



#### TO COUNCILLOR:

E R Barr  
L A Bentley  
G A Boulter  
J W Boyce  
Mrs K M Chalk

M L Darr  
B Dave  
R F Eaton  
R E Fahey  
D A Gamble (Vice-Chair)

J Kaufman  
Mrs L Kaufman  
Dr T K Khong  
Mrs S B Morris (Chair)  
R E R Morris

Dear Sir or Madam

I hereby **SUMMON** you to attend a meeting of the **POLICY, FINANCE AND DEVELOPMENT COMMITTEE** to be held at the **COUNCIL OFFICES, STATION ROAD, WIGSTON** on **TUESDAY, 6 FEBRUARY 2018** at **7.00 PM** for the transaction of the business set out in the Agenda below.

Yours faithfully

Council Offices  
Wigston  
**29 January 2018**

**Mrs Anne E Court**  
Chief Executive (Interim)

| <u>ITEM NO.</u> | <u>AGENDA</u>  | <u>PAGE NO'S</u> |
|-----------------|--|------------------|
| 1.              | <b>Apologies for Absence</b>   |                  |
| 2.              | <b>Appointment of Substitutes</b><br><br>To appoint substitute Members in accordance with Rule 4 of Part 4 of the Constitution.  |                  |
| 3.              | <b>Declarations of Interest</b><br><br>Members are reminded that any declaration of interest should be made having regard to the Members' Code of Conduct. In particular, Members must make clear the nature of the interest and whether it is 'pecuniary' or 'non-pecuniary'. |                  |
| 4.              | <b>Reading, Confirmation and Signing of Minutes</b><br><br>To read, confirm and sign the minutes of the previous meeting(s) in accordance with Rule 17 of Part 4 of the Constitution.  |                  |
|                 | <b>a) Minutes of the Previous Meeting held on 31 October 2017</b>  | <b>1 - 9</b>     |
|                 | <b>b) Minutes of the Extraordinary Meeting held on 23 January 2018</b>   | <b>10 - 11</b>   |
| 5.              | <b>Action List Arising from the Meeting held on 31 October 2017</b>  | <b>12</b>        |



To read, confirm and note the Action List arising from the previous meeting.

**6. Petitions and Deputations**

To receive any Petitions and, or, Deputations in accordance with Rule 24 of Part 4 of the Constitution.

- |  |                |
|--|----------------|
| <b>7. Internal Audit Progress Report 2017/18</b>                               | <b>13 - 27</b> |
| Report of the Director of Finance & Transformation / Section 151 Officer       |                |
| <b>8. Internal Audit Operational Plan 2018/19</b>                              | <b>28 - 44</b> |
| Report of the Director of Finance & Transformation / Section 151 Officer       |                |
| <b>9. Medium Term Financial Strategy (MTFS) Update</b>                         | <b>45 - 59</b> |
| Report of the Director of Finance & Transformation / Section 151 Officer       |                |
| <b>10. Committee Budget Revenue and Capital Review (April - November 2017)</b> | <b>60 - 64</b> |
| Report of the Head of Finance, Revenues and Benefits                           |                |
| <b>11. Capital Programme 2018/19</b>   | <b>65 - 68</b> |
| Report of the Head of Finance, Revenues and Benefits                           |                |
| <b>12. Collection and Write-Off of Miscellaneous Debtors</b>                   | <b>69 - 71</b> |
| Report of the Head of Finance, Revenues and Benefits                           |                |
| <b>13. Resident Forum Outturn Budget Position and Allocation Requests</b>      | <b>72 - 76</b> |
| Report of the Head of Finance, Revenues and Benefits                           |                |

**For more information, please contact:**

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**MINUTES OF THE MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE  
HELD AT THE COUNCIL OFFICES, STATION ROAD, WIGSTON ON TUESDAY, 31 OCTOBER  
2017 COMMENCING AT 7.00 PM**

**PRESENT**

Councillor Mrs S B Morris (Chair)  
Councillor D A Gamble (Vice Chair)

**COUNCILLORS**

E R Barr  
L A Bentley  
G A Boulter  
J W Boyce  
M L Darr  
B Dave  
R F Eaton  
J Kaufman  
Mrs L Kaufman  
Dr T K Khong

**OFFICERS IN ATTENDANCE**

S J Ball (Senior Democratic Services Officer / Legal Officer)  
Mrs A E Court (Interim Chief Executive)  
D Gill (Deputy Monitoring Officer)  
S Glazebrook (Interim Head of Communities)  
C Raymakers (Head of Finance, Revenues and Benefits)  
A Thorpe (Head of Planning, Development and Regeneration)

**OTHERS IN ATTENDANCE**

A Persaud (Audit Manager, CW Audit Services)

**27. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillors Mrs K M Chalk, R E Fahey and R E R Morris.

**28. APPOINTMENT OF SUBSTITUTES**

None.

**29. DECLARATIONS OF INTEREST**

None.

**30. READING, CONFIRMATION AND SIGNING OF MINUTES**

**30a. MINUTES OF THE PREVIOUS MEETING HELD ON 25 JULY 2017**

**RESOLVED THAT:**

**The minutes of the previous meeting of the Committee held on 25 July 2017 be taken as read, confirmed and signed.**

**30b. MINUTES OF THE EXTRAORDINARY MEETING HELD ON 10 OCTOBER 2017**

**RESOLVED THAT:**

**The minutes of the extraordinary meeting of the Committee held on 10 October 2017 be taken as read, confirmed and signed.**

**31. ACTION LIST ARISING FROM THE MEETING HELD ON 25 JULY 2017**

The Committee was informed that the first and third action points (min. ref. 7 and 14) featured as a report update at agenda item 7. In respect of the second action point (min. ref. 8), it was said that a Members' seminar would be arranged once the actuarial assumptions on the pension scheme were made known.

**RESOLVED THAT:**

**The Action List be noted by Members.**

**32. PETITIONS AND DEPUTATIONS**

None.

**33. INTERNAL AUDIT PROGRESS REPORT 2017/18**

The Committee gave consideration to the report and appendices (at pages 11 - 48) as jointly-delivered and summarised by the Head of Finance, Revenues and Benefits and the Audit Manager at CW Audit Services, Mr Anand Persaud, which should be read together with these minutes as a composite document.

The Interim Head of Communities provided the Committee with a verbal update in relation to the 'high risk' outstanding issues marked '15/16 Housing Register and Allocations', '16/17 Housing Repairs and Maintenance' and '16/17 Housing Void Property Management' at Appendix 1 (at pages 18 - 22). A summary of the current position is filled together with these minutes at Annex A. In brief, it was reported that substantial progress had been made in these areas and that those issues which had not been fully completed were still subject to work in progress. It was said that all updates had since been entered on to the recommendation tracking system.

The Committee noted that in consideration of the verbal update, performance in relation to housing responsive repairs was currently being measured against a policy adopted in 2014. It was therefore recommended that a review of this policy be undertaken so that performance in the area could be subsequently re-examined.

The Committee was also advised that in relation to the outstanding 2016/17 review regarding grant aid for the three Residents' Forums, it was to be proposed that a five Member panel be established to consider grant requests, which was to cover all aspects of grant-making and the rules governing the same, so to remove any existing concerns regarding value for money. This proposition was said to form part of an overall governance review of the Forums currently being undertaken by the Interim Director of Services. It was anticipated that a report on the outcome of that review was brought to the next meeting of the Council on 5 December.

**RESOLVED THAT:**

**The contents of the progress reports for 2016/17 and 2017/18 and the Internal**

**Audit Charter for 2017/18 be noted by Members.**

**34. MEDIUM TERM FINANCIAL STRATEGY (MTFS) UPDATE**

The Committee gave consideration to the report (at pages 49 - 52) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

**RESOLVED THAT:**

**The Schedule of Programmes identified to mitigate budget deficits, and the Council's timetable to achieve this (as set out in the report) be noted by Members.**

**35. PROPOSED UPDATE TO THE COUNCIL'S CONTRACT PROCEDURE RULES (CPR'S)**

The Committee gave consideration to the report and appendix (at pages 53 - 81) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

The Committee was advised that in relation to public authority procurement procedures (as set out at paragraph 7 of the report), the current thresholds triggering European Union (EU) rules were £164,176 / €209,000 for supplies and services contracts and £4,104,394 / €5,225,000 for works contracts subject to changes in EU regulations and fluctuations in the EUR-GBP exchange rate.

It was moved by the Chair, seconded by the Vice Chair and

**UNANIMOUSLY RESOLVED THAT:**

- (i) The contents of the updated Contract Procedure Rules (as set out in the Appendix) be recommended to Council for adoption;**
- (ii) The key aspects of the Contract Procedure Rules (as set out in the report) be noted by Members.**

**36. OVERALL BUDGET POSITION (APRIL - AUGUST 2017)**

The Committee gave consideration to the report and appendices (at pages 82 - 88) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

The Committee was advised that in: (a) respect of the Belmont House Refurbishment Scheme (under Service Delivery Committee at line three of Appendix A) the works contract was currently out to tender until 3 November and that any decision as to the future transfer of the asset was to be reserved until a future committee meeting; and; (b) respect of the comment against the Compulsory Purchase Order (CPO) at 41 Canal Street, South Wigston (under Policy, Finance and Development Committee at line 5 of Appendix A), the comment did not reflect the current position on the matter and was to be otherwise taken in context of the report at agenda item 14.

