	150	(750)	Job Complete balance to be re-allocated
Wickham Road Artwork	575	430	(145)	Job Complete balance to be re-allocated
Sandhurst Street Car Park Wall	3,840	3,842	2	Job Complete
Bus Shelters Briar Walk, Burton's Corner, Ashtree Road	9,600	8,498	(1,102)	Job Complete balance to be re-allocated
Information Boards - Fludes Lane and Coombe Park	3,000	1,500	(1,500)	Job Complete balance to be re-allocated
Uplands Park Play Area	20,000	20,000	0	Job Complete
Coombe Park Play Equipment	4,500	4,426	(74)	Job Complete balance to be re-allocated
Brocks Hill Springer	900	792	(108)	Job Complete balance to be re-allocated
Rosemead Park See Saw & Safety Surface	4,500	2,092	(2,408)	Project Changed from Roundabout to See Saw to save money -
Benches for Rosemead Park, Uplands Park and Coombe Park	2,700	2,700	0	Job Complete
Bridge at Fludes Lane (P&R Aug 07)	3,000	2,530	(470)	Job Complete balance to be re-allocated
Litter Bins - Coombe Rise, A6 and Ashtree Road, London Road, Lowcroft Drive.	1,200	1,712	512	Job Complete
Iliffe Avenue Play Area	20,000	19,941	(59)	Job Complete balance to be re-allocated
Planters (Policy 31st March 09)	7,927	7,015	(912)	Job Complete balance to be re-allocated
Mobile CCTV camera (R&R 30th June 09)	11,000	11,000	0	Job Complete
Bridge over Brook at Coombe Park	3,000	1,150	(1,850)	Job Complete balance to be re-allocated
Installation of lockable gates at Coombe Park - Dec 09	1,398	1,446	48	Job Complete
Installation of two litter bins at Coombe Park- Dec 09	700	700	0	Job Complete
Chicken Walk Footpath	6,000	934		Scheme on going. Preliminary work now started
Play Equipment (Uplands)	4,000	3,900	(100)	Job Complete balance to be re-allocated
Bus Shelters 2010-11	4,000	4,000	0	Job Complete
Information Boards 2010-11	3,200	3,200	0	Job Complete
Bus shelter seating (various sites)	1,020	990	(30)	Job Complete balance to be re-allocated
Bus Shelter - Severn Rd / Windrush Dv junction	4,000	2,860	(1,140)	Job Complete balance to be re-allocated
Adult play equipment surrounds - Uplands Park	2,000	0		Scheme on Hold - Pending assessment of ground conditions
St Peters Church Hall access ramp	5,000	5,000	0	Job Complete
War Memorial Refurbishment	3,000	3,084	84	Job Complete
Uplands Park footpaths	8,000	7,191		Tree planting to be done to complete scheme
Rosemead Drive Kerb Improvements	1,000	785	(215)	Job Complete balance to be re-allocated
Multi-Cultural Event contribution	500	0		Payment not yet been made
Grant to Oadby Traders to buy Festive Lights (PFD July 13)	5,000	5,480	480	Job Complete
Ellis Park Bench replacement 3 benches (PFD July 13)	1,950	1,950	0	Job Complete
Grant to Pride of the Borough for tree works (PFD Oct 13)	650	650	0	Job Complete
6 Grit Bins positioned around Oadby (PFD Oct 13)	1,200	1,200		Job Complete
Local Bus Stop - Briar Walk (PFD Feb 2014)	180	185	5	Job Complete
Grant Oadby Traders to buy Festive Lights (PFD July 14)	5,000	4,953	(47)	Job Complete
Grant to Oadby Stakeholders for WWI Commemorative Banner (PFD July 14, Oct 14 and Feb 15)	4,562	4,562	0	Job Complete
Bench at Burtons Courner (PFD Feb 15)	1,000	0	0	
Grant to Community First Response (PFD March 15)	2,000	0	0	
Total committed	197,802	174,932	(11,494)	
Completed projects - unused balance available for reallocation	11,494			
Funds Remaining	43,692			



Policy, Finance & Development Committee	21 July 2015	Matter for Decision
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Title: **Corporate Debt Recovery Policy**

Author: **John Dickson – Chief Financial and Section 151 Officer**

1. Introduction

The purpose of this report is to introduce a revised version of the Council’s Corporate Debt Recovery Policy.

2. Recommendations

That Members approve the revised Corporate Debt Recovery Policy (Appendix 1)

3. Information

3.1 The revision of this policy has been carried out for the following reasons:

- A periodic review was due
- To consolidate all recovery policies for all types of debt into one document
- To ensure all policies are consistent with the Council’s Financial Regulations

Previously, each area of debt had its own individual applicable policy. This occurred because different debts are governed by different statutory rules and regulations. However, there is some commonality in policy and this has been addressed in this document. However, the policy that pertains to specific debts has been attached as annexes to this document.

3.2 The Policy includes the following areas of debt:

- Local taxes
- Benefit overpayments
- Housing, garage and former tenant arrears
- Fines
- Fees and charges for services
- Court costs and cost orders

Additionally, since the policies had not been reviewed for some time, they contained some inconsistencies with the Council’s Financial Regulations. These inconsistencies have been addressed in the attached document.

3.3 An Equality Impact Assessment has been carried out and is attached to this report as Appendix 2

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Background Paper:

The Council's Financial Regulations

Implications	
Financial (PL)	The revised policy will ensure the proper treatment of outstanding debt in line with Financial Regulations
Risk (PL)	CR1 – Decreasing financial resources
Equalities (AC)	All individuals are to be treated equally
Legal (AC)	No significant implications

OADBY & WIGSTON BOROUGH COUNCIL CORPORATE DEBT POLICY JULY 2015

TU approval	Not applicable
Committee approval	Policy, Finance & Development Committee: (21/07/2015)
Author	Paul Loveday
EIA	18/05/2015



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Annex B – Business Rates

Annex C – Housing Benefit Overpayments

Annex D – Rent

Annex E – Former Tenant Arrears

Annex F – Other Income and Sundry Debts

PART 1: BACKGROUND

Oadby and Wigston Borough Council “the Council” levies charges for a variety of services and is responsible for the collection of local taxes. Whilst the majority of income is collected in a routine manner, unpaid charges and debts do arise for a variety of reasons. This document sets out the principles that it expects all officers to follow in the recovery and enforcement of debts in a firm but fair manner.

PART 2: SCOPE

Debts with the Council can arise for a variety of reasons - the main types of debt are set out below (the list is not exhaustive):

- Local taxes
- Benefit overpayments (excluding irrecoverable overpayments as per annex C)
- Rent and former tenant arrears
- Fines
- Fee and charges for services
- Court costs and cost orders

The principles in this policy apply to all debts owed to the Council, irrespective of their source or reason and to the Council Officers and any debt recovery agents acting on the Council's behalf. In this way, the Council can ensure that debts are dealt with in a consistent manner.

However, it is important to note that for certain types of debt, there are specific rules and legislation which govern their collection and enforcement. Officers need to ensure that in addition to collecting debts in a legally correct manner (and in accordance with any government or professional guidance), they also adhere to the principles within this policy. The schedules of appendices to this policy provide officers in specific services with additional guidance in relation to debt recovery in those service areas.

PART 3: PURPOSE

The aims of this policy are to:

- Ensure a professional, consistent and timely approach to debt recovery action across all Council functions.
- Help minimise debts to the Council and improve income levels.
- Promote a co-ordinated approach to sharing debtor information and managing multiple debts owed to the Council.
- Ensure that individual and exceptional circumstances are given due consideration when pursuing debts particularly in relation to vulnerability.
- Ensure that debts are managed in accordance with legislative provisions and best practice.
- Ensure that the principles of the Corporate Enforcement Policy for breaches of regulatory matters are regarded whilst collecting the Council's debts. Ensuring that all enforcement action taken will be consistent, proportional, open, fair and transparent.

PART 4: EQUALITIES

All individuals will be treated in accordance with the Council's Equality and Diversity agenda and the Equality Act 2010. An Equality Impact Assessment has been completed in relation to this policy.

The Council believes this policy should be fair to everyone regardless of their age, race, gender, disability, religious belief or sexual preference. Furthermore, the Council feels that it is important for debtors to communicate their situation confidentially to the Council so that we are able to make fair decisions on a case by case basis.

PART 5: ROLES & RESPONSIBILITIES

- Line Managers - are responsible for making sure that this policy is adhered to.
- Officers have the responsibility to follow the policy when carrying out their roles in respect of arrears cases.

PART 6: VULNERABILITY

The reasonable needs of customers will be taken into account and particularly where it is identified that a customer is vulnerable. It is recognised that vulnerable customers may be less able to manage their financial and personal affairs and additional support may be required. Accordingly, vulnerable customers identified will be signposted to appropriate support agencies. Debt recovery action will take account of the vulnerability and circumstances of the debtor, for example, personal visits may be increased, assistance in filling in forms or writing letters may be provided, and liaison will take place with support agencies and services.

When considering whether a person is deemed to be vulnerable, the following will be considered:

- Whether it is reasonable for the debtor to understand the consequences of the action being taken by the Council; and
- Whether it is reasonable for the debtor to understand the consequences of no action taken by the Council to resolve the debt.

Along with the consideration of the following factors:

- The health of the debtor and other members of the household
- The age of the debtor
- Whether the debtor has any difficulty with the language

This list is not exhaustive.

The Council may recover debts from persons who are vulnerable but will take steps to ensure its actions are reasonable in the circumstances. Each case should be considered on its own merits and extra care will be taken by Officers to ensure that the individual understands the debt, what is expected in relation to repayment and the consequences of non payment.

Officers will carefully consider the impact of recovery upon vulnerable persons particularly in relation to any significant recovery methods used including bankruptcy, committal and the

use of charging orders. Officers will take reasonable steps to identify if a debtor is vulnerable prior to enforcement action but the failure to identify a vulnerable resident or where the debtor has not been co-operative will not prevent the Council from undertaking debt recovery action in a firm but fair manner.

Where it becomes apparent that a debtor is vulnerable after recovery or enforcement has commenced the Council will review its actions and consider how further recovery should be undertaken.

PART 7: WRITE OFFS

Debts may only be written off in line with Financial Regulation 20. A debt, which is properly due to the Council and deemed irrecoverable, shall only be written off as follows:

Amount	Authoriser
Less than £5,000	Chief Financial Officer or their appointed nominee
£5,001 and less than £10,000	Chief Financial Officer or their appointed nominee and the Chair of the Policy Finance and Development Committee
£10,001 or more	Policy, Finance and Development Committee

Even though a debt may be written off, it may be resurrected at a later date.

PART 8: ENFORCEMENT AGENTS

The Council uses external enforcement agents to support its debt collection services. Enforcement agent's services are procured in line with the Council's Contract Procedure Rules (CPR) and Procurement Strategy. The Council reserves the right to appoint such Enforcement Agents as it deems necessary for the recovery of Council debts and may vary from time to time. A list of currently authorised Enforcement Agents is available on request.

Enforcement agents will be instructed to act where debtors have not made a satisfactory arrangement for payment of the debt or have failed to maintain payment plans. Charges will be levied where permissible by law and as agreed under the terms of the procurement, Service Level Agreement and the Enforcement Agent Code of Conduct.

When an account has been issued to the enforcement agents it becomes their responsibility to collect the outstanding debts (although the Council will continue to monitor the effectiveness of the enforcement agent's services provided on its behalf). Similarly, payments made should go directly to the enforcement agent for recording on their systems. Any debtor who contacts the department to discuss payment must be told to negotiate with the enforcement agents and make payments directly to them.

Cases will be withdrawn from enforcement agents, where there:

- Is a justified dispute in liability
- The instruction to the enforcement agent was issued in error

Cases may be withdrawn from the enforcement agents where:

- The debtor has recently suffered a close bereavement
- An attachment order (wages, benefit or allowances) is in effect
- The debtor is bankrupt
- Recovery of the debt can be affected more effectively through another method

- The Head of Service or Senior Recovery Officer feels the matter should be withdrawn

The performance of the enforcement agents is reviewed at formal meetings with their account manager on a regular basis.

Annex A - Council Tax

Recovery of debt in respect of Council Tax is governed by Council Tax recovery procedures laid down in statute in the Council Tax (Administration & Enforcement) Regulations 1992 and subsequent amendments. External enforcement agents may be instructed for the enforcement and recovery of Council Tax debts. The notes below provide a summary of the key recovery and enforcement stages.

Statute of limitation

If the Council has billed the debtor in the past it is permitted to obtain a liability order within 6 years from the date of that bill. Debts over 6 years old, for which a summons has not been issued, must be written off. Where the Council possesses a liability order there is no time limit in relation to how long it can pursue a debt.

Customer care plus

In respect of Council Tax, the service provides support to vulnerable customers through its Customer Care Plus option. Vulnerable customers can register with the service and where a customer has taken up this option, the Council can:

- Provide information in alternative formats
- Offer home visits
- Work with customer representatives
- Provide telephone reminders when payments have been missed

Council Tax recovery guidance

Demand/Bill

Demand notices are issued by 17 March in each financial year to allow for the first instalment to be paid on 1 April and to ensure the appropriate notice is given under the Direct Debit scheme. Council Tax bills are produced daily throughout the year with instalments calculated in line with legislation.

Instalment Payment

Instalment payments are due on 1 each month for those paying by all methods other than Direct Debit. The Council has the facility to operate Direct Debit for 2 dates within the month: 1st and the 15th. The law requires that all instalment plans will be over 10 months at the start of the year. Customers may opt for payment over 12 months.

Reminder Notice

A Reminder Notice can be issued immediately if an instalment is not paid. However, the senior recovery officer will draw up a recovery time table at the start of each financial year.

The regulations outlining the requirements for the reminder notice stipulate the following:

If a demand has been served by an Authority and instalments due under that notice, in accordance with the instalment scheme, are not complied with, then a first reminder notice shall be served.

If a second reminder is issued within the year, (the first issued having been complied with) any further failure to pay any instalment on or before the date it is due, shall result in the right to pay by instalments being lost.

Final Notice

Final notices are issued in accordance with the recovery timetable. Provisions relating to the service of a final notice are as follows:

A final notice is served when

- Two reminder notices have previously been issued and paid and this is the third occasion in the relevant year that an instalment has not been paid on time, or
- A reminder Notice has been issued and remains wholly or partly unpaid and an adjustment to the charges has been made such as an amendment to a Discount, Exemption or Benefit.

A final notice is not required if a first reminder or a second reminder is not complied with within the statutory time limit of 14 days.

Summons Issue

Summonses are issued in accordance with the recovery timetable. The Summons is issued if the balance stated on a reminder or final notice is not paid in full by the date as stated on the reminder or final notice

The regulations require the summons to be issued at least 14 days before the date of the liability order hearing.

The summons is served with the addition of costs as agreed by the court. These costs are set across Leicestershire, Leicester and Rutland under a process overseen by Leicester City Council and approved by the Leicestershire Treasurers. The Council will ensure that cost proposals submitted to the court for approval are fair and reasonable.

If the amount due, (plus costs) is paid and notified prior to the date of the hearing the Council will not proceed to obtain a Liability Order. If customers are not able to pay in full prior to the hearing the Council will continue to proceed with the application for a Liability Order.

Application for a Liability Order begins with the complaint made by the authority to the Magistrates Court, requesting that a summons be issued to the liable person to show why the sum outstanding has not been paid.

Liability Order Application

The Court Hearing takes place in accordance with the dates agreed with the Magistrates Court which are detailed on the recovery timetable. An interval of at least 14 days must be allowed between the issue of the summons to the defaulter and the hearing, as a liability order cannot be made unless 14 days have elapsed between issue and hearing.

At the Hearing an authorised officer of the Council will make an application to the Court for Liability Orders for a number of cases on the list. The Magistrates will hear the defence of any persons wishing to prevent the issue of a Liability Order.

Arrangements

Arrangements can be made at any time after the issue of the summons however this will not stop the Council applying for a Liability order to protect its interest and ensure the debt is paid. Any such arrangements will include costs.

Procedure after a Liability Order has been obtained

Where a Liability Order has been obtained and an arrangement has not been made, the Council has the discretion to send out a pre-enforcement letter. This is decided on a case by case basis.

The letter makes clear that the matter may be passed to the Council's enforcement agent and will not only result in considerable extra costs but the enforcement agents can legally take control of goods to clear the debt and charge for the sale of such goods.

Enclosed with this is letter is a further demand for statutory information to be returned within 14 days, to again allow the Council to consider alternatives to enforcement agent action.

Failure to make agree an arrangement or provide information

Where no arrangement is agreed within 14 days of the issue of the Information Request and pre-enforcement agent letter (see above), the decision will be made on the next stage to be followed from recovery options shown below.

Enforcement Options

Attachment of Earnings Order - Where a debtor is employed then an Attachment of Earnings Order may be sought for unpaid Council Tax.

An Attachment of Earnings Order may be issued if a debtor does not make an arrangement to pay the debt after the issue of a summons. The Council will set up an attachment order without further notice after the Liability order is granted.

An order, once served will remain in force until the balance for which it is served is clear.

The amount is deducted on a percentage basis which is applied to "net earnings" after Income Tax, NI, Superannuation, deductions for advances of salary and other Council Tax attachment to earnings deductions are considered. Attachable pay includes wages/salary, overtime, holiday pay, other fees, bonus, commission, or SSP.

Deduction from Welfare Benefits – Where a defaulter is receiving Income Support/Job Seekers Allowance / Employment Support Allowance or Pension Credit then an application for deductions may be sought.

Attachment of Members Allowances – Where the debtor is a Member of the Council then attempts should be made to make an attachment of his/her Member's Allowance. Deductions are permitted up to 40% of the allowance.

Attachment order ends before debt paid in full

This normally happens when a person leaves employment or their entitlement to the Welfare Benefit ends. When we become aware of this change we will issue an Information Request or pre enforcement letter prior to taking further recovery action.

Enforcement Agent Action - In these cases the Officer will refer the case with relevant information to the Council's Enforcement Agent. In most cases the minimum balance sent to the Enforcement Agents is £100.00, however each account will be looked at on a case by case basis and a decision will be made whether sending the case to the Enforcement Agents is appropriate. (See the section enforcement agents in the main policy).

Further Enforcement Options

Senior Officer Case Review

Where further recovery action is required under this section a Senior Officer will conduct a review of the most appropriate manner in which to proceed. The Senior Officer will carefully consider the details of the case and have regard to any debtor vulnerability as outlined earlier in this report. The Senior Officer will make a written note of any decision and reasons why they have opted to proceed with any action in relation to any significant recovery methods used including bankruptcy, committal and the use of charging orders.

Annex B – Business Rates

Recovery of Business Rates is governed by the Local Government Finance Act 1988 and its subsequent regulations and amendments. External enforcement agents are used by the Council for the enforcement and recovery of these debts. The recovery and enforcement of Business Rates mirror those for Council Tax in annex A except for the following variations:

Reminder Notice

Within a financial year Business Rates cases will only be issued with one Reminder Notice.

Final Notice

- No final is required if a reminder is not complied with within statutory time limits.
- A final is required where the amount due has changed between the outstanding reminder and after the issue of the relevant adjustment notice.

The final notice need only be served where:

- There was no right to instalments; or
- One reminder has been previously sent, and the account has fallen behind for a second occasion; or
- All instalments have fallen due.

Procedure after a Liability Order has been obtained

Information Requests are not sent out with Business Rates cases, instead in most cases the matter proceeds directly to a 7 day warning letter following the liability order hearing.

Enforcement Options

In Business Rates cases it is not possible serve an attachment of benefits or earnings for outstanding Business Rates.

Annex C – Housing Benefit Overpayments

This section looks at the Council's policy in relation to overpayments of Housing Benefit (HB), Council Tax Benefit (CTB) and Council Tax Support (CTS). Council Tax Benefit was abolished from 1 April 2013 and replaced by a local scheme called Council Tax Support. Council Tax Benefit overpayments continue to be included in this policy as they may be calculated for a period prior to 1 April 2013.

Housing Benefit and Council Tax Benefit are administered by the Council on behalf of the Department for Work and Pensions (DWP). This policy formalises the principles that apply to the calculation, administration and recovery of HB, CTB and CTS overpayments.

An overpayment is where an amount of benefit/support has been paid to an individual who had no legal entitlement to it. Overpayments are usually recoverable and the Council has a duty to ensure all sums are recovered.

This policy does not apply to overpayments of Housing or Council Tax Benefit that are deemed irrecoverable in line with the benefit regulations and are not classed as a debt owed to the council. An irrecoverable overpayment is an overpayment caused by an official error where the claimant or a person acting on his behalf or any other person to whom the payment is made could not, at the time of receipt of the payment or of any notice relating to that payment, reasonably have been expected to realise that it was an overpayment.

Overpayment of Council Tax Support is classed as a Council Tax discount so is therefore recovered under the normal procedures for Council Tax Recovery see Annex A.

Reasons overpayments occur

Overpayments can occur in the following circumstances:

- A claimant fails to notify the Council on time or at all of a change of circumstance that reduces their entitlement;
- A claimant or landlord provides incorrect or false information
- Delays or mistakes have occurred in processing the information

Prevention of overpayments

Overpayments can be difficult to administer and recover and can cause financial difficulties for people who have been overpaid. To help reduce the level of overpayments we will ensure that:

- Claimants are informed and reminded of their duty to report changes in their circumstances; in letters, leaflets and other forms of communication with claimants and other members of the public
- Information will be processed quickly and accurately
- Underlying entitlement (a calculation of benefit entitlement during the overpayment period) will be calculated where appropriate to reduce overpayments in line with the benefit regulations

Recovery methods

Officers will determine the most efficient and effective method of recovery on a case by case basis. The available recovery methods are as follows:

- Reduction through underlying entitlement
- Deduction from rent account when overpayment relates to end of liability only
- Deduction from rent account where tenant / housing agree in writing
- Deductions from arrears due for same period

- Deductions from current housing benefit entitlement
- Deductions from other benefits
- Direct Earning Deductions
- Sundry Debtor Invoice (arrangement)
- Court Order
- Collection via collection agents

If the option selected does not clear the full balance owed then Officers will proceed with the next most effective recovery process.

Deductions from current HB entitlement

Recovery may be made direct from the claimant's HB by a series of deductions over a number of weeks. The recovery rates are set by government in an annual adjudication circular.

Other benefits

The Council may ask the DWP (Debt Management Team) to recover an HB overpayment by deduction from certain DWP benefits. Eligible benefits include:

- Income Support
- Attendance Allowance
- Jobseeker's Allowance (income based)
- Jobseeker's Allowance (contribution based)
- Disability Living Allowance
- Employment & Support Allowance (income based)
- Employment & Support Allowance (contribution based)
- Incapacity Benefit
- Industrial Death Benefit
- Industrial Injuries Disablement Benefit
- Carer's Allowance
- Maternity Allowance
- State Retirement Pension
- State Pension Credit
- Severe Disablement Allowance
- Widows Benefit
- War Pension
- War Disablement Pension
- Bereavement Benefit

These deductions can only be made where the claimant has failed to notify the Council of relevant information or misrepresented their claim. Deductions will only be made in line with guidance provided by the DWP in Guidance on HB/CTB G20/2009 and by use of approved referral forms and processes. Where the DWP are unable to commence deductions they will write and advise the Council. In these cases alternative recovery methods will be considered.

Appeals

A person affected by a benefit overpayment has the right of appeal against:

- The decision that an overpayment has occurred
- The decision that it is recoverable
- The decision that it is recoverable from them
- The rate of recovery

A person affected is defined within the regulations and include the claimants, their partner, a claimant's representative or a landlord.

A person cannot appeal against the Council's discretion as to whether or not to recover an overpayment.

All appeals will be dealt with in accordance with the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001.

Financial hardship

If recovery of an overpayment causes financial hardship, the claimant can make a request for the deductions to be reduced. In order to establish if the claimant is suffering financial hardship it is advisable to do an income and needs comparison. Officers will have particular regard to cases where the claimant or their partner is vulnerable.

Suspending Recovery

In cases where an appeal or formal complaint is received, the Council will consider suspending further recovery action. Officers will place a note on the case record that the matter is in dispute and will monitor the account for any progress in respect of the appeal or complaint.

Sundry debtor invoice

The default position for recovery is by sundry debtor invoice. Officers will ensure that invoices are sent quickly and contain relevant information as outlined in appendix F of this policy.

County court

Customer Services in conjunction with finance will develop and maintain local procedures in relation to collecting debts through court. The following key principles will apply:

- Applications will be made to hmcourts-service.gov.uk via the N322A form.
- The form will be approved by legal team.
- Only debts in excess of £300 will be referred to court.

Once the order is approved the Council may take further recovery action. The enforcement action will depend on the debtor's circumstances.

Warrant of execution

Officers may request a warrant of execution to enable the courts enforcement agent to distrain goods.

Charging order

Officers may apply for a charging order in respect of the debt.

Annex D - Rent

The recovery of debt in respect of housing rents is in accordance with the Housing Act 1985 and subsequent amendments and the Pre-Action Protocol as set out by the Court.

The payment of rent is the primary responsibility of every tenant of Oadby and Wigston Borough Council and this is reflected in obligations set out in the Tenancy Agreement. The Community Income Team will actively pursue rent arrears owed and will maintain regular contact to those by the following means:

Telephone
Text Message
Letters
Home visits
Office interviews
Email

Rent statements will be provided on a quarterly basis in a comprehensible format showing rent due and payments made during the previous 13 weeks. Copies of rent statements will be provided upon request by the tenant, in the same format from the date upon which arrears first arose, showing all rent due and the dates of all payments made with their respective amounts and details of whether these were through Housing Benefit or by the tenant.

First Contact

The tenant(s) will be contacted after a maximum of two weeks' rent arrears have accrued in order to discuss the cause of the arrears, their financial circumstances, their likely entitlement to a range of benefits and agree a plan for the repayment of the debt.

Second Contact

Second contact will be made stating the consequences of continued non-payment of rent. Assistance will be offered with applying for Benefits and in addition referrals to other support agencies will be made for those who are affected by any of the following:

- Experiencing debt problems not just with the Oadby and Wigston Borough Council
- Vulnerability.
- Suffering from medical conditions that would affect their ability to make payments and apply for relevant benefits.
- Unable to read or write, or have limited ability to do so.

Third Contact

Every effort will be made to establish effective ongoing liaison with Housing Benefit Departments, third party referrals and with the tenant's consent, making contact with other relevant departments before commencing repossession action.

Officers will work together to resolve any Housing Benefit problems and if the rent arrears are part of a general debt problem, advice will be given to the tenant to help them seek assistance from debt advice specialists such as the Citizens Advice Bureau, debt advice agencies or other appropriate agencies as soon as possible.

If a tenant has accumulated arrears equivalent to four weeks rent and there has been no response from the tenant, or a previous arrangement to pay has not been adhered to, a letter will be sent warning that a Notice of Intention to Seek Possession will be served seven days from the date of the letter. It will be made clear that this is the first step in legal proceedings leading to repossession of the property.

Notice of Intention to Seek Possession

Before a Notice is served the following steps will be carried out.

- A copy of the Notice will be served on each tenant where a joint tenancy exists.
- There will be a minimum of 28 clear days between service the date of service of the Notice and the date on which possession proceedings will be begun. In addition this date must be a Monday.
- All the relevant grounds for possession as laid out in Schedule 2 of the Housing Act 1985 must be included: A two year rent statement will be included, or where the tenancy duration is less than two years, a statement from the tenancy start date. This statement will clearly show amounts due and sums received with a running balance of rent arrears outstanding, thereby complying with CRP(55) of the Pre-Action Court Protocol.
- The Notice of Intention to Seek Possession will be hand-delivered wherever possible so that our tenants can be made aware that this is the first step in legal proceedings leading to repossession of the property and understand the seriousness of their situation.

Pre-Court Action

From the date of service of the Notice of Seeking Possession, efforts to make contact with our tenants will remain ongoing. A home visit will be carried out within the 28 day period of the Notice in order to discuss the situation with our tenants and establish as much up to date information as possible, thereby trying to avoid possession proceedings.

Liaison with relevant third parties such as the Citizens Advice Bureau or a Housing Support Agency will still be carried out by officers during this time.

Possession proceedings for rent arrears will not be started against a tenant who has demonstrated that they have:

- Provided all the evidence required to process their Housing Benefit claim.
 - A reasonable expectation of eligibility for Housing Benefit;
- and
- Paid other sums due not covered by Housing Benefit.

Court Proceedings

Officers will make an application to the Court for a Hearing to be set for non-payment of rent. A letter and witness statement will be prepared by officers and a copy will be sent to the tenant and the Court.

Depending on the level of the rent arrears and the current situation, officers will actively pursue either of the following Orders at the Court Hearing:

- A Suspended Possession Order – this order requires the tenant to pay the current weekly rent plus an agreed amount off the arrears. If the tenant does not pay as set out in the Order and breaches the agreement, then officers can apply to Court for a warrant of eviction.
- An Outright Possession Order – Officers will request Possession at the Hearing within 7, 14 or 28 days. This means that an eviction warrant can be applied for within that specified time unless the full balance and court costs are paid.
- Adjournment – Officers will request that the Court Hearing is adjourned and set for another time. This is usually in cases where a substantial payment has been made to

reduce the arrears significantly and the balance outstanding is relatively low. In addition an order for repayment of the balance may be requested.

Following a hearing officers will write to the tenant to confirm the result. The letter will:

- Set out the terms of the Order
- Explain the consequences of breaching the Order
- Set out the costs added to the debt.
- State the date from which payments must be made.

Pre Eviction Action

If there is a breach of the Order, officers will both visit and send a letter to the tenant in order to explain the severity of the situation, the letter will include:

- The amount of the breach
- The Housing Benefit situation
- Information on referrals to other agencies for help and assistance
- The consequences of the breach – those being an application for an eviction warrant.

If payment is subsequently made to bring the order up-to-date, eviction action will not be pursued at that stage. .

Officers will not withdraw the request for eviction unless the full amount of the rent arrears and costs are paid. If the rent account and court costs are cleared before the eviction, this will end the warrant and the eviction will be cancelled.

Officers will advise other parties of the eviction if relevant to the case.

The Court will notify officers of The Council if an appeal to suspend the eviction has been made by the tenant and attend the Hearing date.

Tenants can request to see Money Advice at the Court and ask for them to be present at the Hearing.

Eviction for Rent Arrears

If an appeal to suspend the eviction has not been made by the tenant and/or the rent arrears and costs are not cleared in full, then the eviction go ahead.

Entry will be forced by the officer and the Bailiff if access is not gained through wilful measures.

If the tenant is present at the property Officers and the Bailiff will explain that they are being evicted from their home and asked to leave the property.

A Notice under the Local Government (Miscellaneous Provisions) Act 1982 will be served upon the tenant giving 28 days from the date of the Notice to collect their goods from the property; otherwise all items will be disposed of.

If the tenant is not present, the Notice will be served to them at their last known place of residence, allowing 28 days within which to collect their goods.

Officers may advise the tenant to approach the Housing Options Team for advice.

Annex E - Former Tenant Rent Arrears

As rent collection is one of the Council's primary sources of income it is therefore essential that both current and former tenant arrears be kept to a minimum and having robust and effective systematic Former Tenant Arrears strategy is a necessity.

Officers of the Council will meet the following criteria:

- Must tackle former tenant arrears at the earliest stage so that the Council's income is maximised.
- Must ensure that tenants are aware of their responsibilities to the Council before and after the tenancy agreement is terminated.
- Give advice and assistance on debt management to former tenants when needed. To provide former tenants and their representatives with accurate information relating to all accounts attached to their former tenancy.
- Must ensure where possible that forwarding addresses are obtained from all tenants terminating their tenancies and that any arrears balances are cleared at or before termination.
- To ensure that all former tenants who have vacated the Council's properties with rent arrears are traced after a period of no more than three months and their forwarding address recorded.
- Must ensure that former tenant arrears are dealt with and monitored in accordance with this policy.
- Former tenants must be encouraged to agree to a repayment plan that is affordable and sustainable. Income and expenditure detail must be used as a tool to measure the affordability of and agree a repayment plan.
- To commence legal proceedings when a repayment plan is not maintained or has failed.
- In cases where former tenant arrears are related to a deceased tenant, the Council will only recover funds from the estate. If there are no funds in the estate the arrears will be written off.
- To ensure the Council's principles of customer care and equality are fully adopted in the former tenants' arrears recovery procedures.

Officers will send letters to every account with a Former Tenant debt balance of more than £30.00 where a forwarding address is known.

When a property becomes void

It is important that when a tenant advises that they wish to end their tenancy, officers carry out checks to find out whether there is an amount outstanding on the account.

The officer will also assess the rent charge due up to the end of termination and will pursue for full payment of the account or agree a repayment plan.

The Housing Benefit Section must be notified when a Notice to Terminate Tenancy is received to enable them to proactively avoid overpayments.

Following a void date

Where the forwarding address for an outgoing tenant is known, a former tenant standard arrears letter **1** must be sent. This letter allows the debtor a period of 14 days to contact the Council and discuss an arrangement to repay any outstanding debt. .