It was moved by the Chair, seconded by the Vice Chair and

**UNANIMOUSLY RESOLVED THAT:**

- (i) The current position on the revenue budgets be noted by Members;**

- (ii) **The capital programme (as outlined in the appendix) be approved; and**
- (iii) **The virements and supplementary budgets (as listed in the report) be approved.**

**37. PROPOSED SCALE OF FEES AND CHARGES 2018/19**

The Committee gave consideration to the report and appendix (at pages 89 - 117) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

It was moved by the Chair, seconded by the Vice Chair and

**UNANIMOUSLY RESOLVED THAT:**

**The proposed Scale of Fees and Charges for 2018/19 (as listed in the Appendix) be approved.**

**38. RESIDENT FORUM OUTTURN BUDGET POSITION AND ALLOCATION REQUESTS**

The Committee gave consideration to the report and appendix (at pages 118 - 122) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

The Committee raised concerns regarding the exclusion from the report of a number of outstanding and, or, time-sensitive allocations requests, the lack of accurate and contemporaneous information available within the report and appendix and the general lack of information and communication on progress made. This was said to have ultimately resulted in Chairs of Forums being ill-informed at Forum meetings.

Whilst it was acknowledged that the rules and procedures for administering allocations requests were being considered as part of the overall governance review of the Forums currently being undertaken, Members did not consider it fair or acceptable for existing allocation requests to be postponed at the discretion of Officers whilst pending the conclusion of the review itself or by virtue of unilateral decisions being taken at the South Wigston Residents regarding its own requests.

Notwithstanding their current issues, the Committee nevertheless wanted it to be recognised the three Forums were some of the best attended, generously resourced and most successful in terms of community engagement across all of Leicestershire.

The Chair requested that a revised report and appendix, to include the requested and correct information, be prepared and circulated to Members of the Committee by 3 November.

It was moved by the Chair, seconded by the Vice Chair and

**RESOLVED THAT:**

- (i) **The position of the Forums' Budget be noted by Members; and**
- (ii) **Delegated authority be granted to the Interim Chief Executive, following consultation with the Chair and Vice-Chair of the Committee, to take the all necessary action(s) to expedite accordingly any outstanding and, or, time-sensitive allocations requests as already agreed by the respective Forums.**

|                      |    |
|----------------------|----|
| <b>Votes For</b>     | 11 |
| <b>Votes Against</b> | 0  |
| <b>Abstentions</b>   | 1  |

**39. COLLECTION AND WRITE-OFF OF MISCELLANEOUS DEBTORS**

The Committee gave consideration to the report (at pages 123 - 125) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

The Committee was advised to be mindful that the introduction of Universal Credit was to have implications upon existing methods used to recoup overpayments of housing benefit which over time would require the use of more traditional collection methods to reduce debt levels. It was further reported that details of the work being undertaken to collect unpaid Council Tax and National Non-Domestic Rates was to also to feature in a report to be brought to the next meeting of the Committee.

**RESOLVED THAT:**

**The contents of the report be noted by Members.**

**40. 41-43 CANAL STREET, SOUTH WIGSTON: COMPULSORY PURCHASE ORDER (CPO)**

The Committee gave consideration to the report (at pages 126 - 125) as delivered and summarised by the Head of Planning, Development and Regeneration which should be read together with these minutes as a composite document.

The Committee recognised that the redevelopment of the site made possible by the Compulsory Purchase Order (CPO) was the Council's first and foremost priority. It was therefore considered that a covenant requiring the new owner(s) to bring the property back into beneficial use as housing within a period of five, as opposed to three, years would afford added flexibility in order to better realise this objective.

The Committee was advised that the sale of the property by way of public auction without a reserve price was the best method to establish its true market value.

It was moved by Councillor J W Boyce, seconded by Councillor J Kaufman and

**UNANIMOUSLY RESOLVED THAT:**

- (i) It be noted that Officers are well advanced with the process of making a Compulsory Purchase Order (CPO) under section 17 and Part XVII of the Housing Act 1985 and the Acquisition of Land Act 1981 and that this will be submitted in early 2018 at the latest;**
- (ii) It be noted that if the CPO is granted to the Council, it will acquire the property by General Vesting Declaration;**
- (iii) It be agreed that the Council will appoint an auctioneer in order to manage the sale of the property by public auction as soon as is practicable after the Council's acquisition; and**
- (iv) It be agreed that the sale will include a covenant for the new owner(s) to bring the property back into beneficial use as housing within a period of five years from the date of transfer.**

**41. PUBLICATION OF THE PRE-SUBMISSION LOCAL PLAN FOR PUBLIC**

## **CONSULTATION AND SUBMISSION**

The Committee gave consideration to the report and appendices (at pages 131 - 306) as delivered and summarised by the Head of Planning, Development and Regeneration which should be read together with these minutes as a composite document.

It was moved by the Chair, seconded by the Vice Chair and

### **UNANIMOUSLY RESOLVED THAT:**

- (i) **The Pre-Submission Local Plan document for the purposes of public consultation commencing Monday 6 November 2017, running until Monday 18 December 2017 and subsequent submission to The Planning Inspectorate in January 2018 for Examination be approved; and**
- (ii) **It be noted that the Pre-Submission Local Plan document is proposing the Borough can meet both the housing and employment Objectively Assessed Needs (OAN) up to 2031, as set out in the Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA), thus the Council will no longer have unmet need.**

## **42. LEICESTER CITY LOCAL PLAN: EMERGING OPTIONS STAGE AND DEVELOPMENT MANAGEMENT POLICIES CONSULTATION COMMENTS**

The Committee gave consideration to the report (at pages 307 - 310) as delivered and summarised by the Head of Planning, Development and Regeneration which should be read together with these minutes as a composite document.

The Committee expressed its mindfulness of the fact that the inability of Leicester City to meet its housing and employment targets would in all probability result in additional pressures being exerted on the Borough to accommodate unmet need.

It was moved by the Chair, seconded by the Vice Chair and

### **UNANIMOUSLY RESOLVED THAT:**

**The consultation comments set out in paragraphs 4.2 to 4.6, paragraphs 5.2 to 5.3, and paragraphs 6.2 to 6.4 of the report as Oadby and Wigston Borough Council's formal response to Leicester City Council's current Local Plan consultation stage be approved.**

## **43. COMMENTS ON THE HARBOROUGH LOCAL PLAN 2011-2031: PROPOSED SUBMISSION DOCUMENT**

The Committee gave consideration to the report (at pages 311 - 313) as delivered and summarised by the Head of Planning, Development and Regeneration which should be read together with these minutes as a composite document.

The Committee noted the fact of the provision contained with the Harborough Local Plan Spatial Strategy for the minimum number of new homes to be built in excess of the District's objectively assessed need with particular significance.

### **UNANIMOUSLY RESOLVED THAT:**

**The comments set out in paragraphs 3.1 to 3.7 of the report as Oadby and Wigston Borough Council's formal response to Harborough District Council's**



**consultation on its Local Plan be approved.**

**44. PILOT WI-FI PROJECT FOR WIGSTON TOWN CENTRE**

The Committee gave consideration to the report (at pages 314 - 318) as delivered and summarised by the Head of Planning, Development and Regeneration which should be read together with these minutes as a composite document.

The Committee welcomed the introduction of the Pilot Wi-Fi Project ("the Project") as a means of attracting visitors and shoppers to Wigston Town Centre. Although initial concerns were raised by some Members regarding the potential misuse of the free wi-fi provision by "in-range" residential properties and other perceived anti-social behaviour issues, it was agreed that ways could be investigated to either limit the wireless range or connection times should those issues become apparent after a suitable trial period. The opportunities available to extend the Project to other Borough town centres were also of particular interest to Members, including the possibility of seeking contributions from future developers to extend wi-fi provision.

The Committee was advised that the further supplementary budget was essentially required to install a third wireless access point (WAP) to extend the wireless range along the whole of Leicester Road, Wigston. It also was reported that a consultation process to include residents, business owners and the police was to be undertaken by this Council as part of the Project's implementation process. For clarity, the increase to ongoing revenue costs were said to be £2,400 per year for three years.

It was moved by Councillor J W Boyce, seconded by the Chair and

**UNANIMOUSLY RESOLVED THAT:**

- (i) A further supplementary budget of £6,138 as match funding towards the capital and the first year revenue support for the Project be approved;**
- (ii) The possibility of the third WAP being installed in an appropriate area covering Oadby Town Centre be explored or, if this was not possible, for the WAP to be installed at the northern end of Leicester Road, Wigston; and**
- (iii) Budgetary provision for the ongoing revenues costs of £2,400 per annum for years two and three of the Project be made available.**

**45. CLOSURE OF THE COUNCIL'S MATERIALS RECYCLING FACILITY (MRF) (PART I)**

The Committee gave consideration to the report and appendices (at pages 319 - 325) as delivered and summarised by the Interim Chief Executive which should be read together with these minutes as a composite document.

The Committee denounced the decisions taken by Leicestershire County Council ("the County Council") in relation recycling credits and the waste collection arrangements that were to be imposed on this Council. It was acknowledged by Members that the Council had no other option but to comply and, in doing so, would unfortunately necessitate the closure of the Council's Materials Recycling Facility (MRF). It was broadly held that the decisions take by the County Council were to have a profoundly detrimental impact upon the Borough and its residents.

The Committee was advised that, insofar as it was the legal duty of this Council to arrange for the collection as opposed to the disposal of household waste, it alone would be responsible for financing the costs of any and all necessary changes to be made to waste

collection methods in order to comply with the County Council's directions. It was said that residents were be informed as far as reasonable practicable of any changes required using the appropriate communication channels.