After 14 days

If no response is received after 14 days, former tenant standard arrears letter **2** must be sent out providing the debtor with an additional seven days to either to settle the debt in full or to contact the Council and agree a repayment plan.

When a response is made

When a response is received, an agreement must be acknowledged and a letter confirming the payment plan will be sent. The letter (agreement) will specify clearly the amount agreed and include a repayment schedule.

When negotiating a payment plan, the former tenant's employment information along with income/ expenditure details must be considered and recorded. This information will enable officers to determine the correct amount to pay.

However, if a former tenant is receiving a state benefit such as Job Seeker's Allowance, Income Support or Pension Benefit, proof of this income must be presented. In this scenario a minimum weekly amount of £3.65 to £5.00 is provisionally recommended and this must be reviewed within a three months period. For those former tenants on a low income, agreements for less than the Department of Work and Pensions' agreed welfare benefit deduction would not be accepted.

At any point where a repayment agreement has defaulted, a breach letter must be sent advising the former tenant to make up the amount of the breach.

When no payments are made

When a former tenant has made an arrangement to pay the debt and has failed to pay as per agreement, a home visit letter will be sent before the officer recommends and seeks approval to apply to a Small Claim Court or Money Claim Online, to recover that debt. The claim is pursued only if the arrears are below £250.00 and the case is considered not to be cost effective or the former tenant has no other debt with the Council that could legally be pursued.

In this scenario, the account will be put forward for a write-off as it is uneconomical to pursue. However, the debt could be recovered in the near future should a former tenant be subsequently located.

Officers must also check whether there is a Court Order in place before recommending another court action. When a Court Order is already in place, the officer should seek to enforce the order by applying either one or more of the following actions:

1. Application for you to attend Court for questioning.
2. Application for Attachment of Earnings Order with your present employer
3. Warrant of execution by Bailiffs against goods owned
4. Application for a charging order on any property the debtor may own or is purchasing under a mortgage.

Where Forwarding address is not known

Where a former tenant has vacated their property with outstanding rent arrears and has not provided a forwarding address, tracing will be carried out over the following three months in order to allow officers to obtain a forwarding address before considering a request to write-off the debt.

The Officer will search for a forwarding or next of kin address on:

- Tenancy files
- In the Homelessness register, and
- In the Electoral Role (primarily older debts).

The Council will use a Credit Tracing Service (Experian) to search for addresses of former tenants. A second trace is carried out for accounts with a balance of more than £250.00 and one trace for account which is below £250.00 in value.

Debts below £250 where a payment plan is not in place will be referred to a Recovery Agent for recovery, which will incorporate tracing.

These actions are not exhaustive and will be supplemented by telephone calls (where there is a valid phone number) and visits by officers where possible.

However, when all efforts to locate the former tenant have failed, consideration should be given to writing off the debt according to the policy. This 'write off' process does not actually clear the debt; the debt is still owed and if contact is made with a debtor after 'write off' the debt must still be pursued.

Incentive to Maximize the Collection of Former Tenant Income within a shorter period of time

- If a former tenant clears 75% of the total debt [this includes Court Costs, Rent Arrears and Repair Charges] within a period of three months, he/she will be qualified to benefit from a 25% discount on the remaining balance.
- If 75% of the debt is to be cleared between a periods of six to 12 months, then a discount of 5% is applied.

Best Practice in Recovery of Former Tenant Arrears

It is important to identify the best practice in minimising former tenant arrears by demonstrating an effective performance in the income recovery.

The following are considered to be the best practices:

- Collect or write – off.
- The use of tracing.
- In time consider in-house officer
- Provide incentive to debt: e.g. % reduction for clearing the arrears in one payment.
- Consider reduction if paying by direct debit.
- Performance monitoring of former tenant income collection

It is important that the Council understands the cause of current/former rent arrears and why people accrue arrears. Consideration will be given to those on a low income, when considering proper advice and support.

To support:

1. The Council will conduct background checks of a tenant's vulnerability and communication needs.
2. Check debts and County Court Judgements before letting properties.
3. Apply early action specifically for accounts where Housing Benefit payments are in place.

Annex F – Other Income and Sundry Debts

The default position for recovery of all income other than those relating to revenues, benefits and rents is by sundry debtor invoice. Examples of sundry income raised by the Council include:

- Income for goods and services (e.g. Wasp nest removal)
- Periodic income (e.g. licensing fees and sports grounds)
- Recovery of services provided to other bodies
- Rental payments where the Council operates as the Landlord
- HR costs

The responsibility for the raising of individual income invoices is held by Heads of Services and those outlined on the Council's scheme of delegation. Sufficient information must be provided as outlined in the main body of this policy to allow the debt to be raised using the standard invoice provided by the Integra system. Debts must be initiated by the responsible service areas to ensure appropriate segregation of duties.

Service providers must endeavour to obtain payment in advance of sundry debt or at the time of service delivery where permissible. Sundry debt accounts should only be raised where payment in advance for a service is inappropriate.

Regard to efficiency and the cost of raising income should be considered. A minimum value of demands can be determined by individual Heads of Service and must be notified to the Head of Finance.

A consistent method of recovery should be pursued for all sundry debtors:

- Except in the case of a demand payable by instalments or as otherwise contractually agreed, the settlement term for all demands will be within 30 days.
- Where no payment or arrangement to pay is received within 30 days of the income the Council will send a reminder notice.
- Where no payment or arrangement to pay is received within 14 days of the reminder notice the Council will send a final notice.
- Where no payment or arrangement to pay is received within 14 days of the final notice the Council will refer the debt to the contracted enforcement agent who will pursue the debt using agreed methods of recovery (e.g. home visits, out of hours calls and tracing)

As outlined in the enforcement agent contract, details of all referred debt will be provided to finance on a periodic basis, along with any recommendations for write off. The status of debts reported will be communicated to relevant Heads of Service to review for write off. Ownership of all sundry debts rests with the originating services and they can issue an instruction to cancel an invoice. It is the responsibility of the originating services to correspond with or discuss with the debtor issues relating to the validity of the debt.

Where legally permissible, the provision of future services to the debtor will be suspended until outstanding debts are settled.

Other income not originating with the Council

In the case of court costs, the Council is not directly responsible for raising or recovering debt. These are dealt with by the relevant court which has conducted a prosecution. If a costs order is made, the defendant is ordered to pay an amount and can be permitted to pay in instalments.

The legal team will advise Finance of the outcome of the case in respect of court costs. Finance will communicate statements received from the court on a monthly basis to the legal team to allow the debt to be managed.

If payment is not made by the debtor, as outlined in the statements, relevant enforcement action will be taken, as determined by the legal team. Methods of recovery pay include:

- A warrant of execution (aimed at assets of goods owned)
- An attachment of earnings order (aimed at wages or salary assets)
- A third party debt order (aimed at saving assets)
- A charging order (aimed at property land or investment assets)

The value of the debtors due to the Council, as advised by the Court at 31st March each year will be accrued into the Statement of Accounts as required.

Court costs

Court costs arise when the Council successfully conducts a prosecution. The final amount of costs agreed will vary from case to case depending on matters such as the aggravating and mitigating factors, antecedents and the Defendants means. If a costs order is made, the defendant is ordered to pay an amount and can be permitted to pay in instalments.

The legal team will advise Finance of the outcome of case in respect of court costs. Finance will raise the appropriate invoice and monitor payments.

Where payments are not made:

If the debt is a criminal debt the Magistrates Court ordinarily collects the costs on behalf of the Council under the terms of a Collection Order. If the cost is on a monthly term the court will send monthly BACS or cheques but if it is in one payment they will send one payment accordingly. If the Defendant defaults the court is not under a duty to inform the Council. The onus is on the Council to monitor the account. Therefore the Finance Team will notify the legal team who will liaise with the court in this regard to seek enforcement.

If the debt is civil before a county court and the Respondent has not paid, Finance will notify the legal team. The legal team will issue a letter threatening that non payment of the debt will result in further legal action. Enforcement action will then be taken by the Legal team.

The Legal team can enforce debt recovery by any of the methods listed below. Each method is directed at a different aspect of the Respondent's assets and the legal team will determine the most appropriate method to recover costs in line with this policy.

- A warrant of execution (aimed at assets of goods owned)
- An attachment of earnings order (aimed at wages or salary assets)
- A third party debt order (aimed at saving assets)
- A charging order (aimed at property land or investment assets)

In determining any enforcement the Council will have regard to:

- The costs of the action versus the revenue derived from it
- The information in the Council possession concerning the debtor
- The value and age of the debt
- The vulnerability of the debtor

The above list is not exhaustive.

Human Resources (HR) costs

HR costs arise in situations where there is a reclaim of:

- Post entry training;
- Relocation expenses;
- Car loans;
- Overpaid salary to former employees.

These amounts fall due under the terms of contract so the HR team will ensure the debtor is aware of the balance due by writing to the individual and by requesting an invoice is raised by Finance. Finance will continue to monitor repayment of the balance owed. Where payments is not forthcoming they will advise HR who will consider further enforcement action through breach of contract and will notify the legal team accordingly.

Licensing costs

Costs arise in relation to annual premises licence fees. Where necessary these fees will be invoiced by the Finance team who will monitor the account. Where a fee is unpaid the Finance team will notify the licensing team who will consider suspending or revoking the licence and provide advice in relation to any further recovery action required. Even if a premises licence is suspended or revoked the will still be due and recoverable as a civil debt.

Works in default

Where the Council carries out works in default of a notice – for instance, environmental health notices – costs incurred will be recharged via an invoice from the Environmental Health Team. The charge will be engrossed to include the Council's costs, such as officer time, at rates calculated by the Finance Team.

Non-payments will be chased to the Finance Team as sundry debt. If the party or parties incurring the cost are unable to pay, the Council reserves the right to place a charge against the liable person(s) property. This will be done by the Legal Team.

Agenda Item 15



Policy, Finance and
Development
Committee

21 July 2015

Matter for Decision

Title: **Medium Term Financial Strategy 2014/15 to 2017/18
Update**

Author: John Dickson – Chief Financial Officer and Section 151 Officer

Introduction

To consider and approve an updated Medium Term Financial Strategy (MTFS) 2014/15 to 2017/18.

Recommendations

1. The Committee is recommended to approve updated Medium Term Financial Strategy as set out in this report.

Information

The MTFS sets out clearly the Council's financial position for the four years from 2014/15 to 2017/18. The financial strategy underpins the Council's priorities and ensures that resources are allocated and used effectively to achieve these priorities without placing an unreasonable burden on local tax payers.

The strategy sets out the financial planning framework for the Council and shows how national and local issues are taken into account in planning resources available for service delivery. The strategy also sets out the main financial pressures affecting the Council and finally sets out the financial objectives of the Council.

In March 2015 the Medium Term Financial Strategy (MTFS) for the period up to 2017/18 was approved by the Policy, Finance and Development Committee. In October 2014 the Policy, Finance and Development Committee approved the budget strategy for the financial year 2015/16 which informed the MTFS approved in March 2015. It outlined that the Council historically adopted a budget process that derived its base budget each year from the previous year's original budget and that for the 2015/16 budget this process would be continued. Additionally it highlighted key issues that would impact on this budget as:

- Current financial position including working balances and level of reserves
- Local government finance settlement
- The review and revision of the business rates pooling system
- The review and revision of the Council's Local Council Tax Support Scheme
- Any further advancements in Welfare Reform (Universal Credit)

- Limits on New Homes Bonus funding
- Availability of capital resources and prudential indicators
- Housing Revenue Account (HRA) and the impact of self financing and rent convergence
- Transformation of services

The Council's budget proposals were approved by the Council on 19 February 2015. The MTFS later in this report shows the following:

- The Council is in a stable financial position with a balanced budget achieved for 2015/16.
- A more challenging position arises from 2016/17 with the revised MTFS showing a deficit of over £468,000.
- The known effects of the Governments spending plans and in particular any consequences of the Government's emergency budget on 8 July 2015.
- Progressive replacement of core formula funding with New Homes Bonus (NHB) and more variable funding streams.
- Reserve and balance levels are adequate
- Financial discipline and work to identify more efficiency savings must continue

The Budget proposals that were approved at the above Council are consistent with the financial projections used in this MTFS.

The Way Forward - Member's Financial Strategy and Policy Prioritisation

Hopefully, members will see that it is clear from the information set out in this report, together with the additional inevitable unknowns, that local government and even the Government are not yet aware of the financial position for UK public services over the coming years.

The Council can congratulate itself that due to its well thought through and well applied approach of the last few years aligned with strong financial stewardship, that it continues to maintain its solid financial position and that it manages its finances and resources well.

As yet and because of this, Members have not, so far, been faced with making difficult policy decisions about service provision which most other councils seemed to have already made.

Three key issues for 2015/16 put the Council's future financial position into stark context:

1. Again, this Council received the worse financial settlement (in terms of Spending Power) of all of the district councils in Leicestershire. This Council received a 5.81% reduction in Spending Power whilst the county average was only a reduction of 3.08%.
2. The Council is committed to continue to provide free shoppers car parking in its town centres and is one of only a handful of councils in the entire country that now injects this investment directly into its local economy which is to be lauded. The consequence of this, however, is that the Council then forgoes

the financial benefit of a multiple six figure income stream that other councils derive from parking charges. The budgeted cost for car parks for the next financial year is £126,000.

3. Due to the borough's compact size and therefore lack of available development land the Council is never going to be able to attract the level of NHB that other councils will. The Government is factoring the receipt of NHB into the reason why it will be reducing the level of national local government finance. In the case of Oadby and Wigston Borough Council the low receipt from NHB is the primary reason for our low Spending Power as mentioned above. To illustrate this fact, it should be noted that this Council's New Homes Bonus for 2015/16 at £313,174 is the second lowest grant in the country after the Isles of Scilly.

Members note that on this basis from 2016/17 onwards there is little possibility that the Council will be able to balance its budgets as it has successfully done in the past without the need for members to make critical policy decisions about service provision and use of reserves. As has been the hallmark of the way the Council has worked successfully for a number of years. It is, therefore, essential that these member policy decisions should be well thought through and developed cost effectively.

Medium Term Financial Strategy (MTFS)

The Council's MTFS is an essential component of its service and financial planning framework sitting alongside the treasury management strategy, capital strategy, asset management plan, risk management strategy, procurement strategy and ICT strategy. It should reflect the Council's policies and priorities and match resources to the delivery of those.

The MTFS is set each year as part of the annual budget setting cycle and is refreshed accordingly to give an up-to-date representation of the financial position as currently known and is based on a number of assumptions.

The current MTFS was approved in March 2015. This reflected the Council's priorities and the financial position for revenue and capital over the medium term of four years. This updated strategy reflects updates to some of the assumptions made, identifies new assumptions where needed and sets out the emerging financial pressures and challenges faced by the Council.

The Council's Policy Context

In May 2015 the Council set out its commitments for its four year administrative period:

- **Protect the borough** – The Council resist any attempt by either Leicester City or Leicestershire County Council to impose control over the borough
- **Maintain front line services** – The Council is committed to free shoppers' car parking and weekly collection of waste and recycling. No change would ever be made without consultation.
- **Offering choice when possible** – The Council will offer choice when possible.

- **Save money through service re-design** – The Council will look at all our services and re-design those that can be improved and run cheaper.
- **Involve residents and partners** – The Council is committed to continue with the town forums and to develop other community engagement systems. The Council will work with and continue to support partners.
- **Economic development** – The Council recognises the need to develop both housing and town centres. This will be done with the maximum of public involvement and at a minimum cost to the green spaces in the borough.
- **Greening the borough** – The Council will continue to invest in and encourage activities which result in a greener borough, including prioritising the protection of trees.
- **Improving the health of residents** – The Council wants to ensure residents live a full and healthy life.
- **Value for money** – The Council will always accept any Council Tax Freeze Grant offered by the Government. The Council will endeavour to freeze Council Tax but if it is raised, it will never rise more than inflation.

The strategic aims that the Council has and is adopting in order to focus are:

1. to Continue a comprehensive review of all of its assets resulting in more active asset management. Members will then be able to clearly determine which of the Council's assets could and should be making a financial return, breaking even and being subsidised for the benefit of residents.
2. A fundamental service review and redesign that will place residents, particularly those who will be affected by the national welfare reforms, at the heart of the process that will support and empower them to be able to deliver, understand and successfully navigate all of these reforms.
3. The continuation of a successful 'investor saving' programme where one-off expenditure is prioritised and opportunities are created and seized in order to generate or save revenue funding in the longer term.
4. To ensure that the Council never adopts any schemes, projects or services that are not first demonstrated to be at least cost neutral and therefore should never be an additional burden to local Council Tax payers.
5. A determination to take full advantage of the Government now allowing Councils to build new houses. The Council is aiming to build on average at least 5 a year.