It was moved by the Chair, seconded by the Vice Chair and

**UNANIMOUSLY RESOLVED THAT:**

- (i) **The contents of the report be noted by Members; and**
- (ii) **Delegated authority be granted to the Senior Management Team, following consultation with the Chairs of the Policy, Finance and Development Committee and the Service Delivery Committee, to take the final decision on the effective date for the closure of the Materials Recycling Facility and the management of the decommissioning of the facility after the closure date.**

**45a. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED THAT:**

**The press and public 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(s) below on the grounds that it involved the disclosure of exempt information, as defined in the respective paragraph(s) 1 of Part 1 of Schedule 12A of the Act and, in all the circumstances, the public interest in maintaining the exempt item(s) outweighed the public interest in disclosing the information.**

**45b. CLOSURE OF THE COUNCIL'S MATERIALS RECYCLING FACILITY (MRF) (PART II)**

The Committee gave consideration to the exempt report (at pages 326 - 327) as delivered and summarised by the Interim Chief Executive in closed session.

**RESOLVED THAT:**

**The contents of the exempt report be noted by Members.**

**THE MEETING CLOSED AT 8.48 PM**



**Chair**

**Tuesday, 06 February 2018**

*Printed and published by Democratic Services, Oadby and Wigston Borough Council  
Council Offices, Station Road, Wigston, Leicestershire, LE18 2DR*

**Internal Audit Progress Report 2017/18****Verbal Update of the Interim Head of Communities**

I can report that substantial progress has been made on the outstanding items in relation to housing rents and housing repairs and those issues which have not been fully completed are still subject to work in progress.

To re-assure members, I will briefly summarise the current position:

- The Orchard rents system has now been fully reconfigured and the automated functions within the system are being used to theft full capability. The rents system is now fully aligned with the rent arrears policy.
- Pre-paid accounts are now being monitored on a regular basis and refunds are being made after checking with other departments for outstanding debts. Some tenants do however prefer to keep a credit on their account as a precaution against unforeseen circumstances.
- Housing Register and Allocations - This action has been superseded by the implementation of a new choice based lettings system and random sampling will take place after the system goes live at the end of November.
- Housing Repairs and Market Testing - We are currently investigating options including adopting the National Schedule of Rates and will report back early in the New Year.
- Rechargeable Repairs - There is now a consistent approach to re-charging tenants and the Maintenance Officer meets regularly with the Customer Services Team to agree and sign off re-charges.
- Post Inspection of Empty Properties - 100% of void properties are now taking place in accordance with the 2014 Policy and appropriate records are being maintained. We also post inspect repairs over the value of £2000.
- Void Turnaround Times are within the target of 20 days and there are no undue delays, any exceptions however are recorded.
- Contractor performance data - This is work still in progress and we are testing new working procedures which we hope to implement from the beginning of the new financial year 2018/19.
- Market testing of Void Work costs - We are currently carrying out a benchmarking exercise to compare our costs with the market and consideration is being given to procuring a separate voids contract in 2018/19 which may provide better value for money.
- Budgetary Control Variations to orders are now being monitored and managed effectively.

All of the updates have now been entered on to the Audit System and we will ensure that in the future they are updated in a timely manner to reflect to reflect the accurate positions.

# Agenda Item 4b

## **MINUTES OF THE EXTRAORDINARY MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE HELD AT THE COUNCIL OFFICES, STATION ROAD, WIGSTON ON TUESDAY, 23 JANUARY 2018 COMMENCING AT 6.30 PM**

### **PRESENT**

Councillor Mrs S B Morris (Chair)  
Councillor D A Gamble (Vice Chair)

### **COUNCILLORS**

L A Bentley  
G A Boulter  
J W Boyce  
M L Darr  
R F Eaton

### **OFFICERS IN ATTENDANCE**

S J Ball (Senior Democratic Services Officer / Legal Officer)  
D M Gill (Head of Law & Governance / Monitoring Officer)  
S Hinds (Director of Finance & Transformation / Section 151 Officer)  
A Thorpe (Head of Planning, Development & Regeneration)

### **46. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillors E R Barr, Mrs K M Chalk, J Kaufman, Mrs L Kaufman and R E R Morris.

### **47. APPOINTMENT OF SUBSTITUTES**

None.

### **48. DECLARATIONS OF INTEREST**

None.

### **49. SOUTH EAST LEICESTERSHIRE TRANSPORT STUDY JOINT POSITION STATEMENT**

The Committee gave consideration to the report and appendices (at pages 1 - 20) as delivered and summarised by the Head of Planning, Development and Regeneration which should be read together with these minutes as a composite document.

The Committee was advised that following the publication of the agenda, it had since been confirmed that Leicester City Council had agreed to be a signatory to the Joint Position Statement. In respect of the examination process, Members heard that, subject to the Planning Inspectorate's timescales, the initial process was anticipated to take between 14 - 16 weeks. This was said to include various hearing sessions that were expected to take place at the end of April or early May after which the Planning Inspectorate's report would be received shortly thereafter. It was therefore hoped that the Local Plan would be formally adopted in the autumn of this year.

In considering the wider context of the Council's emerging Local Plan, Councillor J W Boyce noted the importance of the Strategic Growth Plan for Leicester and Leicestershire at some point being formally acknowledged as part of the same.

It was moved by Councillor J W Boyce, seconded by Councillor M L Darr and

**UNANIMOUSLY RESOLVED THAT:**

**The South East Leicestershire Transport Study Joint Position Statement as the agreed highways approach to enabling the delivery of planned development within the Borough of Oadby and Wigston up to 2031 be approved.**

**THE MEETING CLOSED AT 6.36 PM**



**Chair**

**Tuesday, 06 February 2018**

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Council Offices, Station Road, Wigston, Leicestershire, LE18 2DR*

# Agenda Item 5

## POLICY, FINANCE AND DEVELOPMENT COMMITTEE

### **ACTION LIST**

**Arising from the Meeting held on Tuesday, 31 October 2017**

| <b>Min. Ref.</b> | <b>Item of Business</b>  | <b>*Details of Action<br/><i>Action Due Date</i></b>  | <b>Responsible Officer(s)' Initials</b> | <b>Status / Update</b> |
|------------------|--|---|---|------------------------|
| <b>33.</b>       | <b>Internal Audit Progress Report 2017/18</b>                          | A review of the 2014 policy regarding responsive housing repairs be undertaken in relation to re-examining performance.<br><br><b><i>Due by Ongoing</i></b> | <b>SG<br/>JSt</b>                       | Ongoing                |
| <b>38.</b>       | <b>Residents Forum Outturn Budget Position and Allocation Requests</b> | A revised report and appendix be prepared and circulated to Members of the Committee.<br><br><b><i>Due by Nov-17</i></b>                                    | <b>CR</b>                               | Complete               |

\* | All actions listed are those which are informally raised by Members during the course of debate upon a given item of business which do not form part of - but may be additional, incidental or ancillary to - any motion(s) carried. These actions are for the attention of the responsible Officer(s).



|  |                                  |                               |
|--|----------------------------------|-------------------------------|
| <b>Policy, Finance and Development Committee</b> | <b>Tuesday, 06 February 2018</b> | <b>Matter for Information</b> |
|--|----------------------------------|-------------------------------|

**Title:** **Internal Audit Progress Report 2017/18**

**Author(s):** **Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)**

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## **1. Introduction**

- 1.1. This report summarises the work of the Internal Audit for the period since the last meeting of the Committee to late January 2018.
- 1.2. The purpose of the report is to update the Committee on progress made in delivering the 2017/18 Audit Plan and to provide an update in relation to management's implementation of internal audit recommendations.

## **2. Recommendation(s)**

That Members note the content of the progress report for 2017/18.

## **3. Information**

- 3.1. The Internal Audit Plan for 2017/18 has been agreed and Section 5 of the attached Appendix gives details of planned audits over the coming months.
- 3.2. The purpose of the Report is to show progress against the Audit Plan and to summarise key findings and conclusions arising from the work performed during the period.
- 3.3. It should be noted that CW Audit carried out preliminary work to enable the authority to properly prepare for the implementation of General Data Protection Regulations (GDPR) on 25 May 2018.

### **Background Documents:**

None.

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**Tel:** (0116) 257 2681

| <b>Implications</b>   Internal Audit Progress Report 2017/18                           |  |
|--|--|
| <b>Finance</b>   | There are no direct financial implications.  |
| <b>Stephen Hinds</b><br>(Director of Finance and Transformation / Section 151 Officer) |  |
| <b>Legal</b>   | There are no direct legal implications.<br>The report is satisfactory.   |
| <b>Dave Gill</b><br>(Head of Law & Governance / Monitoring Officer)                    |  |
| <b>Corporate Risk(s) (CR)</b>  | <input checked="" type="checkbox"/> <b>Other Corporate Risk(s)</b><br><br>Internal Audit is a key component of the Council's internal control framework.<br>Outcomes of all internal audit reviews will be considered in the context of the Strategic Risk Register. |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer)   |  |
| <b>Corporate Priorities (CP)</b>   | <input checked="" type="checkbox"/> <b>Not Applicable</b>  |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer)   |  |
| <b>Vision &amp; Values (V)</b>   | <input checked="" type="checkbox"/> <b>Not Applicable</b>  |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer)   |  |
| <b>Equalities &amp; Equality Assessment(s) (EA)</b>                                    | There are no direct equalities implications.   |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer)   | <input checked="" type="checkbox"/> <b>Not Applicable</b>  |



# Oadby & Wigston Borough Council

## Internal Audit Progress Report

January 2018

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Bringing public value to life

**cw audit**  
internal audit services

## 1. Introduction

This report summarises the work of Internal Audit to late January 2018. The purpose of the report is to update the Committee on progress made in completing the 2016/17 audit plan, delivering the 2017/18 audit plan, and to update in relation to management's implementation of internal audit recommendations.

## 2. Progress summary

The agreed internal audit plan for the 2016/17 year has been substantially completed, with a limited amount of work still remaining. Work on the 2017/18 internal audit plan is also ongoing; Section 5 provides details of all audit assignments included in the 2017/18 year, together with details of the point in the year at which each assignment is currently planned for delivery and an update on the current position.

The following 2016/17 audits remain to be formally completed and reported:

Grant aid – Town Forums – in progress; delayed at request of the former Interim Section 151 Officer, the reasons for which were outlined at the meeting of this committee in October 2017.

Food Hygiene –draft report remains under discussion with management.

In addition the following 2015/16 audit is still to be formally reported:

Community Safety/Anti-social Behaviour – we are awaiting responses from management to our proposals for taking this forward given recent changes in responsibility.

### 3. Reviews completed

The following reviews have been completed and final reports agreed with management since the last full Internal Audit progress report (October 2017 meeting):

| Review   | Status              | Level of assurance |
|--|---------------------|--------------------|
| <b>2017/18 Fuel and valuable asset control</b>                 | Final report issued | <b>Significant</b> |
| <b>2017/18 IT &amp; Information risk assessment</b>            | Final report issued | <b>N/A</b>         |
| <b>2017/18 General Data Protection Regulation preparedness</b> | Final report issued | <b>N/A</b>         |

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 only report specific findings, recommendations and agreed actions arising from our finalised audits where these relate to matters we deemed to be high risk/priority. No such issues have been reported in relation to the above audits.

### 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. The first table below represents the status of agreed actions due to be implemented by 01/01/18, 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 has verified the status.

| Summary                                    | 1<br>Critical | 2<br>High | 3<br>Medium | 4<br>Low | Total |
|--|---------------|-----------|-------------|----------|-------|
| Due by 01/01/18                            | -             | 58        | 264         | 75       | 397   |
| Implemented                                | -             | 50        | 247         | 72       | 369   |
| Closed (e.g. superseded or system changed) | -             | -         | 9           | 2        | 11    |
| Still to be completed                      | -             | 8         | 8           | 1        | 17    |

| Time overdue for actions o/s or not complete | 1<br>Critical | 2<br>High | 3<br>Medium | 4<br>Low | Total |
|--|---------------|-----------|-------------|----------|-------|
| Less than 3 months                           | -             | -         | -           | -        | -     |
| 3 – 6 months                                 | -             | 6         | 2           | 1        | 9     |
| Greater than 6 months                        | -             | 2         | 6           |          | 8     |
| Total  | -             | 8         | 8           | 1        | 17    |

As previously requested we provide below details of all outstanding 'high risk' issues, and 'medium risk' issues outstanding for more than 6 months.

## 'High Risk' outstanding issues

| Review                                       | Recommendation   | Risk Rating | Current status per Management  |
|--|--|-------------|--|
| 14/15 Street Cleansing & Grounds Maintenance | <u>Key Service Risks</u><br><br>Original recommendation:<br>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 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. | 2           | Ongoing with H&S Officer<br>Rescheduled to 31/12/17<br>Brian Kew, Head of Service Operational Services and Street Scene  |
| 15/16 Budgetary Control/MTFS                 | <u>Budget Holder Training</u>  | 2           | Unchanged - Senior Managers are briefed on the current financial position at the fortnightly managers meetings as appropriate. This will continue throughout 2017/18. Training - revised date 31/3/18.<br>Chris Raymakers, Head of Finance, Revenues and Benefits. |
| 16/17 Budgetary Control/MTFS                 | <u>Staff and member training</u><br><br>It should be ensured that budgetary and other financial  | 2           | The Council's Financial Regulations have recently been reviewed and Contract Procedure Rules have been updated and were approved by Council in December 2017. Appropriate training on budget management, procurement and compliance will be incorporated into      |

| Review                                  | Recommendation  | Risk Rating | Current status per Management   |
|---|---|-------------|---|
|   | <p>training sessions are arranged by Finance and it is made compulsory for all budget holders and other staff with budgetary responsibilities to attend these sessions. Appropriate regular training sessions should also be arranged for members.</p> <p><u>(NB going forward we will view this as superseding the previous recommendation on this matter – see above.</u></p> |             | <p>future training for staff and members. Brought in line with other training. Training - revised date 31/3/18. Chris Raymakers, Head of Finance, Revenues and Benefits.</p>  |
| 16/17 Housing – Repairs and Maintenance | <p><u>Recharging tenants</u></p> <p>The Council needs to ensure relevant staff (Contact Centre and Property team) are clear on the Council's Policy in this area. All re-charges must be be invoiced to tenants if the job has been flagged in the Orchard System as a re-charge.</p>   | 2           | <p>Response: The comments relate to a period where customer service centre had not raised invoices in a timely manner and there were multiple disputes by customers. A draft policy was in place at the time of the audit and contained deadlines for raising invoices. This suggested that if these deadlines were not met the invoice should not be raised. The finance team had already indicated this was not acceptable and the draft will be amended. Draft to be amended and finalised by 30.09.2017.</p> <p>Updated:<br/>Checking procedures are working and to improve presentation in advance of key controls audit March 2018. Revised date 31/01/2018.</p> <p>John Stemp, Community Property Manager.</p> |
| 16/17 Housing – Repairs and Maintenance | <u>Post-inspections of works</u>  | 2           | <p>Response: Agreed. It should be noted however inspections will only ever be on a targeted sample basis unless we are to increase resources. The</p>   |

| Review                                  | Recommendation  | Risk Rating | Current status per Management   |
|---|---|-------------|---|
|   | <p>The Council should ensure relevant staff are aware of the policy regarding inspections. The Policy should also state who approved it and when it is due to be reviewed and by whom. The Council should also consider and publish its policy on tenant recharges where contractors cannot gain access but are able to charge the Council to attend. This should be within the Tenant handbook and Customer Contact Centre process and training documents.</p> |             | <p>document referred to is a pragmatic operational approach agreed within the team because as far as we can tell there has never been a policy as such. (In 2016/17 we logged over 5500 jobs on Orchard - to give an idea of the scale of inspections and resources that would be required).</p> <p>JS - Procedure document was issued immediately to maintenance Officer and is to be updated and Orchard prompts set up for specific &amp; sample based post inspections. All post inspections to be recorded on Orchard. To be operational by 30.09.17. We are likely to ask contractors to return no access cases after one broken appointment without charge as most do not charge anyway.</p> <p>Updated:<br/>Not fully implemented. Was to be completed in January 2018 in advance of key controls audit.<br/>John Stemp, Community Property Manager</p> |
| 16/17 Housing – Repairs and Maintenance | <p>Market testing to ensure VfM in accordance with Contract Procedures.</p> <p>The council should ensure market testing is undertaken for works where spend levels on individual contractors undertaking these works requires this as per the Contract Procedures.</p>  | 2           | <p>Response: The thresholds values for individual jobs/contracts are observed up to and including EU thresholds. This issue relates to aggregate values of smaller awards not triggering a higher band procurement. The examples given are responsive maintenance / relet contractors that have aggregate values over £75,000 in any period (up to 4 years). JS to prepare a report to SG by 30.09.17 to set out procurement options for the responsive maintenance service. Further clarity will be sought as to what constitutes an aggregate contract e.g. is it Council wide, by department, by defined activity?</p> <p>Updated:<br/>Work has commenced on looking at National Schedule of Rates (and other options) as a means of demonstrating value for money in</p>  |

| Review                                   | Recommendation   | Risk Rating | Current status per Management   |
|--|--|-------------|---|
|  |  |             | <p>procuring responsive and relet maintenance. The Interim Head of Communities has extended the deadline for a report on this and wider procurement issues to 31.1.2018. New financial regulations have been approved and are about to be implemented. Still working to 31.1.18 deadline to prepare a report to Interim Head of Community.</p> <p>John Stemp, Community Property Manager.</p>   |
| 16/17 Housing – Void Property Management | <p><u>Housing Repairs Contractors</u></p> <p>Management should review the use of existing contractors and consider market testing to ensure that it is getting value for money from their services. Overall annual amounts spent with each contractor should be monitored.</p> | 2           | <p>Response: Discussions will take place with the finance department and Section 151 officer regarding requirements of contract procedural rules and aggregation of works to a single contractor. Data for expenditure per contractor for all activities of the housing maintenance team for 2016/17 is currently being compiled to inform this discussion.</p> <p>Updated:</p> <p>Now running in tandem with later repair audit recommendation 3.1 with a report date to Interim Head of Communities of 31 January 2018</p> <p>John Stemp, Community Property Manager.</p> |
| 16/17 Housing – Void Property Management | <p><u>Budgetary Control</u></p> <p>The extent of cost variations for individual void jobs should be monitored and managed.</p>   | 2           | <p>Response: Having considered the issue we feel our first response should be to increase awareness of the importance of these estimates and to improve accuracy where we can. We will set out what is required in.. revised procedures .. and issue guidance notes. An example would be, bandings for electrical work based on visual inspection.</p> <p>Updated:</p> <p>Further work required – revised date 31/01/2018</p> <p>John Stemp, Community Property Manager.</p>  |