These priorities and strategic aims will:

- Focus and drive forward the Council's strategic planning.
- Form the basis of the Council's Medium Term Financial Strategy.
- Provide the direction for allocating resources and restructuring.

The MTFs complements the updated Corporate Plan by setting out the anticipated resources available to enable delivery of corporate priorities. It predicts the costs that will be incurred and estimates available income and thus quantifies the level of flexibility within the budget or savings necessary to balance the budget as the case may be.

The MTFS covers the updated Corporate Plan period of a rolling four year basis and thus the updated MTFS is for the period 2014/15 to 2017/18.

The MTFS focuses on the General Fund budgets for all services except council housing, which is addressed by the separate HRA Business Plan.

Usually, the MTFS is approved by this Committee annually as part of the budget setting process and should undergo a formal mid-year review by officers with a report submitted to this Committee in the autumn. However, in this instance, an updated MTFS is being presented as a consequence of both the local and general elections held on 7 May 2015.

The MTFS provides the financial blueprint from which the Council is able to deliver value for money in the provision of efficient and cost effective services across the borough. Through implementation of the authority's financial and other resource strategies it seeks to build on minimising any budget gap between expenditure and resources as well as providing a clear direction to the attainment of the Council's longer term goals.

The MTFS is the Council's key financial planning document that sets out the Council's strategic approach to the management of its finances and Council Tax levels. The strategy underpins the Council's commitments for the community and complements its internal priorities set out in the updated Corporate Plan and other strategic documents of the Council. It is important to note that the key aim of the MTFS is to facilitate the Council in achieving the targets set out in those documents by setting parameters to work within, setting financial targets, identifying additional resources for priorities and developing financial projections to manage any deliverability or sustainability issues. This has been especially important as since 2008 the Council has had to operate in an economic climate which has seen the country go into recession and the size of the national deficit increase. The Council's MTFS reflects the impact from both the community and the Council in continuing economic conditions whether that be historically low interest rates, depressed income streams or additional support being required by residents of the borough.

Due to the ongoing uncertainty surrounding the levels of public expenditure, particularly around future government support funding, and the Council's financial position, various assumptions that were forecast have been updated within the MTFS with all known information from the government, CIPFA and other organisations. It is highly likely these assumptions forecast will need to be revised, updated and if necessary re-presented over the coming months.

Strategic Financial Objectives

The Council's financial strategy balances the Council's commitment to a regime of financial rigour, prudence and discipline with the need to facilitate innovation through strong financial management.

The Council has seen a reduction in the amount of formula grant since 2011/12 which increases the financial pressures facing this and all other councils. In 2012 Sir Jeremy Heywood, the Cabinet Secretary, said that the work to balance

public finances is only about a quarter complete, adding that 'spending cuts could take up to ten years'. That timetable could see the public spending squeeze carry on until 2020. In the Autumn Statement the Chancellor announced in December 2013 that the public squeeze would carry on past the election in 2015 and there is a strong likelihood of grant cuts in these future years as well. The changes to Council Tax and Business Rates and Universal Credit also have the potential to become a burden if new responsibilities are not supported by appropriate levels of funding. If the Council is to achieve its strategic financial objectives effective prioritisation and management of resources like the setting of the budget and response to new variances, value for money initiatives and partnership working have become increasingly significant in meeting the challenge.

In addition the following underlying principles for financial planning purposes within this report can be summarised as follows:

- To achieve and maintain a balanced General Fund budget such that ongoing expenditure matches income from Council Tax fees and charges and government and other grants with reserves only being used to finance one-off items of priority related expenditure. This will remain the Council's strategic aim but the Council should consider on an annual basis whether to set this objective aside where severe economic pressures exist.
- To consider as part of the budget setting process throughout the year as necessary what support can be given to the community and businesses in times of particular hardship.
- To use the Council's reserves in a cost-efficient and planned manner to deliver the Council's priorities.
- To maximise the Council's income by promptly raising all monies due and minimising the level of arrears and debt write-offs.
- To identify alternative means of resourcing the capital strategy to minimise the impact of borrowing on the General Fund.
- To maintain general revenue reserves no lower than a minimum of 10% of net expenditure of the General Fund.
- To only incur additional ongoing spending when matched by increased income or identified savings.
- To ensure that resources are aligned with the Council's updated Corporate Plan and corporate priorities.

National Context

The leaders of our public services are currently faced with meeting unprecedented challenges in the way their councils are run and the services that they deliver. There is a consensus shared across the political parties and other commentators that a plan to reduce the UK's deficit must remain a priority although the magnitude of the reductions and speed of the delivery is not agreed upon. The implementation of a national deficit reduction plan has led to significant real term spending reductions in many public organisations.

Previous Autumn Statements also showed that the public sector borrowing is now projected to be higher than previously forecast and although it is still projected to fall year on year, this is projected to be at a slower rate than

previously anticipated. It is forecast by a number of commentators that these revised forecasts have implications for deeper public spending cuts.

As a result the assumptions and projections have continued to evolve. The MTFS has been updated to reflect all the Government's announcements on public finances up to and including the emergency budget on 8 July 2015 and an attempt has been made to interpret the range of announcements still to come.

Risk Management Implications

The implications are included within Appendix 1 of this report.

Key Assumptions Used

Necessarily, the four year forecast is based on assumptions about the future. Below are the key assumptions used. Members should be comfortable that the assumptions are reasonable and neither unduly optimistic nor pessimistic.

Workforce

As members will appreciate by far the most significant element of any council's budget are the staffing costs and this is no exception in Oadby and Wigston. Over the last four years the Council has been through a huge transformation including a complete review and the consequent streamlining of the entire staffing structure. This has been one of the main factors in successfully balancing the Council's increasingly challenging annual revenue budget. Aligned to this the Council has also been through a complete Job Evaluation exercise and, after consultation, has also successfully harmonised all terms and conditions of employment.

Not only has the reorganisation saved money through creating efficiencies it has also made the Council more service and outcome focused, corporate and innovate.

The financial challenges of the coming years will dictate that, in relation to the workforce, the council will still have to:

- Continue to seek further efficiencies which may include further major restructuring of operational staff
- Continue with the National Minimum Living Working Wage for all of its staff.
- Change the philosophy and practice of how staff will interact and support residents/customers with the introduction of the national welfare reforms and its own customer services transformation agenda.

Government Funding

Government funding has always had a degree of unpredictability about it with formula grant levels not confirmed until shortly before the budget has to be finalised and some funding often not known until the start of the year after

budgets are set. However uncertainty about government funding continues to be at an unprecedented high level especially from 2015 onwards.

The government has issued a financial statement for 2015/16 but no further provisional settlements for future years. Finally 2013/14 saw the implementation of game-changing reforms in local government finance, the effects of which are difficult to predict. Producing a four year forecast in these circumstances is not straightforward.

Core funding currently comes by way of Settlement Funding Assessment (SFA) which is £2, 550,068 in 2015/16. There is no information in respect of SFA from 2016/17 onwards however it is expected that the trend established in the four year comprehensive spending review period of 2010/11 to 2014/15 will continue. During this period the Council has sustained a 35% cut in its annual level of SFA, around £372,000 per year. The average cut is therefore 8.75% and the MTFs assumes that this will be the annual reduction in each year from 2016/17 onwards.

The SFA for 2015/16 includes £1,420,211 as the government's estimate of the Council's share of business rates under the localised business rates system. This figure is based upon complex formulae and an array of tariffs, top ups, levies and safety net adjustments. There are many variables e.g. collection performance, rateable value appeals, business growth, insolvencies released, bad debts. The actual figure will not be known until the end of the financial year. The downside risk is mitigated by the safety net mechanism. For 2015/16 the Council has again taken the decision to pool its element of retained business rates with other authorities in the county in an attempt to maximise the income from central government. The decision for this Council was determined under delegated powers agreed by the Chief Executive and Chief Financial Officer in consultation with the Leader and the Chair of the Policy, Finance and Development Committee.

Under the legislation the Leicestershire Authorities agreed to set up a business rate pool which will be operative from 1 April 2015. However, in setting up the pool it was agreed that income and the pool mechanism would be reviewed during the year to ensure there were the benefits envisaged. The legislation allows the business rates pool to be terminated and also if this decision is made the pool can be re-enacted at a later date.

New Homes Bonus

The 2010 comprehensive spending review included a new special fund from 2011/12 onwards for new homes bonus with an additional incentive for the provision of affordable housing. The allocations for the new homes bonus received to date with projections for future years are included in the forecast. The use of these resources to support the budget has reduced the level of overall savings required. In summary, it is a six year rolling scheme with councils receiving a sum equivalent to the average Council Tax bill, around £1,500 for each new dwelling brought back into occupation (Band D equivalents) the table below illustrates the rolling nature of the funding:

New Homes Bonus							
Housing Growth Year End	Year 1 2011/12 Actual £ 000's	Year 2 2012/13 Actual £ 000's	Year 3 2013/14 Actual £ 000's	Year 4 2014/15 Actual £ 000's	Year 5 2015/16 Actual £ 000's	Year 6 2016/17 Estimate £ 000's	Year 7 2017/18 Estimate £ 000's
Oct'10	73	73	73	73	73	73	0
Oct' 11		6	6	6	6	6	6
Oct' 12			98	98	98	98	98
Oct' 13				61	61	61	61
Oct' 14					75	75	75
Oct' 15						124	124
Oct' 16							143
Total	73	79	177	238	313	437	507

The figures given above for 2016/17 and 2017/18 are estimated figures. It has been assumed that following the election of a Conservative government on 7 May 2015 this grant will continue.

Referendum and Council Tax Freeze

The 2011 Localism Act abolished the previous Council Tax capping regime. In February 2014 the Government announced that any increase in Council Tax above 2% would need to be put to a referendum.

In view of the Council's decision to freeze its Council Tax for 2015/16 the budget assumes that the Council will not be required to undertake a referendum.

The Council will be entitled to a Council Tax freeze grant equivalent to a 1% increase £38,290 for 2015/16. This grant income has been included in the budget.

Council Tax

In recent years the government's policy has been to strongly encourage Council to minimise Council Tax increases.

At the Council meeting on 19 February 2015 the Council reaffirmed that there would be no increase in Council Tax levels for Oadby and Wigston Borough Council in 2015/16.

Consequently, the MTFs includes a planned assumption that the borough Council Tax would be frozen in 2015/16 at £202.60 for a band D property. For 2016/17 and 2017/18 it has been assumed that there will be a 1% increase to £204.63 and £206.67 respectively or an equivalent Council Tax Freeze Grant.

The MTFS also assumes a 1% rise in the tax base year on year. This is a prudent assumption based on recent experience.

The Council has adopted a new system of Local Council Tax Support (LCTS) which became operative from 1 April 2013. LCTS will give Council Tax discounts to low income households replacing Council Tax benefit which was abolished. The government has provided ongoing funding for LCTS.

The table below shows projected Council Tax income over the MTFS period.

Council Tax	2014/15	2015/16	2016/17	2017/18
	Revised	Original		
	Budget	Budget	Forecast	Forecast
	£ 000's	£ 000's	£ 000's	£ 000's
Council Tax Income	3,335	3,383	3,451	3,520
Change on Previous Year		48	68	69
Borough Council Tax (£) (Per Band D Property)	202.60	202.60	204.63	206.67
Assumes 1% change in Council Tax property base year on year				

Inflation Assumptions

Inflation (January 2015) is at 1.1% (RPI) and 0.3% (CPI). This is substantially below the Government's 2.0% CPI target, and the Bank of England is anticipating a short period of deflation during the spring due to falling oil prices. Medium-term uncertainty over energy pricing makes it prudent to assume the target rate of inflation for fuel and utilities.

The government's pay policy for public sector employees is to cap increases at 1% per annum. For local government national pay bargaining arrangements apply and there's no guarantee that government pay policy will be applied as the last increase of an average 2.2% illustrated. This is something that the Council has no control over. The MTFS prudently assumes a 1% annual pay award together with the following inflation assumptions:

MTFS Assumptions	Value	2015/16	2016/17	2017/18
	of 1%	Original		
	Change	Budget	Forecast	Forecast
	£ 000's	£ 000's	£ 000's	£ 000's
Pay Award	41	76	43	43
Contracted Supplies and Services	8	45	25	25
Fuel	2	4	4	4
Utilities	1	2	2	2
Fees and Charges	15	99	46	48

Other Assumptions

It is estimated that population growth will remain stable causing no additional demand on services for the period of the MTFs.

Capital financing costs increase from £306,000 in 2015/16 to £614,245 by 2017/18.

Recharge of costs to the HRA will be subject to an inflation increase.

The collection fund balance will be nil from 2015/16 onwards.

The working balance will be maintained at a level equivalent to 10% of the net General Fund expenditure.

Four Year Financial Model

Based upon the draft 2015/16 budget approved by Council on 19 February 2015 and the assumptions detailed in this report a four year forecast has been prepared and is summarised below.

Four Year Financial Model	2014/15	2015/16	2016/17	2017/18
	Actual	Original		
	Outturn	Budget	Forecast	Forecast
	£ 000's	£ 000's	£ 000's	£ 000's
Net Service Expenditure	5,931	6,720	6,730	6,576
To/(From) Reserves	747	(258)	(90)	(90)
Corporate items:				
Pension Increase	0	0	79	81
Capital Financing	301	336	629	643
Investment Income	(65)	(30)	(30)	(30)
Recharge to HRA	(201)	(300)	(300)	(300)
Net General Fund Expenditure	6,713	6,468	7,018	6,880
RSG/NNDR Funding	(2,989)	(2,487)	(2,402)	(2,325)
CT Freeze Grant	(166)	(38)	0	0
Collection Fund Deficit	7	131	100	100
Other Grants	(110)	(373)	(360)	(360)
New Homes Bonus	(242)	(318)	(437)	(507)
Use of General Fund Balances	122	0	0	0

Council Tax Income	(3,335)	(3,383)	(3,451)	(3,520)
Funding Deficit	0	0	468	268

The figures are a logical progression from those presented for 2014/15 and take into account those key factors for which the details are known or assumed in the MTFs. It is recognised however that forward forecasts over a number of years carry the risk of increased uncertainty. The figures indicate that on a standstill basis with no additional resources for service development there will be a deficit of over £468,000 in 2016/17. It is therefore essential that to make the budget sustainable consideration is given on means to close the gap between spending proposals and available resources over the coming twelve months.

The position for 2017/18 shows an improvement with a funding deficit of £268,000. However, as a new Comprehensive Spending Review (CSR) is awaited, these figures should be taken as purely indicative.

Members will note that included in the budget report to Council on 19 February 2015 was the previous MTFs set out in March 2014. This predicted a deficit of £920,000 for 2016/17. However, because Members were able to overcome the predicted deficit for 2015/16 and set a prudent balanced budget in February, this has had a cumulative effect on the predicted deficit for 2016/17. Additionally, there is no significant growth predicted for 2016/17 (except for known inflationary pressures) and an improving picture for both New Homes Bonus and Council Tax income. All these factors have combined to reduce the predicted deficits for future financial years.

The General Fund balance and the reserves will need to be reviewed. However, part of the funding gap may need to be met from spending reductions, service cuts and increased income opportunities.

New Leisure Facilities

In 2013/14 the Council undertook a major procurement project in relation to the letting of leisure management services. The contract commenced on 1 April 2014 for a period of 20 years. As well as the management of the facilities, the contract also involves considerable redevelopment and refurbishment. Over the life of the 20 year contract there will be an overall saving of approximately £3.6 million. However, the profile of this saving is not evenly spread over the lifetime of the contract with the savings contracted to accrue after the first three years as the contractor will still be establishing their business model. These savings have been included in the General Fund revenue budgets for 2015/16 to 2017/18 as well as the revenue implications of capital redevelopment costs of around £10m (including ancillary costs such as survey and planning fees).

Reserves/Balances

The Council is required to establish reserves and balances to meet expected future financial commitments and to ensure a safe level of contingency in the

event of unforeseen events. This was included in the budget report approved by Council on 19 February 2015.

The Council's policy established in previous reports is to ensure that a working balance is maintained at a minimum safe contingency level equivalent to 10% of the General Fund's net expenditure which for 2015/16 is £646,860. This is subject to annual advice provided by the Section 151 Officer under Section 25 of the Local Government Act 2003.

Based upon the projected use of reserves and balances included in the four year budget model the following table sets out the forecasted reserves and balances during the period covered by the MTFS.