### **Medium (level 3) risks outstanding for over 6 months**

| <b>Review</b>                                  | <b>Recommendation</b>   | <b>Risk Rating</b> | <b>Current status per Management</b>   |
|--|---|--------------------|--|
| 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 and project risk registers and ensure that all partnerships and projects maintain such registers. | 3                  | <p>Most recent management update: Zurich Municipal have now been contracted to revise the Council's risk strategy, register and roll out training to SMT and Service Heads with the possibility of further training to other key staff at a latter date. – revised date 31/12/17</p> <p>Most recent update: The new risk management policy will go to members in the March cycle of meetings. Once approved work can be done with the partners to find a way forward regarding their risk registers.<br/>Revised date: 30/6/18</p> |
| 14/15 Street Cleansing and Grounds Maintenance | Efficient working:<br>It should be ensured that consideration is given to the maximisation of the efficient and effective use of staff and equipment (including procurement) across the Clean and Green Team and other Council Teams.   | 3                  | <p>Most recent management update:<br/>Waiting for Council decision on Waste Collection service.</p> <p>No current updates at 22/01/2018.</p>   |
| 14/15 Refuse & Recycling Collection            | <p><u>Recycling Strategy</u></p> <p>The Recycling and Composting Strategy 2005 -2015 should be reviewed, updated and re-implemented.</p>  | 3                  | <p>Most recent management update: Awaiting consultants report – rescheduled to 31/3/18.</p> <p>Latest update:<br/>As stated previously waiting for waste consultants report -31/3/18.<br/>Karen Parkes, Recycling Coordinator.</p>   |

| Review                              | Recommendation  | Risk Rating | Current status per Management  |
|-------------------------------------|---|-------------|--|
| 14/15 Refuse & Recycling Collection | <p><u>Vehicle Replacement/Procurement Programme</u></p> <p>A vehicle replacement / procurement programme for the refuse and recycling fleet should be completed as soon as possible. KPIs should be introduced to enable the monitoring of the downtime of vehicles. This should highlight vehicles that are constantly or more regularly idle and enable investigation into the reasons. Relevant information from this monitoring should be used to update the vehicle replacement / procurement programme.</p> | 3           | <p>Update - Awaiting Council decision on the method and frequency of collections; to be reported to Dec 2017 Council meeting.</p> <p>Latest update:<br/>We have awarded the tender for the replacement of the compact sweeper and are awaiting delivery information. We are at the stage of awarding the tender for the replacement of the 12 tonne sweeper but are awaiting contact from the supplier to finalise the process<br/>Mark Weskamp, Fleet Manager</p> |
| 15/16 Council Tax                   | <p><u>Reporting of arrears</u></p> <p>Arrears reports showing the position and performance of the Recovery Team in collecting arrears should be produced periodically and considered by senior management. This could be monthly or quarterly and show information including/such</p>   | 3           | <p>Update from Chris Raymakers: Scrutinizing and reporting on the recovery of arrears will be a performance target for the new Senior Recovery Officer and his team Revised date: 31 October 2017.</p> <p>Updated:<br/>The new senior recovery officer is now in post. Reports will be taken to SMT and PFD next cycle 31/01/2018<br/>Chris Raymakers, Head of Finance, Revenues and Benefits.</p>   |

| Review                                 | Recommendation  | Risk Rating | Current status per Management  |
|--|---|-------------|--|
|  | as: the position to date; performance since the last report; comparative performance against prior year; and Detailed reports on the oldest and highest risk debtors outlining what has been done and other potential recovery actions that need to be considered including ongoing write-offs. |             |  |
| 16/17 Health & Safety – Depot Services | <p><u>3.3a External Consultant - Structural Survey of Recycling Facilities- Recommendations(1)</u></p> <p>It should be ensured that timely action is taken to deal with the recommendations in the Structural Survey of Recycling Facilities report.</p>  | 3           | <p>Original response: agreed<br/>Brian Kew, Operational Services &amp; Street Scene Manager – by 31/3/17<br/>Update: "measured on a monthly basis."</p> <p>No current updates at 22/01/2018.</p> |

## 5. 2017/18 Internal audit plan

| Review   | Scheduled Start*                                | Status   | Level of assurance |
|--|---|--|--------------------|
| Performance Management   | Oct – Dec 2017                                  | Requested to defer into 2018/19                      | N/A                |
| Business Continuity  | By September 2017                               | Final report issued                                  | Significant        |
| IT & Information risk assessment   | November 2017                                   | Final report issued                                  | N/A                |
| Capital Programme  | Oct 2017 – March 2018                           | Scope agreed   |                    |
| Anti Fraud & Corruption-targeted fraud prevention/detection work   | Oct 2017 – March 2018                           | Review requested by management complete              | N/A                |
| Project assurance (eg Housing Company, System Support, Asset Management)   | To be ascertained dependent on project progress | Requested to defer into 2018/19                      |                    |
| Procurement  | Jan – March 2018                                | Requested to defer into 2018/19                      |                    |
| Budgetary Control  | Feb 2018  | Letter of Engagement issued                          |                    |
| Financial systems (ledger, creditors, debtors, treasury management, income management & cash receipting-key controls | Dec 2017 – Jan 2018                             | Work in progress                                     |                    |
| MTFS – key risk areas/savings plans  | Feb 2018  | Letter of Engagement issued as will be combined with |                    |

| Review   | Scheduled Start*    | Status                   | Level of assurance |
|--|---------------------|--------------------------|--------------------|
| assurance  |                     | Budgetary Control review |                    |
| IT contract assurance  | November 2017       | Draft report issued      |                    |
| Payroll & Expenses   | Oct 2017 – Mar 2018 | Scope agreed             |                    |
| Taxi and Hackney Carriage Licensing                            | By Dec 2017         | Work in progress         |                    |
| Council Tax  | Nov 2017            | Draft report issued.     |                    |
| Business Rates   | Oct 2017            | Draft report issued.     |                    |
| Benefits/Council Tax Support                                   | Oct 2017            | Draft report issued.     |                    |
| Management of Section 106 agreements and related contributions | Oct – Dec 2017      | Draft report issued      |                    |
| Housing Rents  | Jan – Mar 2018      | Scope agreed             |                    |
| Repairs & Voids key controls/follow-up                         | Jan – Mar 2018      | Scope agreed             |                    |
| Fuel and valuable asset control                                | By Sept 2017        | Final report issued.     | <b>Significant</b> |
| Additional – General Data Protection Regulation preparedness   | By Sept 2017        | Final report issued      | <b>N/A</b>         |

- Timings either agreed with management where relevant or proposed by us.

# Agenda Item 8



**Policy, Finance and  
Development  
Committee**

**Tuesday, 06  
February 2018**

**Matter for  
Information and  
Decision**

**Title:** **Internal Audit Operational Plan 2018/19**

**Author(s):** **Stephen Hinds (Director of Finance &  
Transformation / Section 151 Officer)**

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**1. Introduction**

This report details the Internal Audit Plan for 2018/19.

**2. Recommendation(s)**

That Members approve the Audit Plan for 2018/19 as set out in the Appendix.

**3. Information**

The Appendix to this report contains the proposed Internal Audit Plan ("the Plan") for 2018/19. The Plan includes 25 audit assignments plus follow-ups, contingency and advice programmed over 300 days. All audit areas are identified and linked to the Council's business objectives and strategic risks.

**Background Documents:**

None.

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**Tel:** (0116) 257 2681

| <b>Implications</b>   Internal Audit Operational Plan 2018/19                          |  |
|--|--|
| <b>Finance</b>   | There are no direct financial implications.  |
| <b>Stephen Hinds</b><br>(Director of Finance and Transformation / Section 151 Officer) |  |
| <b>Legal</b>   | There are no direct legal implications.<br>The report is satisfactory.   |
| <b>Dave Gill</b><br>(Head of Law & Governance / Monitoring Officer)                    |  |
| <b>Corporate Risk(s) (CR)</b>  | <input checked="" type="checkbox"/> <b>Other Corporate Risk(s)</b><br><br>Internal Audit is a key component of the Council's internal control framework.<br>Outcomes of all internal audit reviews will be considered in the context of the Strategic Risk Register. |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer)   |  |
| <b>Corporate Priorities (CP)</b>   | <input checked="" type="checkbox"/> <b>Not Applicable</b>  |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer)   |  |
| <b>Vision &amp; Values (V)</b>   | <input checked="" type="checkbox"/> <b>Not Applicable</b>  |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer)   |  |
| <b>Equalities &amp; Equality Assessment(s) (EA)</b>                                    | There are no direct equalities implications.   |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer)   | <input checked="" type="checkbox"/> <b>Not Applicable</b>  |

# Oadby & Wigston Borough Council

## Operational Internal Audit Plan – 2018/19

February 2018

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# 1. Introduction

## General background

This document sets out a proposed operational plan of Internal Audit coverage for the period April 2018 to March 2019.

The proposed plan supports an opinion based on an assessment of the design and operation of the Council's internal control, governance and risk management arrangements noted from our risk-based audits carried out during the year. It follows therefore that the focus of the audit plan is critical to ensuring the right level of assurance to the Council.

## The aim of the plan is to:

- **Deliver a risk focused audit programme** – through detailed risk assessment across the organisation and at component level.
- **Be proactive and forward looking** – by looking at what risks the Council faces and trying to minimise these through our work.
- **Add value** - through commercial recommendations and aiming to save resources/enhance controls where possible.
- **Engage with stakeholders** – thereby achieving greater impact across the organisation.
- **Support the Policy, Finance and Development Committee** – as one of the key stakeholders and as those who are charged with governance, we will work with the Policy, Finance and Development Committee with regard to supporting its work plan for the year.

## Internal Audit Charter

The standards for Internal Audit require us to explicitly detail our terms of reference/charter with you. These have been developed in accordance with relevant guidance and are attached at Appendix Two.

## Public Sector Internal Audit Standards

In conducting our work as your Internal Auditors we are required to adhere to a set of standards for Public Sector Internal Auditors. We believe that we have in place suitable policies and procedures to ensure full compliance against these standards. We will, however, report any instances of non-compliance that do arise as soon as we are aware of them.

## Quality Assurance

Quality assurance is driven by our own quality procedures and externally by consideration of your views. All assignments are subject to our quality control procedures; these are designed to meet the requirement of regulators, appropriate auditing standards and External Audit colleagues. Council managers are engaged throughout the assignment to allow any concerns to be raised (if necessary). It is important to us that we meet your expectations. As such it is essential we measure how satisfied you are with our services and find ways to improve our service to you.

## 2. Developing the plan

Our plan of work is designed to support the annual Head of Internal Audit Opinion. The required basis for forming this opinion is as follows:

- An assessment of the design and operation of the overall internal control environment, governance and risk management arrangements; and
- An assessment of the adequacy and effectiveness of controls, based upon the results of our risk based audit assignments that are reported during the course of the year.