Reserve/ Balances	2014/15	2015/16	2016/17	2017/18
	Actual	Original		
	Outturn	Budget	Forecast	Forecast
	£ 000's	£ 000's	£ 000's	£ 000's
General Fund Balances				
Opening Balances	891	1,013	1,013	545
Surplus in Year	122	0	0	
Funding Revenue	0	0	(468)	(269)
Expenditure				
Closing Balances	1,013	1,013	545	276
Earmarked Reserves				
Opening Reserves	5,643	5,868	5,222	5,357
Receipts in Year	417	225	225	225
From General Fund	744	0	0	0
From Revenue Income	10	10	10	10
Funding Capital	(938)	(613)	0	0
Funding Revenue	(8)	(268)	(100)	(100)
Expenditure				
Closing Reserves	5,868	5,222	5,357	5,492

The table shows that total reserves stay at reasonable levels up to and including the financial year 2015/16. However, from 2016/17 the General Fund balance falls below 10% of General Fund net expenditure. However, the Council still retain reasonable levels of earmarked reserves.

Strategic Solutions

In order to ensure that the four year MTFS is sustainable the following work streams are being worked on:

- Shared services
- Evolution
- Income generation
- Service redesign and transformation
- Efficiency savings

However, there is more to do. Because of the inherent volatility and conjecture in the MTFs projections and the demanding position to ensure that the MTFs is sustainable in the medium term the Council must continue efforts to ensure it is well placed to meet future challenges.

In order to counter any adverse income fluctuations the Council has created and maintains both an earmarked Income Profiling Reserve which will guard against unforeseen fluctuations in levels of fee income for such items as planning and building control fees and a Budget Equilibrium Reserve which guards against fluctuations in general Council funding such as business rates.

Economic Outlook

Indicators point towards an upturn in the country's economic position. However, All political parties have indicated that the austerity measures will remain in place until around 2020. This position has had the following effect on the Council's budget for 2015/16 and forecasts for future years:

- Interest rates continue at a low level and the current bank base rate of 0.5% is forecast to remain at this level until at least the last quarter of 2015/16.
- Income from services that reflect economic activity including planning application fees, building control charges and other areas of Council income may grow in the medium term. This may give the Council the ability to utilise additional income as an alternative to cutting expenditure and levels of service.
- Capital receipts from sale of surplus lands and buildings may potentially increase in the medium term.

Decision Making

Inevitably during the period of the MTFs resource allocation decisions will be required based upon changes of circumstances and priorities. Some budgets will need to be increased and some reduced.

The Council will seek to safeguard those services that it considers to be its highest priority as stated in the updated Corporate Plan.

The Council may make savings in priority areas only if there is no significant adverse impact to quality and level of service provision. For example the Council may find a more efficient means of delivering the service or partnership funding may be secured. Otherwise the Council will not make savings that result in diminution of service quality in these areas unless there is absolutely no alternative e.g. inability to balance the budget.

The Council acknowledges the need to provide statutory services and in many cases these will be consistent with the updated Corporate Plan priorities. Where the link between the need to provide a statutory service and updated Corporate Plan priorities is not as strong the Council will provide a level of service consistent with affordability. Efficiency gains and partnership working will be explored as means of providing statutory services to an acceptable level at a lower cost. In some circumstances the Council will consider reducing the

level of service in order to make savings and redirect resources to the Council's highest priorities.

Subject to the above unavoidable and essential growth items will be funded by the making of savings from elsewhere within the Council budget or the generation of additional income. The Council will manage its budget as a corporate whole, if necessary transferring money from one activity to another if this is what is necessary to match limited resources to the highest priorities.

In ordinary circumstances the Council will not use reserves to fund any ongoing expenditure. In exceptional circumstances the Council may use reserves for one-off items or to alleviate budget pressures within the context of an overall plan to achieve a balanced budget but will seek opportunities to replenish reserves consumed in this way.

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Background Papers:-

- The Council's Medium Term Financial Strategy approved by Policy, Finance and Development Committee in March 2015
- The Budget Proposals 2015/16 Report approved by Council on 19 February 2015
- Budget Strategy 2015/16 to 2016/17 approved by Policy, Finance and Development Committee on 28 October 2014

Implications	
Financial (PL)	Incorporated within the report
Risk (PL)	CR 1 Decreasing financial Resources (See Appendix 1)
Equalities (AC)	No Significant Implications
Legal (AC)	No Significant Implications

Risk and Sensitivity Analysis for 2015/16 and Forward Forecast to March 2018

The table below identifies the key financial risks and sensitivities that the Council faces over the period to March 2018. It highlights the assumptions to be made in the budget and forward forecast for the period, areas of possible divergence from these assumptions, the likelihood of an alternative outcome and the financial impact of such outcomes. It concludes by identifying the control mechanisms for each of the risks and sensitivities.

Factor	Directly Controllable by OWBC?	Base Assumption	Key Risks	Likelihood of Different Outcome	Financial Implications	Controls and Mitigation
Pay Inflation	Mainly not	1% in April 2016 and thereafter	National settlement at higher level	Possibility of greater rise in pay inflation for 2016/17	A 1% pay rise would equate to £51,000.	Sufficient balances exist to cover pay increases
Price Inflation	No	The rate dictated contractually has been added to contracted services only. A rate of 2.8% was used for forward projections into 2016/17 and 2017/18	That price rises are greater than assumed.	The retail and consumer price indices for January 2014 were 1.1% and 0.3% respectively. However, these indices are not generally reflective of local government expenditure.	Greater price inflation would put pressure on the use of balances as funding is fixed.	Budgetary control, virements, Contingency Reserve and service adjustments

Factor	Directly Controllable by OWBC?	Base Assumption	Key Risks	Likelihood of Different Outcome	Financial Implications	Controls and Mitigation
National Financial Climate	No	Cautious provision made	Greater demand for services, reduced resources	Scope and depth of current economic climate unknown	Examples included in reports	Budgetary control, virements, Contingency Reserve and service adjustments
New Legislation: Localism Act New Homes Bonus Local Government Finance Act	No	Impacts of the Local Council Tax Support scheme, the local retention of business rates and New Homes Bonus have been included for 2015/16	Increase in costs to ensure compliance	Unknown	Unknown – dependent on the impact of the changes	Constant monitoring, Contingency and other reserves, service adjustment
Changed Council Priorities	Yes	Budget strategy is linked to updated corporate plan	Changes after budgets are set	If budget strategy and corporate plan are aligned, low	Cost of new priorities unknown at this stage	Published plan
Level of Government Funding	No	Overall reduction of 15% in Settlement Funding Assessment. A further 3% is	Lower grant level than expected	Funding levels beyond 2015/16 are unknown at present.	Front loading of reductions in Government funding and uncertainties of levels of funding for	Representation to Government, Increase in Council Tax, budget reduction and efficiency savings

Factor	Directly Controllable by OWBC?	Base Assumption	Key Risks	Likelihood of Different Outcome	Financial Implications	Controls and Mitigation
		assumed in 2016/17 and again in 2017/18.			future years.	
Local Development Framework	Partly	Budget provision has been made using Housing and Planning Delivery Grant	Potential for variation in cost of individual schemes or changes in regulations	Uncertain	Currently funded as previously stated	Budgetary control
VAT Partial Exemption	Partly	No immediate impact on budget with no capital build	Exceed 5% threshold and incur costs in irrecoverable VAT	Low	Additional cost dependent on extent to which the limit is exceeded	Use of consultants for VAT advice, revise plans for delivery of scheme, use of reserves
Capital/ Borrowing	Yes	Effect of Prudential Borrowing on revenue positions	Impact on revenue. Political risk/Member aspirations. Balance of investment and sustainability	Low	Unknown	CFO reporting to Council under statutory duty, Prudential Indicators
Interest Rates	No	Base rates of 0.5% have been used in	Higher rates would impact on both the	Medium. The recent fall in oil prices has had	In the medium term the impact of a rise would	Adjust Treasury Management Strategy,

Factor	Directly Controllable by OWBC?	Base Assumption	Key Risks	Likelihood of Different Outcome	Financial Implications	Controls and Mitigation
		2015/16	General Fund and HRA borrowing (adversely) and on investments (favourably)	a deflationary impact, but the economy is growing. Rates are not expected to increase until 2016-17.	be minimal as the Council's existing PWLB borrowing is fixed rate. Potentially an adverse impact on the financing costs of the new leisure facilities.	budgetary controls, CIPFA controls in place
Investment Practice	Mostly	Counterparty list per approved annual Investment Strategy criteria	Counterparty default	Low	Potential loss of full amount invested and reduced investment income	Investment Strategy, credit rating watch, use of consultants.
Pension Contributions	No	Known increases in employers contribution and actuarial strain payments included	Market conditions and demand on the Pension Fund including those resulting from the new automatic enrolment and workplace pension reform	High	Unknown but could be significant	Forecast/forward strategy, liaison with Leicestershire County Council, monitoring interim evaluation results, agree stepped profile arrangements, policy on early retirement.

Factor	Directly Controllable by OWBC?	Base Assumption	Key Risks	Likelihood of Different Outcome	Financial Implications	Controls and Mitigation
Changes in Consumer Expectations/Demand	No	Budgets based on existing approved service levels.	Potential loss of income or increase in expenditure to meet demand	Medium, but risk potentially increased due to economic uncertainty.	Directly dependent on increases or reductions in demand	Consumer consultation and performance monitoring.
Demographic Population Growth	No	Census report from July 2012. The effect of a 5% reduction in population on grant funding has been included.	Additional demand, insufficient resources	Low	Unknown but could have significant effect	Knowledge of trends in local demography, housing/planning delivery strategy, budget adjustment, Council Tax income
Interaction with Leicestershire County Council and other Partners	Yes	Financial support from Leicestershire County Council, Central Government and other organisations and partners	Adequacy of control/admin of partners, residual costs falling on Council as accountable body	Medium	Unknown but could be significant	Financial Regulations, regular support services involvement
Council Tax Level	Yes	Council Tax Freeze Grant to be taken for 2015/16 and a 0% increase in	A high Council Tax could result in triggering a referendum. A	Medium. A high Council Tax increase would lead to greater	1% movement in Council Tax equates to £34,000 in net expenditure	Advice of Section 151 Officer, liaison with Members, balance between

Factor	Directly Controllable by OWBC?	Base Assumption	Key Risks	Likelihood of Different Outcome	Financial Implications	Controls and Mitigation
	No	<p>Council Tax level to be set</p> <p>Council Tax frozen in 2015/16. Later years' MTFS assumes 1% increase p.a. or equivalent Council Tax Freeze Grant</p>	<p>lower Council Tax leads to pressure on funding existing services and on future Council Tax levels</p> <p>Government further freezes Council Tax levels without compensation or with one-off saving</p>	<p>consumer resistance in this economic climate</p> <p>Medium</p>		<p>use of reserves and targeted efficiency savings</p> <p>Council Tax freeze would require compensating reductions in planned spending within services. A grant to freeze Council Tax would also require further savings</p>
Savings and Efficiencies Targets	Yes	Savings and efficiencies have been included within the budget. For future years this will be managed through the	That savings and efficiencies are not delivered or are reduced by budget pressures	Medium	The extent to which targets are not met	Early identification of specific areas where savings will be made. Lean systems reviews, adjust budgets, ongoing

Factor	Directly Controllable by OWBC?	Base Assumption	Key Risks	Likelihood of Different Outcome	Financial Implications	Controls and Mitigation
		transformation agenda				monitoring of delivery of savings, use of reserves
Failure in Budgetary Control	Yes	Income and expenditure will be within budget	Higher expenditure and lower income. External events outside Council control	Low, given budget monitoring processes. Impact of any significant unforeseen events unknown	A 1% variance in net General Fund budget is equivalent to 2% on the Council Tax	Budgetary Control, Virements, contingency provision, reserves, service adjustments
Localisation of Business Rates	No	No reduction in Tax Base	A major employer leaves the Borough and impacts on the business sale due to the Council	Medium	5% cap on max Business Rate losses	Early identification of specific areas where savings will be made. Lean systems reviews, adjust budgets, ongoing monitoring of delivery of savings, use of reserves
Impact of the Universal Credit	No	Increase in provision for bad debts from	The Grant given to the Council is	Medium	1% loss of housing rent is £50,460; 1%	A reduction in the amount of grant will require

Factor	Directly Controllable by OWBC?	Base Assumption	Key Risks	Likelihood of Different Outcome	Financial Implications	Controls and Mitigation
		2% up to 4%	reduced before the Council can reduce costs		loss of Council Tax is equal to £34,000	compensating reductions in planned spending within services
Recession	No	Reduction in Government Grant	Income significantly affected by recession	Medium	1% loss of income is £25,000	Mitigation by planned use of reserves. Regular updating and monitoring undertaken
All MTFS not adequately identified	Yes	Main risks identified	Risk not accurately identified. Risk further increased by number of Government consultation papers	Medium	Variable depending on risks identified	Council risk management framework ensures operational and strategic risks are identified

Agenda Item 16



**Policy Finance and
Development
Committee**

21 July 2015

**Matter for
information and
Decision**

Title: **Customer Service Transformation Programme Update**

Author: **Anne Court – Director of Services**

1 Introduction

- 1.1** This report gives a further update on the progress of the Customer Services Transformation which includes the transfer of front-facing services to Bell Street, Wigston from the main Council Offices.
- 1.2** The main aims of the programme are to improve the current service by -
- The creation of a pool of trained officers that exhibit flexible and reactive skills.
 - Through the use of an appropriate customer relations management (CRM) system
 - The creation of customer histories and the capture of customer feedback
 - Provide outline prompting scripts
 - Updated alternatives for access to services such as
 - The completion of applications and forms online
 - By the creation of “MyAccount” giving customers direct access to their council tax account or benefit claim (for balance or next payment due queries)
 - More immediacy in the reporting of incidents such as missed bins, graffiti and housing repairs
 - Giving customers the option for assisted self serve within the contact centre.
 - The creation of a new physical environment for customer contact in a more convenient location.
 - The centralisation of call handling at the customer service centre (CSC) to ensure consistency, effective handovers and facilitate a reduction in the incident of avoidable contact.

2 Recommendations

It is recommended that Members note the report and progress to date.

3 Information

- 3.1** As Members will be aware from the previous report to this committee; there are a number of work streams that make up the whole programme. Shown below is the progress on some of the initial elements.

3.2 Customer Service Centre (CSC) - 40 Bell Street, Wigston

The lease negotiations for the Bell Street site have been successfully completed with the lease being signed in May 2015.

The lease was signed on the following basis and is detailed below as a reminder having been reported to this committee previously.

- A 6 year lease with an option to break after 3 years
- A 3 month rent free period in year 1 and in year 4 if the option to continue is taken.
- Rental of £23,500 per annum for the first 3 years rising to £25,000 for the last 3 years.
- Including the use of parking spaces to the rear of the premises dedicated to people with disabilities.

The building works and fitting out of the centre have been tendered with Oliveti Construction Ltd proving to be the successful contractor with a bid of £120,000. The work, under the supervision of Ridge, has commenced and is progressing well.

A plan showing the layout of the new facility is provided at Appendix 2.

The centre will also have the facility to take cheques, debit and credit cards. There will be a facility to pay by cash through the cash kiosk which is being re-located from the Council Offices to the CSC.

3.3 Software

CRM

The CRM software has been procured from Firmstep Ltd and has been loaded into test. It is currently being tailored to the Council's needs with a number of e-forms being written and configured. These are being written after consultation with front line services.

The implementation has been split into two phases with the first phase running from April to the opening of the Bell Street Customer Services Centre. This phase will ensure that the functionality required to ensure the centre can run smoothly and efficiently is in place.

The second phase which will run from October 2015 to January 2016 with the aim of increasing efficiency by further integration of the CRM system with other back office systems such as the Orchard housing management system and the Academy revenues and benefits systems. This phase will also encompass the upgrade and improvement of online access to services by residents.

IDOX/Uniform

Running concurrently with the above implementation, a new version of the document management system is being implemented which will be integrated with the CRM. To date, the Planning Service has been upgraded with other services such as Revenues, Benefits, Finance and Community to follow.

Telephony

Plans are under way to both centralise the main telephony contact centre at Bell Street and to re-configure the system for use with services to both increase efficiency in call answering and add to the objective of “right first time”.

3.5 Staff Issues and Consultation

Both the formal and informal consultation periods on the changes to the establishment have now taken place which were followed by a period of recruitment to the new Public Liaison and Technical Officer posts from both the internal pool of available staff and external candidates. The recruitment process is now complete and staff recruited from outside the organisation will start in tranches; mid and the end of July allowing for a period of induction and training.

A comprehensive training plan for the CSC has been developed by managers and team leaders from all Council services lead by the Customer Services Manager.

Over the medium term, the shift of functions from the back to the front office and the method that resident’s choose to make contact with the Council will result in efficiency savings to the Council.

3.6 Standards for Service Delivery

A customer services charter was presented to the Customer Services Working Group for approval.

The approved charter is as follows:

Our customers are important to us and we want to provide you with the best service we can.

- We aim to achieve a satisfaction rating of over 95% and we will continuously monitor our performance to ensure we meet this.
- When you telephone us, we aim to answer your call within 20 seconds (6 rings) and we will give you our name.
- When you write to us, we aim to respond in 5 working days.

- When you attend an appointment at our Customer Service Centre our aim is that you will wait no longer than 10 minutes from your appointment time.
- When we visit you in your home our officers will identify themselves with an identity card.

3.7 Project Timetable and Further Phases

The original project plan proposed an opening for the new CSC in July. However, that opening date has now moved to mid September to ensure that sufficient staff resource is available to both train the intake of staff and to ensure that all the necessary e-forms required by the software system can be created and processes established that will make the new centre function efficiently.

The opening of the new centre will very much be the first phase of the transformation with later stages leading to the centre contributing to other services which it will take on, resulting in reviews to the back office functions and further value for money efficiency savings. Further phases will review the provision of services to residents in other parts of the borough in consultation with relevant stakeholders.

An achievable new opening date for the Customer Services Centre is 14 September 2015.

3.8 Financial Implications

Appendix 1 shows the latest relevant projected cost positions for both revenue and capital.

The current capital cost projection shows a total cost of £263,000 which can be accommodated within previously approved capital funding and Oadby and Wigston's share of the "Transformation Challenge Award" funding which has now been approved by the Department for Communities and Local Government.

The projected revenue position shows, initially, an increase in net cost mainly due to one-off costs such as redundancy. However, the second year shows a reduction in increased costs. Future phases and review will show further reductions in costs based on the front loaded investment in both facilities and software together with sound business process re-engineering.

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Tel: 0116 257 2612

Implications	
Equalities	An EIA has been undertaken
Financial (PL)	Included within the body of the report
Legal (AC)	No significant implications and Council's policies and procedures have been followed on procurement and HR matters.
Risk (PL)	CR1 Decreasing financial resources CR4 Reputation damage

Relevant Capital Costs

Expenditure	£
Telephones	1,954
Computer / Laptop	10,160
Self Serve terminals	2,750
Additional I T licenses	9,700
CRM, online e-forms and "MyAccount"	85,000
Building – works, fixtures, fittings and furniture	136,710
Building Works Contingency	7,590
Consultants Fee	9,105
Total	262,969

Funding	£
From Approved Capital Programme	
- Contact Centre	157,000
- CRM	45,000
Grant Funding (TCA Grant)	60,000
Total	262,000

Relevant Revenue Costs

Additional revenue costs per year would include:

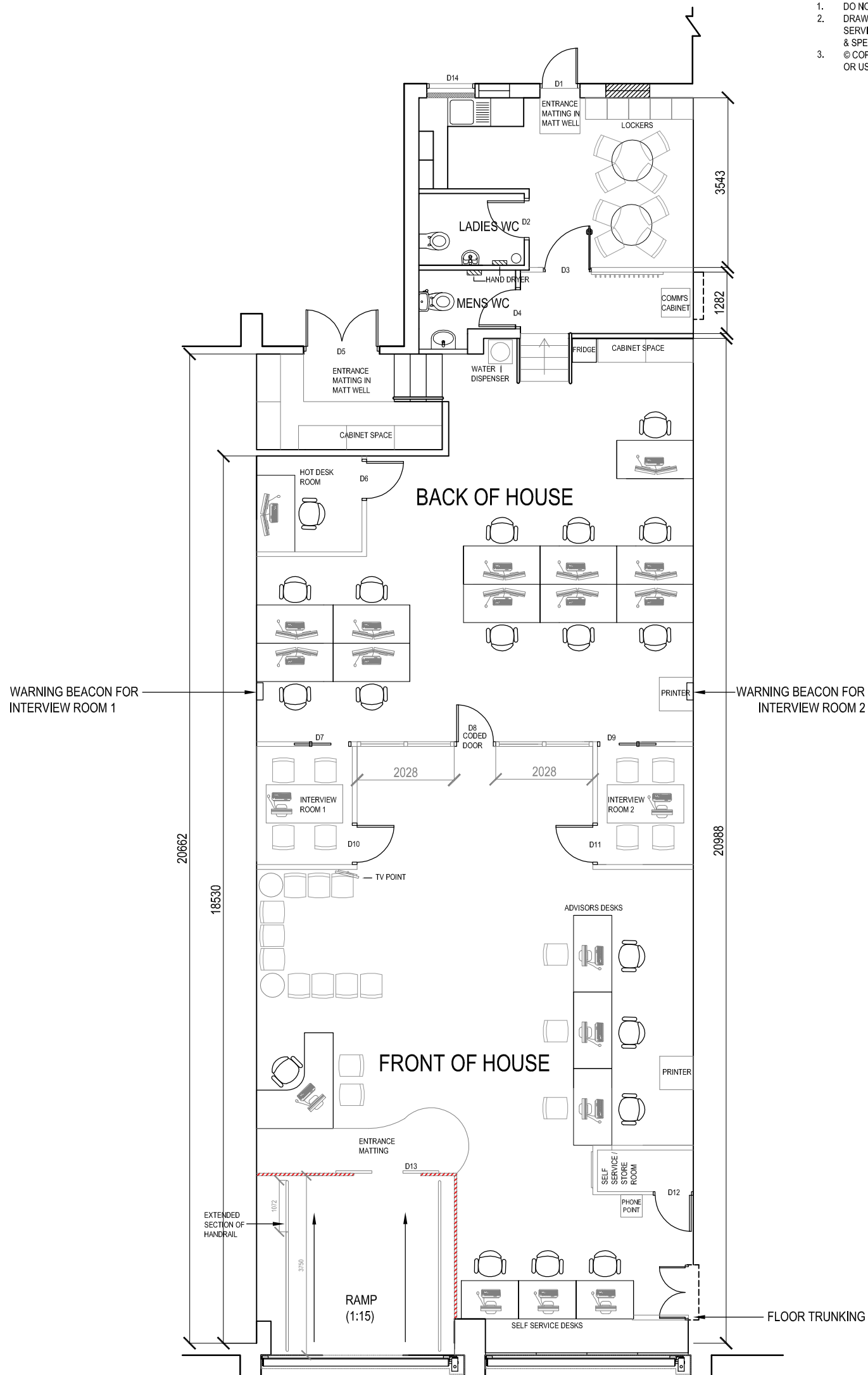
Item	Year 1 £	Year 2 £
NNDR Payable	10,090	11,000
Annual Rental	15,670	23,500
Multi Functional Devices	2,350	3,530
CRM Licences and Maintenance	40,200	40,200
IT Link to Main Offices	2,880	2,880
IT Support (Additional Site)	3,750	3,750
Salary Savings	(27,250)	(40,870)
Termination Costs	50,000	0
Total	97,690	43,990

Note: Year 1 costs are pro-rata part year costs where appropriate.

Year 2 costs do not include at this stage any savings that may be delivered from back office processes which will materialise as a result of business process re-engineering.

NOTES:

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FLOOR PLAN

TENDER

REF	DATE	REVISION	DRN	CHK
E	JUN 15	ALTER RAMP & HANDRAIL RE: BC	AW	-
D	MAR 15	ALTER DOOR AT D5	AW	-
C	MAR 15	TEXT REMOVED, DESKS	KB	-
B	MAR 15	DOOR NOS ETC	KB	-

DRAWING
PROPOSED FLOOR PLAN
FURNITURE LAYOUT

PROJECT
40 BELL STREET

CLIENT
OADBY AND WIGSTON
BOROUGH COUNCIL

SCALE @A3 DATE DRAWN BY CHECKED BY
 1:100 MAR 2015 AW SB

DRG NO
150087-A-2-004

FILE REFERENCE:

XREF FILE REFERENCE:

REV
 E

RIDGE

JUPITER COURT TEL: 0116 245 6600
 1A DOMINUS WAY FAX: 01993 815005
 MERIDIAN BUSINESS PARK
 LEICESTER
 LE19 1RP www.ridge.co.uk



Policy, Finance and Development	Tuesday 21 July 2015	Matter for Information and decision
--	---------------------------------	--

Title: Advisory Services in the Borough

**Author: Anita Pathak-Mould -Head of Community
Paul Loveday- Finance Manager**

1 Introduction

This report is to provide Members update on the current already extended contract with Citizens Advice Bureau (CAB), which comes to an end at the end of July 2015 and proposals for delivery of wider advisory services following a request by this Committee to map out all advisory services in the Borough.

2 Recommendations

1. Members are asked to give authority to sign up to District wide European funding bid led by Melton Borough Council
2. Members are asked to consider the two options of service delivery offered by CAB and support the officer recommendation that Option 2 is followed.

3 Information

This Council went through a formal procurement exercise in 2010 and entered into a contract with CAB to deliver a wide ranging advisory service for the local residents. The contractual arrangements are for local services for local people from a base in South Wigston (Bassett Centre) and surgeries at Oadby.

In 2013, CAB services were successful in their bid to provide advisory services to Leicester and Leicestershire and launched their new Customer Contact Centre in Leicester.

The CAB services was part funded by the Leicestershire County Council(LCC) and this funding came to an end last year and following an agreement from all 7 Districts it was agreed to top up the funding to CAB to allow them to seek alternative ways of delivering services.

Following this new area of work this Council agreed to extend the CAB contract for a further two years and supported the customer contact centre through a small top up fund as agreed by all Districts and supported by LCC.

The 7 district alongside LCC led on a model of performance framework which was agreed to enable all authorities to receive quarterly reports of CAB's performance in each district.

CAB performance reports were shared with Members and the information when analysed and compared to other Districts showed mixed results. Whilst some individual case studies showed some good results for individuals, however the overall view of residents accessing the service claimed that they were not receiving the services that they anticipated and expected, in a timely manner.

In addition, through the Member Query system of the Council a number of Members were being presented by their constituents that surgery times were altered and that CAB services were sometimes difficult to access.

To ensure that there continues to be a robust advisory service and one that actually specialises in financial matters this Committee had sought to carry out a mapping exercise of the various advisory services operating in the Borough.

The then newly appointed Community Engagement Officer undertook this exercise and correlated the services with the equality agenda in terms of the diversity of services available in the Borough.

The mapping exercise confirmed that there are a number of services which our residents access and whilst, some of these are small entities the nature of services and support they provide to residents is of high quality and personalised to the needs of the residents and more importantly immediately accessible with very little bureaucracy involved in accessing the services.

As part of the mapping exercise views and opinions were sought from the front line officers of the Council who have worked with various advisory services on the prepared list and confirmed that in all cases the outcomes were balanced and matters resolved by all parties to support the residents.

The main gaps identified through this exercise are of money advice and qualified financial expertise in both private and personal financial situation but also the complex welfare benefits advice which this Council can not currently provide.

As a matter of courtesy, CAB were notified of a potential withdrawal of funding for advice services by this Council and were asked to tailor a service to the specific needs of this Borough in line with the vision of our customer contact centre and they have responded by offering two options as part of their services delivery specifically related to financial assistance.

CAB is keen to work with other partners in the Borough and recognise and support the other partners operating in the Borough and have set out two options with costs.

Option 1

- Fully co-located service in Oadby and Wigston Council offices where the Council charge for CAB to pay for desk space on the days they run a service but have permanent IT and storage facilities on site. Volunteers retained at Council offices and a branch is in operation
- 2 days service per week, one at the Council offices and one at the new customer service centre, Service Leader on site
- 1 further outreach service per week at a different location, supervision by phone
- Contact Centre Service 5 days per week

Additional services secured by CAB but not funded by Oadby & Wigston Borough Council

- 1 day per week Money Advice
- 1 day per week Pensionwise service
- CAB arranged Pro Bono sessions from solicitors

Estimated Cost £30,673

This option builds on the work carried out by Leicestershire CAB in other parts of the county to co locate face to face services at the heart of the community. Full advice services will be targeted, ensuring that the most vulnerable are prioritised, with advice concentrating on debt, welfare benefits, housing, and employment and relationships. A full call centre service with e-mail and web chat will be provided alongside the face to face service. Provision of outreach at an agreed location to improve client access

Option 2

- Volunteers are absorbed into the Blaby Branch and services to Oadby and Wigston are operated purely on an outreach basis
- 2 outreach sessions per week, one at Oadby and Wigston Council Offices and one at the new Customer Services centre.
- Contact Centre Service 5 days per week

Additional services secured by CAB but not funded by Oadby & Wigston Borough Council

- 1 day per week Money Advice
- 1 day per week Pensionwise service
- CAB arranged Pro Bono sessions from solicitors

Estimated Cost £19,191

Members will note that CST is in progress and unlikely to up and running with our own services embedded until final quarter of this financial it is proposed that

Members give consideration to Option 2 of the CAB proposal for a period of 12 months to allow a full trial of a targeted financial assistance and enable a full evaluation of the outcome of the contract whilst supporting newly appointed customer services staff in offering basic advice and appropriate signposting.

Future Delivery Models

Through the strategic Customer Services Transformation (CST) group, the lead officer, Finance Manager, jointly agreed to look at best use of the Customer Services centre and consideration has been given to proposal to sign up a bid led by Melton Borough Council a bid for European Structural Investment Fund (ESIF) funding under the Holistic Social Inclusion strand of Thematic Objective 9 (TO9) – “Promoting social inclusion and combating poverty”.

Melton have named their model of advisory services delivery “Me and My Learning” which is based on the ethos:

- Supports people to achieve digital, financial and social independence (from public services)
- Wherever possible helps people to gain sustainable employment or better paid employment.
- Uses a triage/assessment process to identify individual needs and barriers.
- Provides an individual, agreed, holistic and co-ordinated journey (to achieve independence).
- Brings partner organisations together under a single co-ordinated “umbrella”
- Features local community involvement and ownership.

There is a total of £5.238m funding available for the three years of the programme for the Holistic social inclusion strand of TO9. This is made up of ESIF funding and matches funding provided by Big Lottery.

Attached at Appendix 1 are further details.

Managers from all front line services, that is, Customer Services, Housing, and Homelessness. Revenue and Benefits and Rents team leaders have attended workshops and met with various partners to look at how best this can be delivered in our Borough.

To progress this, resources have been identified and will be considered once the customer services centre is fully operational.

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Implications	
Financial (PL)	CR5 Effective utilisation of resources/assets. In delivering services
Risk (APM)	CR4 Reputation.
Equalities (AC)	An Equality Impact assessment will be necessary and conducted when officers are available.
Legal (AC)	No significant implications

APPENDIX 1

Me and My Learning – Building Better Opportunities bid

Melton BC will be leading a bid for European Structural Investment Fund (ESIF) funding under the Holistic Social Inclusion strand of Thematic Objective 9 (TO9) – “Promoting social inclusion and combating poverty”.

Bid specification

“... to support disadvantaged people towards and into employment and increase social inclusion. It will implement new approaches and pilot innovative delivery methods to provide holistic support to people. It is important that this approach is based around the needs of each individual, rather than the agencies offering the services.”

The bid has to be delivered across the whole of the Leicester and Leicestershire LEP area. This of course means that irrespective of whoever the successful bidder is they will have to deliver services in each District area.

Funding available

There is a total of £5.238m funding available for the three years of the programme for the Holistic social inclusion strand of TO9. This is made up of ESIF funding and match funding provided by Big Lottery.

Bidding process

This is a two stage bidding process with stage one, outline, bids to be submitted by mid-day on 3 August. Success at stage one will then require a detailed bid to be developed and submitted. The detailed bid stage will include agreement regarding the amount of funding Districts will receive, their plans for implementation and the outputs they will deliver.

Basis of the bid

The bid is based on the roll-out of the Me and My Learning ethos/approach across Leicester and Leicestershire so that, by the end of the funding period (December 2019) the approach will be operating across the whole area.

Me and My Learning:

- Supports people to achieve digital, financial and social independence (from public services)
- Wherever possible helps people to gain sustainable employment or better paid employment.

- Uses a triage/assessment process to identify individual needs and barriers.
- Provides an individual, agreed, holistic and co-ordinated journey (to achieve independence).
- Brings partner organisations together under a single co-ordinated “umbrella”
- Features local community involvement and ownership.

Role of Districts

District authorities will take the lead across the County for rolling out the Me and My Learning approach in their respective area. It is likely that a consortia of VCS organisations will lead implementation in the City with the City Council as a partner.