It follows that an effective risk based audit plan, focusing the audit resources into areas of principal risk is essential.

### Risk Assessment

The plan has been prepared in consultation with the Section 151 Officer and the Senior Management Team generally. It has been informed by:

- A review of the risks contained within the Council's Risk Register and Annual Governance Statement.
- Discussions with senior management to identify key auditable areas based on an assessment of current and future issues and risks.
- Our understanding of the challenges to the Council to deliver its objectives within the current economic environment and changes in local government legislation.

On the basis of this process we have identified a number of priority areas (see section 3) and the resulting Internal Audit Plan is detailed at Appendix One. We will, however, continue to review the audit plan on an ongoing basis

in response to developments and initiatives. If additional risks arise or change in priority during the year the audit plan will be reconsidered with management and, subject to Policy, Finance and Development Committee approval, amended to ensure that audit resources remain focused on the key risk areas.

### 3. Linking your plan to your business

The following table sets out the proposed areas of work linked through to your business objectives/risk and showing the supporting rationale for that work and a summary outline of the work to be undertaken.

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| Area  | Rationale - Links to Objectives/Risks  | Work outline   |
|---|--|--|
| <b>Corporate Assurance</b>  |  |  |
| Performance Management  | Delivery of the objectives of the recently-introduced performance management framework/approach is vital in supporting the delivery of the Council's strategic and operational objectives and ensuring best use of resources.  | To assure on the recently-introduced performance management framework/approach.  |
| Risk Management   | Management of risks to the Council's corporate objectives, strategies and services is vital in ensuring their success.   | Review of the Council's approach to managing its risks.  |
| Project/programme management  | The Council is seeking to transform and implement change to ensure it delivers services and operates as effectively and efficiently as possible, including establishing projects of various types.   | To assess and assure on the Council's management of projects and programmes of change.   |
| Capital Programme   | Material area of Council spend. There is a need to ensure projects within the programme are properly managed so that they are delivered on time and within budget and meet required objectives.  | Review of the arrangements to govern the capital programme and constituent projects.   |
| Project assurance   | The Council has a number of projects ongoing at present and independent input can contribute to effective project management through to completion.  | Provision to enable timely support, advice and assurance on key projects.  |
| Procurement   | There is a need to ensure that the Council complies with relevant procurement legislation depending on the levels of expenditure involved whilst obtaining VFM.  | Assurance on processes to ensure compliance with relevant legislation and, to control expenditure and, obtain VFM from procurement.  |
| <b>Resources – Finance, Procurement &amp; ICT</b>   |  |  |
| Budgetary Control / MTFS – key risk areas/savings plans assurance   | Financial strategy and management is key in managing through ongoing funding reductions. Various financial risks are reflected in the risk register, and the prudence, robustness and flexibility of the Council's budget is vital in enabling the Council to respond to funding and other economic risks and pressures.                           | To consider the adequacy and robustness of managerial control processes regarding the medium term financial strategy, budget setting and management, including a targeted review to support and assure on key areas of change/savings within the MTFS. |
| Financial systems (ledger, creditors, debtors, treasury management, income management & cash receipting-key controls) | Key financial systems requiring regular assurance - governing payment to suppliers, income raising and collection (debt and cash), management of investments and borrowing – material and fundamental systems for the Council's financial resilience, and the financial reporting system from which the council's statutory accounts are prepared. | Review of key controls over fundamental financial systems.   |
| Cybersecurity   | Cybersecurity is a key risk area, given the current high potential for cyber attacks and the reputational and other risks of such attacks succeeding, and it is important for the Council to be assured over the control environment, and to be able to identify and address any areas where possible, controls that need strengthening.           | Review to assess and assure on the Council's cybersecurity controls.   |
| IT audit  | An IT risk assessment was carried out in 2017/18. In addition to cybersecurity (above) it identified other potential areas for further audit review.   | Detailed coverage to be agreed with management, informed by the 2017/18 IT risk assessment.  |
| <b>Corporate Resources</b>  |  |  |
| Payroll & Expenses  | Key financial system covering payment of salaries/wages and expenses to employees  | Assurance on this key financial and HR system.   |

| Area   | Rationale - Links to Objectives/Risks   | Work outline  |
|--|---|---|
|  | and members. Processing of the payroll is outsourced.   |   |
| General Data Protection Regulation – follow up   | The new General Data Protection Regulation comes into force in 2018. A review was requested by management in the 2017/18 audit plan to identify areas for further work to ensure compliance with the Regulation.  | To follow up the 2017/18 review to assure on implementation of agreed actions and to identify remaining areas for focus.  |
| Legal Compliance                                 | It is very important that the Council ensures it complies with relevant legislation in the delivery of its services and functions, and is able to identify changes to legislation which impact on these areas.  | Review to assess arrangements to ensure ongoing legal compliance.   |
| <b>Customer Services</b>                         |   |   |
| Benefits / Council Tax Support                   | Key financial system of great importance to local population, requiring regular assurance.  | Review of fundamental financial and public-facing system.   |
| Council Tax                                      | Key financial system requiring regular assurance. Increased risk of non-collection given localisation of Council Tax Support and impact on certain types of benefit/claimants.  | Review of fundamental financial and public-facing system.   |
| Business Rates                                   | Key financial system requiring regular assurance. Increased risks and opportunities arising from business rates changes nationally.   | Review of fundamental financial and public facing system. Provision included to enable account to be taken of recent national changes to Business Rates arrangements. |
| <b>Community</b>                                 |   |   |
| Housing Rents                                    | Key revenue source to the Council and key element of HRA Business Plan.   | Review of fundamental financial and public facing system.   |
| Housing Strategy                                 | A Housing Strategy is to be introduced, this will be very important in providing the strategic context for delivery of the Council's housing and related services.  | To assure on the development of the Housing Strategy.   |
| Homelessness                                     | The Homelessness Reduction Act comes into force in April 2018. It will modify and extend existing homelessness protection in a number of ways. The Council needs to ensure it is prepared for this change and has the strategy and capacity to deal with the changes. | To assess and assure on the Council's readiness for the implementation of the Act in terms of its strategy, capacity and processes.                                   |
| Housing Repairs/Maintenance and Voids management | Key system of great importance to tenants and, to the Council in terms of financial spend and income, and, maintenance and use of its housing stock, requiring regular assurance.   | Provision for review of key controls and follow up of agreed actions in relation to these key processes for the housing stock/tenants.                                |
| Environmental Health – risk assessed basis       | Delivery of a range of environmental health functions and services is of great importance to supporting the safe, clean and healthy environment of the Borough.   | To assess the operation of environmental health services – focus to be agreed on a risk assessed basis.   |

## 4. Reporting and relationships

### 4.1 Reporting Lines

The Internal Audit Charter attached at Appendix 2 outlines the reporting lines and relationships for this engagement, essentially setting out the accountability of the Head of Internal Audit to the Chief Executive, but noting that operationally in practice this accountability is delegated to the Director of Finance and Transformation. The Head of Internal Audit also has direct right of access to the Policy, Finance and Development Committee and the Chairman where required. This is also embodied in the Council's Financial Regulations.

#### Audit Reporting

##### Periodic and Assignment Reporting

Final reports relating to individual audit assignments will be reported to the relevant operational manager and Head of Service prior to submission to the Policy, Finance and Development Committee (where relevant), which will also receive a progress update at each meeting detailing progress against the plan, a summary of assignment opinions issued to date and an update in relation to the implementation of audit recommendations.

##### Annual Head of Internal Audit Opinion

In line with the PSIAS and expected professional practice, we will issue a formal audit opinion taking account of:

- An assessment of the design and operation of the overall internal control environment, governance and risk management arrangements; and
- An assessment of the adequacy and effectiveness of controls, based upon the results of our risk based audit assignments that are reported during the course of year.

This opinion will be formally recorded in the Internal Audit Year End Report and presented to the Policy, Finance and Development Committee. In addition to this formal opinion we will also bring to the attention of the Chief Executive, Director of Finance and Transformation and the Policy, Finance and Development Committee any Significant Internal Control Issues that we feel should be declared in your Annual Governance Statement.

### 4.2 Third Party Audit Arrangements

As your Internal Auditors we are required to agree with you the arrangements for forming an appropriate opinion where either you operate key systems on behalf of other organisations, or key systems are being operated by other organisations on your behalf. We recognise that the Council operates within a number of different partnership arrangements and procures and contracts various services.

#### Key financial/corporate systems purchased by you:

- IT services provided by Sopra Steria via Leicestershire ICT Partnership;
- Payroll provided by EMSS.

If such arrangements do come into force, you must assure yourselves that the audit arrangements in place at the organisations that host these services are sufficient for your needs and for the appropriate level of reliance for your external auditors. We recommend that you review and where appropriate update the contracts/SLAs for these purchased services to explicitly detail your right to an annual audit opinion or reserve the right of your Internal Auditor to perform their own work as deemed necessary to derive an opinion. You should liaise with your external auditors to ensure that they are comfortable with the arrangements you agree. Our audit plan has been prepared on the basis that we will not be required to perform any detailed audit work on the transaction processes operated within any such service providers but that we would, on a risk basis, review the systems operated by the Council that feed into and flow from this purchased service.

### **4.3 Relationships with external bodies**

#### **External Audit**

We will agree a protocol of joint working arrangements where appropriate, supported by a regular programme of update meetings with External Audit. We will use these meetings to report on progress against our plan and as an opportunity to discuss any significant issues arising from our work.

#### **Other Review Bodies**

Where we intend to place formal reliance on the work of any other review body e.g. external auditor, we will undertake an appropriate audit or quality assurance exercise to ascertain the level of assurance that we can derive from that work.

#### **Counter Fraud**

Page 36 You are required to carry out counter fraud activities, to ensure sound stewardship of public funds. We will liaise as necessary with your counter fraud officers, sharing relevant audit findings and identifying joint programmes of work where appropriate.

### **4.4 Additional Services/Ad-hoc Work**

The PSIAS requires us to define the potential role that we may have in providing ad hoc consultancy work. In providing such a service we would seek to apply the professional skills of Internal Audit through a systematic and disciplined evaluation of the policies, procedures and operations that you have put in place to ensure the achievement of your objectives. We believe that our status as Internal Auditors ensures that we can deliver such work in an independent and objective manner.

## 5. Delivery

### 5.1 The Core Audit Team

The Audit Plan will be delivered by the following team:

| Team Role              | Team Member   | Qual | Role   |
|------------------------|---------------|------|--|
| Contract Lead          | Mark Watkins  | CCAB | Mark will monitor overall performance and quality of the service   |
| Chief Internal Auditor | Tim Ridout    | CCAB | Tim will oversee delivery of the audit plan, manage and deliver elements of the plan, and ensure quality assurance |
| Audit Manager          | Anand Persaud | CCAB | Anand will manage and deliver the core plan.   |

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### 5.2 Profiling Delivery

We will agree a programme of delivery for the audit plan with management. We will report on compliance against this profiled delivery through our regular progress reports to each Policy, Finance and Development Committee.

## 6. Recommendation

It is recommended that the Policy, Finance and Development Committee considers and approves the Internal Audit Plan 2018/19 and Internal Audit Charter.

**Tim Ridout**  
**Chief Internal Auditor**

## Operational Internal Audit Plan

| Area                                      | Audit Assignment   | 2018/19 Proposed time |
|---|--|-----------------------|
| Corporate assurance                       | Performance Management   | 10                    |
|   | Risk Management  | 10                    |
|   | Project/programme management   | 12                    |
|   | Capital Programme  | 12                    |
|   | Project assurance  | 15                    |
|   | Procurement  | 10                    |
|   | <b>Sub-total</b>   | <b>69</b>             |
| Resources – Finance,<br>Procurement & ICT | Budgetary Control/MTFS   | 12                    |
|   | Financial systems (ledger, creditors, debtors, treasury management, income management & cash receipting-key controls | 25                    |
|   | Cybersecurity  | 15                    |
|   | IT audit   | 10                    |
|   | <b>Sub-total</b>   | <b>62</b>             |
| Corporate Resources                       | Payroll & Expenses   | 10                    |
|   | GDPR – follow up   | 8                     |
|   | Legal Compliance   | 12                    |
|   | <b>Sub-total</b>   | <b>30</b>             |
| Customer Services                         | Council Tax  | 10                    |
|   | Business Rates   | 15                    |
|   | Benefits/Council Tax Support   | 10                    |



| Area                    | Audit Assignment  | 2018/19 Proposed time |
|-------------------------|---|-----------------------|
|                         | <b>Sub-total</b>  | <b>35</b>             |
| Community               | Housing Rents   | 10                    |
|                         | Housing Strategy  | 12                    |
|                         | Homelessness  | 10                    |
|                         | Housing Repairs/Maintenance and Voids management                            | 15                    |
|                         | Environmental Health – risk assessed basis                                  | 10                    |
|                         | <b>Sub-total</b>  | <b>57</b>             |
| Follow Up / Contingency | Recommendation Tracking/Follow up   | 12                    |
|                         | Contingency   | 10                    |
|                         | <b>Sub-total</b>  | <b>22</b>             |
| Management & Advice     | Audit Needs Assessment, Planning & Annual Report                            | 5                     |
|                         | Policy, Finance & Development Committee/External Audit/Senior Team meetings | 10                    |
|                         | Contract Management & ad hoc advice   | 10                    |
|                         | <b>Sub-total</b>  | <b>25</b>             |
| <b>Total</b>            |   | <b>300</b>            |

NB given carried forward days not delivered in relation to 2017/18 internal audit plan, the 2018/19 plan will be delivered at a cost equivalent to 270 days of audit time.

## Appendix 2

# INTERNAL AUDIT CHARTER

## 1. Definition

Internal Audit is an independent and objective appraisal service within the organisation:

- Internal Audit primarily provides an independent and objective opinion to the Accountable Officer (Chief Executive), the Board and the Audit Committee on the degree to which risk management, internal control and governance arrangements support the achievement of the organisation's agreed objectives. In addition, Internal Audit's findings and recommendations are beneficial to senior management in the audited areas. Senior management is defined as any manager with responsibility for the system under review by Internal Audit. Risk management, internal control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the organisation.
- Internal Audit also provides an independent and objective consultancy service specifically to help senior management improve the organisation's risk management, control and governance arrangements. The service applies the professional skills of Internal Audit through a systematic and disciplined evaluation of the policies, procedures and operations that management have put in place to ensure the achievement of the organisation's objectives, and through recommendations for improvement. Such consultancy work contributes to the opinion, which Internal Audit provides on risk management, control and governance. Approval for any significant additional consulting services not already included in the audit plan will be sought from the Audit Committee prior to accepting the engagement.

Please see note at the end of this Charter for further definitions.

## 2. Standards and Ethics

Internal Audit acknowledges the mandatory nature of the Definition of Internal Audit, the Code of Ethics and the Standards contained in the Public Sector Internal Audit Standards. Internal Audit shall also work in accordance with any performance measures agreed with the Audit Committee.

## 3. Independence, Objectivity and Conflicts of Interest

All internal audit activities shall remain free of influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports. CW Audit does not accept any roles that involve executive or direct operational responsibility or authority over any of the activities it reviews. The internal audit activity may provide assurance services where it had previously performed consulting services, provided the nature of the consulting does not impair objectivity and provided individual objectivity is managed when assigning resources to the engagement.

Individual auditors will have an impartial, unbiased attitude, characterised by integrity and an objective approach to work, and should avoid conflicts of interest. Individual auditors must declare any conflict of interest to the Head of Internal Audit. Any conflicts of interest encountered by the Head of Internal Audit must be declared to the Director of Finance. Internal Auditors will have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

#### 4. Authority & Accountability

Internal Audit derives its authority from the Board, the Accountable Officer and Audit Committee. The Head of Internal Audit reports on a functional basis to the Board via the Audit Committee. For administrative purposes, the Head of Internal Audit reports to the Director of Finance. The Head of Internal Audit has a direct right of access to the Chair of the Audit Committee and the Chair of the organisation if deemed necessary. The Audit Committee shall have regular private meetings with the Head of Internal Audit. The Audit Committee approves all Internal Audit plans and may review any aspect of its work.

#### 5. Internal Audit Team

The Head of Internal Audit is responsible for ensuring the team is adequately staffed and that there is access to the full range of knowledge, skills, qualifications and experience to deliver the Internal Audit Plan in line with the PSIAS. The team will undertake regular assessments of professional competence through an on-going appraisal and development programme (i.e. Personal Development Plans and Continuing Professional Development) with training provided where necessary. Auditors also have responsibilities for applying due professional care when performing their duties. The Head of Internal Audit must hold a professional qualification.

If the Head of Internal Audit, Chief Executive, Director of Finance or the Audit Committee consider that the level of Internal Audit resources or the terms of reference in any way limit the scope of Internal Audit, or prejudice the ability of Internal Audit to deliver a service consistent with the definition of internal auditing, they should advise the Board accordingly.

#### 6. Scope

The Head of Internal Audit is responsible for developing and maintaining an Internal Audit Strategy for providing the Chief Executive, economically and efficiently, with objective evaluation of, and opinions on, the effectiveness of the organisation's risk management, control and governance arrangements. The Head of Internal Audit's opinion is a key element of the framework of assurance the Chief Executive needs to inform the completion of the Annual Governance Statement. This strategy will be realised through the delivery of a considered and approved annual risk based plan. To develop the risk based plan, the Head of Internal Audit consults with senior management and the board and obtains an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The Head of Internal Audit reviews and adjusts the plan as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.

The audit plan will systematically review the policies, procedures and operations in place to:

- Establish, and monitor the achievement of, the organisations objectives.

- Identify, assess and manage the risks to achieving the organisations objectives.
- Ensure the economical, effective and efficient use of resources.
- Ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations.
- Safeguard the organisation's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.
- Ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

## 7. Approach

To ensure delivery of its objectives, Internal Audit will develop and implement an Audit Strategy. This will be prepared each year and will describe arrangements for the delivery of the internal audit service based upon knowledge of the organisation's objectives, risk assessment, and appropriate management consultation. The allocation of resources between assurance and consultative work will be set out. A detailed Annual Operational Plan will be prepared designed to implement the audit strategy. The audit strategy and annual plans shall be prepared to support the audit opinion to the Accountable Officer on the risk management, internal control and governance arrangements within the organisation. Both the strategy and annual plans will be approved by the Audit Committee and reported to the Board.

## 8. Reporting

Internal Audit will report formally to the Audit Committee through the following:

An annual report will be presented to confirm completion of the audit plan and will include the Head of Internal Audit opinion provided for the Accountable Officer that will support the Annual Governance Statement. The opinion must take into account the strategies, objectives and risks of the organisation and the expectations of senior management, the board and other stakeholders. The Head of Internal Audit opinion will:

- a) State the overall adequacy and effectiveness of the Trust's risk management, control and governance processes;
- b) Disclose any qualification to that opinion, together with the reasons for the qualification;
- c) Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies;
- d) Draw attention to any issues internal audit judge as being particularly relevant to the preparation of the Annual Governance Statement;
- e) Compare work actually undertaken with the work which was planned and summarise performance of the internal audit function against its performance measures criteria; and
- f) Comment where necessary on compliance with the Public Sector Internal Audit Standards and internal quality assurance arrangements.