Commitment required by Districts

Assuming that the bid is successful, Districts will be committed to developing and implementing the Me and My Learning approach in their area. The speed and scale of the implementation will be for each District to determine and will reflect local circumstances. Districts will be responsible for delivering their proportionate share of the programme outcomes (but see below).

Outputs

The bid specification calls for minimum outputs over the three years of the programme of at least:

- 1,100 people engaged in activities to improve their work readiness
- 16% of people move into employment
- 26% of people who were economically inactive when joining the project move into job search on leaving

Between June 2014 and March 2015 Me and My Learning in Melton actively engaged with 362 people and moved 53 into employment. On the basis of this the bid will look to specify a higher level of outputs whilst ensuring that this will be absolutely achievable.

Agenda Item 18



Policy, Finance and Development Committee	21st July 2015	Matter for Decision
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Title: **Waste Issues – Policy Update**

Author: **Mark Hall (Chief Executive)**

1. Introduction

The purpose of this report is to inform members of some of the current and imminent policy issues that they will need to consider over the next 18 months in relation to waste.

2. Recommendations

2.1 That officers are tasked to do all the necessary work including carrying out any appropriate consultations prior to presenting any future reports to members.

2.2 That the Council funds its contribution to the Leicestershire Waste Partnership as “one off” expenditure from the Management of Change reserves for 2015/16 and/or until it is able to make an informed decision as to the value of continuing to be a member of the partnership in the longer term.

3. Information

There are a number of significant policy decisions in relation to waste that have wide ranging consequences and that members will have to consider over the next 18 months. They are:

3.1 Oadby & Wigston Trial Food Waste Scheme

a. The Council introduced a limited trial food waste collection service using a Department of Communities and Local Government (DCLG) grant in October 2013. This funding ceased in March 2015. As part of the 2015/16 budgetary process it was agreed that food waste collection should continue and be funded from reserves at a cost of £80,000 for the year in order to give members the time and opportunity to decide if the scheme should continue, and if so in what form. If the scheme does continue then those costs will need to be built into the council’s base revenue budget in future years as growth.

b. The trial scheme covers 5,000 houses on three rounds, one per day over three days in each of Oadby, Wigston and South Wigston. Each round is focused

around the town centre. This is a weekly collection. There is a participation rate of approximately 60%. The scheme is very popular with residents with the most common compliments being that the caddy contains the smell and prevents animals from ripping open bags and spreading rubbish all over their property and the streets.

c. Before the end of the year the Council will need to consider and decide what it wishes to do in relation to the trial food waste scheme.

3.2 County Wide Food Waste Collection Scheme

a. Before making any decision regarding 3.1 above members resolved to wait to see the results and options of the possibility of working with the other local authorities in Leicestershire to provide a countywide food waste collection scheme at the most economic cost that produces the highest net income.

b. The seven district councils and the County Council are now presently exploring the viability of introducing a countywide food waste collection scheme. If this were to be progressed then any scheme would likely to come into operation in 2017 at the earliest. This proposal will be the subject of a further report to members once it has been completed later in this financial year.

c. For information no other district council in Leicestershire is currently collecting food waste and have no intention to do so as individual authorities in the near future.

3.3 Oadby & Wigston Garden Waste Scheme

This free scheme was re launched by the Council in February 2015 when the Council gave all residents the choice of either continuing to use up to four reusable garden sacks or a wheeled bin. The revised scheme was implemented seamlessly with 13,000 households requesting a bin. The scheme has been operating very successfully since it started in February with high customer satisfaction. A full review of the first year's operation and performance will be presented to the Service Delivery Committee later this year as there are still a number of operational issues that have become apparent over the last month and need to be resolved.

3.4 Payment of Recycling Credits

Leicestershire County Council, as the waste disposal authority, has traditionally paid all the district councils for every tonne of waste that they divert away from landfill by recycling and composting it. In 2014 the County Council stopped paying district councils recycling credits for garden waste. The County Council is now also giving notice that it will stop paying recycling credits to the districts for all other recyclates from 2019. Extensive work has been done in order to establish if the County Council can legally withdraw these payments and it has

been confirmed that it can as long as it goes through due process, which it presently is. The district councils are now in discussions with the County Council to see if and how they can mitigate for this substantial loss of income from 2019 onwards. Members will receive a further report on this once the full implications are known.

3.5 Leicestershire Waste Partnership

This is a body that works together as a collective and is made up of all of the district councils together with the County Council and focuses on waste issues that relate to whole county area. The Partnership’s main focus at the moment is the work being done on the possibility of introducing a county wide food waste collection scheme. Each district council contributes £10,000 per year to fund the partnership and the work that it does. A significant question was raised regarding the value of the Partnership prior to the food waste project commencing earlier this year. At that stage it was felt that it did not provide value and on that basis the £10,000 annual sum paid by this council to the Partnership was taken out of the 2015/16 base revenue budget as part of the council’s budget saving process. It is now recommended that that the Council continues in the Partnership and funds its contribution as “one off” expenditure from reserves for 2015/16 and/or until it is able to make an informed decision as to the value of continuing to be a member of the Partnership in the longer term.

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Implications

Financial (JD)	Adequate reserves available for funding purposes
Risk (MH)	Decreasing financial resources CR1 and effective utilisation of assets/buildings (health and safety) implications CR5
Equalities (MH)	No significant implications
Legal (AC)	No significant implications



Policy, Finance and Development Committee	Tuesday 21 July 2015	Matter for Decision
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Title: Digital Display Screen Advertising Policy

**Author: Anne Court (Director of Services)
Adrian Thorpe (Planning Policy and Regeneration Manager)**

1. Introduction

- 1.1 The public realm in Oadby and Wigston town centres has recently been renewed as a result of joint funding from Oadby and Wigston Borough Council, Leicestershire County Council and the European Regional Development Fund (ERDF).
- 1.2 As part of the improvement works the multicultural sign in Oadby was removed. Members agreed that this should be replaced with a digital display screen and that additionally, a digital display screen should also be installed in Wigston town centre. As a result, two digital display screens have been purchased and are currently awaiting installation.
- 1.3 Advertisement consent has been sought for both screens in order to enable them to be used for advertising by businesses and community groups. Consent has been approved for both screens.

2. Recommendations

- 2.1 It is recommended that Members approve:
 - i) the Digital Display Screen Advertising Policy.
 - ii) The fees and charges scale for advertising on the digital display boards as set out in paragraph 4.4 of this report.

3. Background

- 3.1 There is evidence that businesses would use the digital display screens commercially to advertise their services. Several businesses have already expressed an interest.
- 3.2 The Council could also allow a certain number of advertising slots to be made available for community use, whereby giving organisations space to advertise events or services that are available in the area.
- 3.3 The display screens will also be available for the use of the Borough Council and its partners to advertise events and community information as

well as multi-cultural events that would have previously been displayed on the multi-cultural sign.

4. Information

- 4.1 The purpose of the policy, attached at Appendix 1 is to prescribe a number of matters, including:
- the type of information that could be advertised
 - the types of business/organisation that would be able to advertise
 - use by the Borough Council itself
- 4.2 The management of the digital display screens, including day to day editorial control, and the operation of the Policy will be undertaken by the Town Centre Manager within the Planning Policy and Regeneration Team. Ultimate editorial control for content displayed on the digital screens will rest with Senior Management Team.
- 4.3 Although the display boards are inexpensive to run, a budget is required to cover the electricity costs of running them, as well as routine maintenance and repairs. Therefore it is proposed that some of the income generated through advertising is put aside to cover these costs.
- 4.4 It is proposed that a fees and charges scale be set up for advertising on the digital display boards. Following some research into advertising costs, the following tariffs are proposed:

Community Groups/Charity	Free
Borough Business	£20 per week per slot
Business outside of Borough	£40 per week per slot

- 4.5 It is estimated that the maintenance and running costs of both signs will be a maximum of £2,000 per annum. Therefore, if both units were to have just one business advertise on each unit, this would bring in enough income to pay for the maintenance and running costs.
- 4.6 It is proposed that a maximum of 10 advertising slots be bookable, which will give an advertiser a slot for 1 minute in every 10 minutes. This would equate to 6 minutes per hour or 1 hour 18 minutes a day, giving a total advertising time of 9 hours 6 minutes a week based upon the screen operating between 8am and 9pm 7 days a week. This number of 10 slots is suggested as giving sufficient advertising time to attract advertisers, if further slots were allocated the advertising time for each advertiser would obviously be reduced and would likely result in a lack of interest. The advertising slots will be a mix of commercial chargeable advertising, the Council's own messages about its services and Community Groups/Charity. The maximum number of commercial advertising slots will be 5 which if not all taken up can be utilised by the Council or Community Groups/Charity.

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Implications	
Legal	The involvement of the Legal team has been sought during the preparation of the Policy.
Financial (PL)	Operation of the Policy would likely generate an income for the Council, as well as covering operational costs.
Equalities	An Equalities Impact Assessment has been carried out during the preparation of the Policy.
Risk (AT)	Any risks will be established during the preparation of the Policy.

APPENDIX 1

OADBY & WIGSTON BOROUGH COUNCIL

Digital Display Screen Advertising Policy

March 2015

TU approval	
Committee approval	
Author	Mark Hryniw, Town Centre Manager
EIA	
Policy Number	Version 1.0
Date of Policy Review	



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PART 1: Background

Oadby and Wigston Town Centres have both received public realm improvements, through joint funding between Oadby and Wigston Borough Council, Leicestershire County Council and the European Regional Development Fund (ERDF).

As part of the improvement works the multicultural sign in Oadby was removed. It was agreed that this should be replaced with something more modern and a digital display screen was suggested.

A decision was made to fund digital display screens in both Oadby and Wigston, giving the Council the opportunity to advertise services and use as multicultural signage.

The digital display screens were then procured and advertisement consent sought. Consent has subsequently been obtained for both screens.

This policy has been created to ensure that the digital display screens only show content which the Council and the law will allow.

This Oadby and Wigston Borough Council (“Council”) policy, unless otherwise apparent from the context, includes advertising on the Council’s Display Screens.

PART 2: Scope

The Council reserves the right to change the terms of this policy from time to time in order to comply with legislative requirements or as otherwise necessary.

This policy and procedure is available on the Council’s website.

PART 3: Purpose

This policy has been created to ensure that the digital display screens only show content which the Council and the law will allow.

PART 4: Equal Opportunities

The Council promote equal opportunities in the services it provides. Our aim is to implement and maintain services which ensure that no resident is treated less favourably on the grounds of gender, being or becoming a transsexual person, being married or in a civil partnership, religion, belief or lack of religion or belief, race, nationality, ethnic or national origin, colour, disability, age, being pregnant or having children or sexual orientation nor is disadvantaged by the application of a rule, condition, or requirement, which has a discriminatory effect which cannot be justified by law.

An Equalities Impact Assessment has been prepared as part of developing this policy – a copy is available from the Head of Community or the Council’s Compliance Officer.

Oadby and Wigston Borough Council operates in accordance with its equal opportunities policy. A copy of the policy is available from the Council Offices.

PART 5: Roles & Responsibilities

Senior Management Team	Ultimate editorial control for content displayed on the digital screens
Head of Service	Review of advertising fees and charges on an annual basis. Review of complaints.
Line Manager/Town Centre Manager or nominated officer	Day to day editorial control. Responsibility to ensure that advertising is placed in accordance with the policy and deal with any complaints. Responsibility to ensure the Policy is reviewed. Dealing with any enquiries/complaints and taking appropriate action.
Employees	Responsibility to ensure that advertising is placed in accordance with the policy. All correspondence about advertising on the Council’s Digital Display Screen, including approaches from potential advertisers, should be addressed to the Council’s Planning Policy and Regeneration team. Collection of income is dealt with in a timely and efficient way.

	Maintain and repair digital display screens when required
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All correspondence about advertising on the Council's Digital Display Screen, including approaches from potential advertisers, should be addressed to the Council's Planning Policy and Regeneration team:

Initial contact for any queries and advice should be made to:

Mark Hryniw – Town Centre Manager
mark.hryniw@oadby-wigston.gov.uk
Direct Line 0116 2572 706

Useful information and advice is available here: www.asa.org.uk/

PART 6: Review and Monitoring

This policy will be reviewed annually but will be reviewed sooner if weaknesses in the policy and/or changes in legislation require it.

PART 7: The Principles

The policy assumes that all advertising presented falls within the rules and guidelines laid down by the Advertising Standards Authority and the British Codes of Advertising, Sales Promotion and Direct Marketing. The basic principles of the codes are that advertisements should be:

- legal, decent, honest and truthful
- prepared with a sense of responsibility to consumers and society
- in line with generally accepted standards of fair competition in business and
- reflect the spirit as well as the letter of the codes

PART 8: Application Process

All outside bodies must send in an application form, along with their advert and payment. The advertiser will have to confirm the following:

- a) The advertisers are completely responsible for their advert,
- b) The advert must comply with the relevant ASA codes of practice.
- c) The advertiser must indemnify the Council of any fines that may result.

Authorisation to advertise on the display screens does not infer the approval or support of the Council.

PART 9: Prohibited products, services and advertisers

- a) All advertisers must comply with controls put in place by the ASA (Advertising Standards Authority) which is an independent body set up by the advertising industry to police the rules laid down in advertising codes. The ASA works to ensure that all advertisements are legal, decent, honest and truthful.
- b) Advertisements from the following organisations or in respect of the following products and services etc. will not be accepted:
 - i) Organisations including but not limited to the following:
 - Political organisations or those that appear to be designed to affect public support (for example, lobbying or petitions) for any political party.

- Manufacturers or suppliers or wholesalers of tobacco products.
- Manufacturers or suppliers or wholesalers of alcohol products.
- Organisations associated or connected directly or indirectly with 'adult industries'.
- Lobby Groups that are campaigning against the Council
- Organisations that simply offer entry into a competition following completion of a form containing or requiring personal information, or similar.
- Personal injury lawyers.

ii) Information about, but not limited to, the following:

- Illegal substances
- Tobacco
- Alcohol
- Gambling
- Weaponry
- Pornography
- Adult content
- Religion*
- Short term lending
- Advertisements where a benefit is promoted in the advertisement but access to the benefit is denied to UK citizens.

Special or political material which is contentious or which conflicts with the Council's policies, values or statutory obligations (for example, equalities legislation)

* With the exception of the use of the Digital Display Screens by Oadby and Wigston Borough Council to mark and celebrate religious and cultural festivals. Also with the exception to religious events that welcome all faiths.

c) The Council will use its discretion as to what it allows to be advertised. The decision of the Council in relation to any exclusion is final.

d) Advertising space on the digital display screen is limited and so preference will be given to businesses based in the Borough.

e) As the Council wishes to encourage the development of businesses and promote the use of services, amenities and facilities within the Borough, advertising space will normally only be provided for businesses wishing to invest in or promote investment within the Borough and/or advertisements that are likely to promote the use of services, amenities and facilities in the Borough and contribute to the economic well-being of the Borough.

PART 10: Style and content of advertising

- a) The Council has an open approach to styles of advertising.
- b) Advertisers must recognise that public sector organisations cannot permit advertising which could reasonably be construed as being either
 - i. directly or indirectly sexual in nature and/or which features partial or complete nudity and/or which appears to promote or give undue publicity to illegal or inappropriate behaviour or lifestyles.
 - ii. Special or political material which is contentious or which conflicts with the Council's policies, values or statutory obligations (for example, equalities legislation)
- c) The Council will approach apparent humour in submitted advertising with the utmost caution since humour can sometimes directly or indirectly be seen as mocking specific groups of citizens or potentially poking fun at particular types of individuals or their behaviour or in relation to various situations. However, the Council will permit 'innocent humour', providing the Council considers there is no likely innuendo or subtext which might cause offence.
- d) Advertising which the Council deems to be critical of the Council, its amenities, facilities, services and policies and/or, its Members/officers or its agents and partners will not be permitted.
- e) The Council's logo shall not be incorporated into any advertisement without the prior written consent of the Council.
- f) It is the responsibility of the advertiser to check the correctness of their advertisement before it is uploaded on to the Council's website.
- g) The Council will endeavour to meet the advertiser's requirement for preferred positioning but the Council will make the final decision on such positioning.
- h) The Council reserves the right to edit advertorial material or adverts that it considers look like advertorial by including a border or an 'advertorial' header to ensure readers are aware that the text is not part of any Council's editorial.

PART 11: In House Advertisements

In house advertisements will follow the in house advertising procedure, as set out in Appendix A.

PART 12: Complaints

Any member of the public that is dissatisfied with the Council's management of the digital display screens, in the first place, can make a complaint to the Council using its complaints procedure.