For each Audit Committee meeting a progress report will be presented to summarise progress against the plan. The findings arising from individual audit reviews will be reported in accordance with Audit Committee requirements. The Audit Committee members will be provided with copies of individual audit reports for each assignment undertaken unless the Head of Internal Audit is advised otherwise. The reports will include an action plan with target dates for completion.

Following the closure of fieldwork, Internal Audit will discuss findings with operational/local managers. Operational/Local management will receive draft reports which will include the action plans they have agreed following the discussion of findings. A copy of the draft report will also be provided to the relevant Executive Director. The draft report will give an "assurance" opinion on the area reviewed. The draft report will also indicate action ratings for individual report findings and recommendations.

Operational management will be required to respond to the draft report, stating their agreement or otherwise to the content of the report, identifying action, staff with responsibility for implementation and the dates by which action will be taken. Final reports inclusive of management comments will be issued by Internal Audit to the relevant Executive Director within 5 working days of management responses being received. The final report will be placed on the agenda for the next available Audit Committee.

Internal Audit will make provision to review the implementation of agreed action within the agreed timescales. However, where there are issues of particular concern provision may be made for follow up review within the same financial year. Issue and clearance of follow up reports shall be as for other assignments referred to above.

## **9. Irregularities, Fraud and Corruption**

It is the responsibility of management to maintain systems that ensure organisation's resources are utilised in the manner and on activities intended. This includes the responsibility for the prevention and detection of fraud and other illegal acts.

Internal Audit shall not be relied upon to detect fraud or other irregularities. However, Internal Audit will give due regard to the possibility of fraud and other irregularities in work undertaken. Additionally, Internal Audit shall seek to identify weaknesses in control that could permit fraud or irregularity.

If Internal Audit discovers suspicion or evidence of fraud or irregularity, this will immediately be reported to the organisation's Counter Fraud Specialist in accordance with the organisation's Counter Fraud Policy & Fraud Response Plan.

## **10. Relationships**

In order to maximise its contribution to the Board's overall framework of assurance, Internal Audit will work closely with the organisation's Director of Finance in planning its work programme. Co-operative relationships with senior and line management enhance the ability of internal audit to achieve its objectives effectively. Audit work will be planned in conjunction with management as far as possible, particularly in respect of the timing of audit work.

Internal Audit will meet regularly with the external auditor to consult on audit plans, discuss matters of mutual interest, discuss common understanding of audit techniques, method and terminology, and to see opportunities for co-operation in the conduct of audit work. In particular, internal audit make available their working files to the external auditor for them to place reliance upon the work of Internal Audit where appropriate

The Head of Internal Audit will establish a means to gain an overview of other assurance providers' approaches and output as part of the establishment of an integrated assurance framework. In addition the Head of Internal Audit shall make provision to form an opinion where key systems are being operated by organisation's outside of the remit of the Accountable Officer, or through a shared or joint arrangement.

## 11. Access

Internal Audit shall have the authority to access all the organisation's information, documents, records, assets, personnel and premises that it considers necessary to fulfil its role. This shall extend to the resources of the third parties that provide services on behalf of the organisation. All information obtained during the course of a review will be regarded as strictly confidential to the organisation and shall not be divulged to any third party without the prior permission of the Accountable Officer. However, open access shall be granted to the organisation's external auditors. In any instances of conflict this will be referred for resolution to the Director of Finance, Chief Executive or Chair of Audit Committee as appropriate.

## 12. Quality Assurance

The work of internal audit is controlled at each level of operation to ensure that a continuously effective level of performance, compliant with the Public Sector Internal Audit Standards is being achieved. The Head of Internal Audit will establish a quality assurance programme designed to give assurance through internal and external review that the work of internal audit is compliant with the PSIAS and to achieve its objectives. A commentary on compliance against the Standards will be provided in the annual audit report to Audit Committee.

## 13. Approval, Review and Interpretation of the Charter

This Internal Audit Charter shall be reviewed annually and approved by the Audit Committee\*.

\* The Public Sector Internal Audit Standards require the Charter to be approved by the Board, however, for the Public Sector the following definition of Board is provided: *Audit Committee – the governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting*

**NB – in relation to this Council, the Policy, Finance & Development Committee operates in the role of Audit Committee in the above Charter, and the Director of Finance and Transformation operates as Director of Finance.**



|  |                                  |  |
|--|----------------------------------|--|
| <b>Policy, Finance and Development Committee</b> | <b>Tuesday, 06 February 2018</b> | <b>Matter for Information and Decision</b> |
|--|----------------------------------|--|

**Title: Medium Term Financial Strategy (MTFS) Update**

**Author(s): Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)**

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## **1. Introduction**

- 1.1. The announcement for the provisional local government settlement for 2018/19 and 2019/20 was announced in late December 2017. These figures have been incorporated into the draft Medium Term Financial Strategy (MTFS) that was presented to Council on 5 December 2017.
- 1.2. For Oadby and Wigston Borough Council, the settlement resulted in a cash reduction of 30% or £0.590m over the life of the 4 year settlement.
- 1.3. This update to the MTFS outlines the General Fund Budget for 2018/19 and 2019/20. It identifies that there is a balanced budget over the two years, but identifies that outlined savings schemes need to deliver over £400k of savings by the beginning of the 2019/20 financial year.
- 1.4. Savings proposals made to Council on 5 December looked to address these shortfalls, enabling a draft balanced budget to be produced in February 2018.

## **2. Recommendation(s)**

- 2.1. That the Committee recommends in principle to Council the overall draft Medium Term Financial Plan and budget for 2018/19 – 2019/20. This will be subject to a further report to Council on 22 February 2018.
- 2.2. That the Committee approve the levels of reserves outlined in Section 11 of this report.
- 2.3. That the Committee notes the provisional 2017/18 outturn figure.

## **3. Information**

- 3.1. This contains the updated and revised General Fund Revenue Budget for 2018/19 and for 2019/20.
- 3.2. The Council faces unprecedented financial challenges with government cuts the likes of which have not been witnessed for generations, coupled with year on year increases in the demands for services as the Borough's population changes.
- 3.3. It is no longer the days where the budget process could be an annual affair confined to the winter months. Today, it is a year-round process of near constant test, challenge and refinement as funding assumptions ebb and flow as long term savings come to fruition and deliver. It is in this context that the Council must carefully manage its reserves and balances to help smooth the short-term impact of changes to funding and the delivery of long-term savings so that services are protected.

- 3.4. It is also in this context that this report updates the Council on changes to the medium term financial position since July 2017 as further information, particularly around funding that has become available and as savings proposals have been further tested and refined.
- 3.6. Council in February 2017 approved a budget for 2017/18, and identified a potential funding gap for 2018/19 and 2019/20. Further papers to Council and Policy, Finance and Development Committee in the summer outlined options for budget savings that would go some way to address this gap. This report includes the financial impacts of those options already agreed, but does not include the options that have yet to be tabled or any final decision to be taken on. It should be noted that a number of options and recommendations were tabled at the Council meeting on the 5 December and any impact from those decisions were reflected in the report to Council in February 2018.

#### **4. Objectives of the Medium Term Financial Strategy**

- 4.1. The MTFS has the following objectives:
- Show how resources support the Corporate Plan over the next 2 years;
  - Provide a platform to support the decision-making framework;
  - Enable the Council to be a proactive organisation;
  - To be an enabler, giving indication to the need to revisit and revise priorities;
  - Ensure sustainable services and reserves are at sufficient levels;
  - Enable development and improvements to our customers experiences;
  - Hold a working balance to help manage unexpected occurrences;
  - To be responsive and able to manage changing risks and needs;
  - Support the Council's service and strategies; and
  - Provide indications of future local taxation levels.

#### **Central Government Funding Settlement**

- 4.2. In December 2015, the Government announced an offer to local authorities of a four year provisional settlement for 2016/17 through to 2019/20. We are currently halfway through this settlement. Pressure continues to increase on local authorities to find further savings in their expenditure on service provision and to look for alternative sources of income as funding from central government continues to reduce.
- 4.3. As part of the four year settlement, the following funding streams were included:
- Revenue Support Grant;
  - Business Rates tariff and top up payments;
  - Rural Services Delivery Grant; and
  - Transition Grant.
- 4.4. The table below sets out the settlement, as it was announced. Overall, this has resulted in an £0.59m or 30% reduction in funding over the period of the settlement. The provisional settlement indicates that 2018/19 will be the final year that the Council receives core Revenue Support Grant from the Government.

*(Continued overleaf)*



| Year    | Grant | Baseline<br>£m | £m    | %     |
|---------|-------|----------------|-------|-------|
| 2016/17 | 0.72  | 1.41           |       |       |
| 2017/18 | 0.36  | 1.44           | 0.330 | (15%) |
| 2018/19 | 0.14  | 1.49           | 0.170 | (9%)  |
| 2019/20 | 0     | 1.54           | 0.090 | (6%)  |
| Totals  | 1.22  | 5.88           | 0.590 | (30%) |

- 4.5. The Government has assumed that local authorities will increase their Band D Council Tax by the maximum amount possible. For 2017/18, this increase was 3%, and for the figures in this report, these are based upon the maximum increase also.

## 5 New Homes Bonus Scheme

- 5.1. In addition to the aforementioned funding, we also see a continuation of the New Homes Bonus (NHB) Scheme. This is a non-ring fenced grant which is based on the number and type of housing properties brought on to the ratings list each year. The amount of NHB's generated is split in two tier areas on an 80/20 basis in the favour of borough councils.
- 5.2. The continuing reduction in NHB's saw the amount receivable to the Council during 2017/18 reduce by £0.038m compared to the previous year. The figures for 2018/19 show a decrease of around £0.069m.
- 5