If the complaint is upheld the advert will be removed. If necessary the advert will be referred to the Council's Senior Management Team. No refund will be given to the advertiser.

The timescale for the complaint resolution is set out in the Council's complaints procedure.

If, following the exhaustion of the Council's own complaints procedure, the member of the public is still dissatisfied, he/she may take their complaint to the Advertising Standards Authority at:

Advertising Standards Authority Ltd,
Mid City Place,
71 High Holborn,
London
WC1V 6QT

Website: <http://asa.org.uk/Consumers/How-to-complain.aspx>

PART 13: Fees and Charges

Charges for the Digital Display board will be produced in line with the Council's fees and charges.

APPENDIX A: In House Information Advertisements

Any information advertisements that are created by the Council to advertise Council services must follow the following procedure:

- a) Each service area is responsible for creating its own advertising.
- b) All Council adverts must use the same pre determined template, saved in the following location (F:\Library\Digital Display Screen Template)
- c) Space on the digital display screen needs to be booked in advance, as there are only a set number of spaces. This must be at least 1 calendar month before the service area wants the advert displayed. Please book by email using the towncentremanager internal email address stating the date the advert needs to appear from and to (please note - information will be updated once a week, on a Tuesday) and in which town(s) you wish the information to be displayed.
- d) Once a space is booked, the advert must be received by the Town Centre Manager or nominated Officer 2 weeks before the advert is due to be displayed.
- e) The Town Centre Manager or nominated Officer will have an element of editorial control of the advert, to ensure it complies with the Policy, styling and professionalism.
- f) The advert will be placed on the screen on a rolling basis and will be given 1 slot out of a possible 10 slots. The advert will be displayed for a total of 10 hours per week.
- g) All advertisements must comply with the Part 9 and Part 10 of this policy.

For displaying multicultural messages in line with the Multicultural Group, the following process must be followed:

- 1) The Multicultural Group will decide the religious/cultural events that they want messages to be displayed about.
- 2) The Multicultural group must decide what message is to be displayed on the digital display screen.
- 3) The Multicultural group must decide what date the message will be displayed from and when it will be removed.
- 4) Once these decisions are made, the events, message and timings are to be passed to the Town Centre Manager or nominated Officer, who will put the messages, using the pre-determined template, on the digital signs.

Title to be inserted here

OADBY AND WIGSTON BOROUGH COUNCIL
COUNCIL OFFICES
STATION ROAD
WIGSTON, LE18 2DR
0116 288 8961



WWW.OADBY-WIGSTON.GOV.UK



Agenda Item 20

**Policy, Finance and
Development
Committee**

21st July 2015

Matter for Decision

Title: **Facilities on Horsewell Lane Park, Wigston.**

Anne Court (Director of Services)

Author: Adrian Thorpe (Planning Policy and Regeneration Manager)

1 Introduction

- 1.1 This report provides an update on the options for redeveloping the Horsewell Lane Park to provide improved sporting, leisure and community facilities.

2 Recommendations

- 2.1 Members note the progress made on the option analyses undertaken to date and the work with stakeholders on options for redeveloping Horsewell Lane park and approve in principle the proposed basis on which the Council will move the project forward and seek funding.
- 2.2 That the Director of Services commissions further work to establish the cost of the redevelopment proposals so as to inform individual discussions with stakeholders and develop a funding package for the scheme.
- 2.3 That the Council will consider a capital contribution to the scheme in considering the 2016/17 budget.

3 Information

- 3.1 It has been identified that many of the built facilities situated on Horsewell Lane Park are in a poor condition and are becoming out of date in terms of usage requirements. These comprise a Young Peoples Club, a private Tennis Pavilion/Courts and Council owned Changing Rooms and Pavilion used for Pre-school and other community uses. The Changing Rooms service the three adjacent grass football pitches. The area also comprises open space and includes an equipped children's playground.
- 3.2 The Playing Pitch Strategy for the Borough (2014) highlighted that there is an identifiable need to redevelop the Horsewell Lane site. Accordingly it has been recognised that the Horsewell Lane Recreation Ground offers an opportunity for a comprehensive redevelopment affording much improved sports and community facilities to the area. In terms of site specific actions,

the Playing Pitch Strategy recommended the following approach for Horsewell Lane recreation ground:

- Enhancement of existing facilities
- Pitch improvements generally
- Provision of a 3G Artificial Turf Pitch to enable more matches and training to take place
- New pavilion including 5 aside 'kick about' pitch and space for Young Peoples Club, Little Fishes Nursery
- Retention/refurbishment of Tennis club.

- 3.3 Initial consultations and working groups with key local stakeholders along with Sport England and Leicester-Shire & Rutland Sport have taken place and support the redevelopment case and potential bids to fund the project. At the Horsewell Lane Working Group meeting held on the 12th June 2014 it was concluded that the initial options/indicative plan did not necessarily meet the aspirations of the users of the Horsewell Lane facilities.
- 3.4 At a subsequent meeting of the working group on 25 September 2014 an indicative plan was presented to the group that responded to the initial concerns and met the requirements of Sports England. Through separate meetings with individual stakeholders their key aspirations and concerns were identified.
- 3.5 The Working Group concluded that the way forward would be to establish the size requirements for each of the current users on the site and produce further plans outlining the building and costs including council funding and other sources. Also the group compared the current footprint of the three buildings on the site to the building shown on the plan. It would be a mixed use facility with potentially parts of the building allowing sole use.
- 3.6 Based upon these discussions the Council produced a potential "shopping list" of the minimum requirements for a new development and commissioned architects CPMG to produce preliminary design work and a cost estimate. Following the architects initial plans the design was refined and a meeting with stakeholders held. Copies of the latest proposals are attached at Appendix 1.
- 3.7 In the design and layout of the building and facilities consideration needs to be given to the management of the building particularly in terms of access to changing rooms and to pitches, security, minimising future maintenance etc. Key to this will be a decision on the approach to the running of the facilities and four potential options have been identified for consideration once further design work has been completed. These include; using a leisure management provider; consider managing in house by the Council; or community management

3.8 To contribute towards funding the facilities there are section 106 monies available from the housing development on the South Leicestershire college site off Station Road Wigston. This consists of a capital contribution to an all weather pitch of £400,000 and a further £217,000 for play and open space contribution (approx 50% in form of revenue support). These monies need to be spent within 5 years from when the total is paid over which is when the 30th house is occupied on the site- this date is imminent and means spending the monies by 2020. In looking at an overall funding package consideration could also be given to the possibility of some small scale housing development within the site. Initial pre application discussions indicate a preference for any housing development to not be on the Exmoor Close corner but the opposite corner replacing the play area with the play area then being on the Exmoor Close corner. The housing would then not be too close to the pitch and floodlights. Formal pre application advice is being sought.

3.9 The initial comments of the stakeholders to the latest proposals were sought at a meeting with the stakeholder group on 29th June. The layout and usage of the building was discussed with points including:

- The size of the individual elements was questioned and it was confirmed that they would be at least the same comparable floor area.
- The size and use of communal areas and need for space for a seating area for the local community.
- The provision of showers in the changing rooms for the tennis club and they were seeking a balcony with side on views to the tennis courts. They referred to the need for a lease of at least seven years to be able to secure external funding.
- The nursery will require stringent access arrangements to be included, though changing rooms for instance could be separated by a set of doors. The nursery also suggested that the play area be next to the communal room.
- Both the nursery and the youth club mentioned the need for storage which could potentially be incorporated in the main room.
- The layout of external facilities was also discussed including the possible enabling residential development to part fund the project.

All the parties confirmed a consensus that the basic layout was agreed but accepting there would need to be individual minor changes.

There was a general agreement to now move to the next stage and cost up the proposals and have individual discussions with stakeholders.

4 Next steps

4.1 Following the initial discussions with stakeholders on the latest plans the following steps have been identified:

Further work by the architects to establish detailed costs of the elements of the proposed scheme

Individual discussions with stakeholders

Development of a funding package

Consultation with stakeholders

Complete Funding Strategy

Committee report with recommendations on way forward

Planning Permission

Procure Contractor

Construction Period

Procure Housing Developer (if needed)

Project Completion

CPMG can be commissioned to undertake the further architectural work to establish costs for which there is budget provision in the 2015/16 revenue budget

Email: stephen.meynell@oadby-wigston.gov.uk **Tel:** 0116 257 2705

Implications	
Legal	There may be Legal issues relating to ownership, planning and governance. The specific nature of these will become apparent as the project progresses.
Financial (PL)	The financial viability will need to be assessed and then a funding strategy agreed. Business plan(s) would then need to be drafted
Equalities	Community and stakeholder consultation and involvement are key to success of the project and continue to take place. An EIA has been prepared and will be updated as necessary as proposals will progress.
Risks	CR5 Effective utilisation of assets/buildings

	<p>The significant risk is that there is insufficient funding available to be able to fund and run the project from capital funding (Section 106, grants, club contributions etc) and ongoing revenue funding There is a risk that the parties will be unable to agree on a scheme and for it to be viable in physical and monetary bases.</p>
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	<p>The mitigation of these risks will be to ensure the scheme is fundable, though this may not meet all the stakeholder's aspirations.</p>
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Policy, Finance and Development Committee	21 July 2015	Matter for Decision
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Title: Disability Facilities Grant (DFG)

**Author: Anita Pathak-Mould
Head of Community**

1 Introduction

This report is to provide Members with an update on (Private Sector) Disability Facility Grants (DFG's) demand for the 2015/16 financial year and the level of top-up funding required.

2 Recommendations

Members are asked to approve the additional capital funding of £ 78,068 be made available to meet demand which has been recommended from Service Delivery Committee of 7 July 2015

3 Information

The provision of DFG's is mandatory once a need has been identified to provide adaptations to disabling environments so that the occupier can remain living independently at home. There is a significant return on investment to the public purse from these grants because they delay the need for residential care. The maximum grant is £30,000 however the average grant is approximately £7,000.

DFGs are funded through Government Grants though there has been a need year-on-year for these to be supplemented by contributions from the Council. This year's allocation for OWBC is £177,000, please see *appendix 1*, 'Better Care Fund' 2015/16 for further information.

Table 1 Current and Historical Budget

	2012/13	2013/14	2014/15	2015/2016
Government Grant	£166,490	£138,717	£143,000	£177,000
Carry forward (slippage)	£139,488	£111,582	£4,920	£163,719
OWBC contribution	£144,022	£161,283	£257,000	£0
Total DFG Budget	£450,000	£411,582	£404,920	£340,719

Last year a top-up of £257,000 was provided to ensure demand could continue to be met. This was based on a small carry forward figure and what turned out to be an over estimate of demand

Table 2 Grants Completed or in Progress

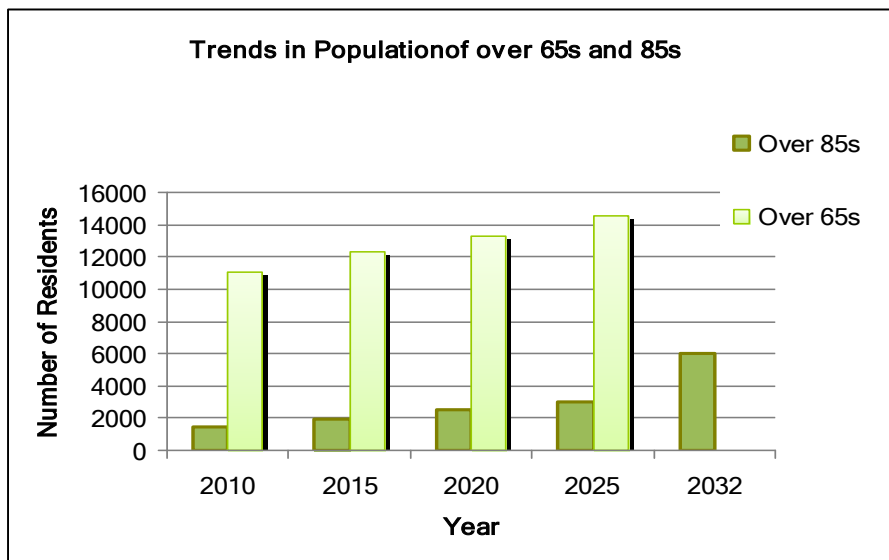
Adaptation	2013/14	2014/2015
Level Access Shower	55	57
Bathroom Extensions	-	2
Stair Lift	17	17
Other	3	4
Cancelled	8	21
Total	83	101

Please note: The majority of level access shower conversions are to houses and include a stair lift or in some instances a through floor lift. "Other" includes ramps, door entry systems, and specialist bathing and toilet installations.

Predicted Demand

Demand for DFGs is expected to increase due to an ageing population and advances in medical technology which has increased survival rates for people with severe disabilities.

Figure 1 Trend of Residents over 65 and 85.



The number of residents over 65 and 85 has been increasing and is predicted to increase further in the future.

Current Demand

The table below provides an analysis of demand for 2015/16

Figure 2

Unpaid approvals carried forward to 15/16	£137,380	Already committed spend
Referrals in progress	£197,407	Expected to be submitted for approval
Approximate number of new referrals expected to be completed and paid 15/16	£84,000	Estimate: 2 new referrals per month April to September 2015 to be completed by March 2016 (12 x £7,000)
Total Demand	£418,787	
Additional budget required to meet current and predicted demand 2015/6	£78,068	After taking off government grant and carry forward which total £340,719 (see table 1)

Further Information

This year's programme is funded through the Better Care Fund and discussions and plans are underway to look at the future funding and delivery of Disability Facilities grant for 2016/17 through the Better Care transitional arrangement through Leicestershire County Council.

Email: John.Stemp@oadby-wigston.gov.uk

Tel: 0116 2572 726

Implications	
Financial (PL)	CR5 Effective utilisation of resources/assets. In delivering the programme, Officers will seek to help the maximum number of households within the budget that is available. Spend on this budget will achieve a significant return on investment by removing the need for residential care.
Risk (APM)	CR6 Regulatory Governance. CR4 Reputation.
Equalities (AC)	No Significant Implications
Legal (AC)	No Significant Implications

BETTER CARE FUND 2015/16

PROCESS FOR PAYMENT OF DISABLED FACILITIES GRANTS

Introduction

This discussion document sets out a proposal for the payment of Disabled Facilities Grants to District Councils in 2015/16.

Background

Disabled Facilities grants (DFGs) are grants provided by local authorities to help meet the cost of adapting a property for the needs of a disabled person.

In recent years DFG funding has been paid to District Councils directly from the Department for Communities and Local Government (DCLG), however from 2015/16 this funding will be incorporated into the Better Care Fund (BCF) and paid to Leicestershire County Council.

As a result of this change in practice, it has become necessary to arrange a new mechanism for payment DFG funding to district councils from 2015/16.

DFG Allocations

The DFG funding allocation for Leicestershire totals £1.7m for 2015/16. Individual district allocations are detailed in the table below:

District	Allocation n £'000
Blaby District Council	256
Charnwood Borough Council	425
Harborough District Council	199
Hinckley & Bosworth Borough Council	250
Melton Borough Council	133
North West Leicestershire District Council	298
Oadby & Wigston Borough Council	177
	1,738

Guidance from NHS England stipulates that DFG funding will have to be allocated to District Councils in order for them to meet their statutory duties.

Process

In the absence of guidance from the DCLG for payment of DFG's in 2015/16, the following process is proposed:

- District Council's will issue an invoice to the County Council for their DFG allocation as detailed above.
- The invoice shall not be dated before 1st April 2015.

- Invoice to be marked for the attention of Richard George and sent to the following address:
 - Leicestershire County Council, PO Box 507, Sale, Cheshire M33 0EJ.
- The County Council will pay the invoice within its normal 30 day payment policy.
- For the purposes of audit, District Council's shall maintain appropriate financial records to record expenditure and at the end of the financial year complete a certificate of expenditure. (The format of the certificate has yet to be designed, but is likely to be 'light touch').
- In the event of an under spend the district council must notify the LCC Assistant Finance Business Partner at the earliest opportunity. Under spends
 - Shall be returned to the County Council for re-investment in the Better Care Fund.
 - No additional Better Care Fund funding will be paid if a district council overspends against its DFG allocation.

Other Issues

This process for payment of DFG allocations will be for 2015/16 only. The situation will be reviewed for 2016/17 taking into account of any changes through the integration of housing adaptations services across Leicestershire (Light Bulb Project).

The statutory responsibility for the provision of DFGs will remain with district councils.

Recommendations

Section 151 Officers are requested to:

- Note the contents of this report and provide comments on this proposal

Officer to Contact:

Richard George
 Assistant Finance Business Partner
 Leicestershire County Council
 Telephone: 0116 3058318
 E-mail: richard.george@leics.gov.uk

Agenda Item 23a

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted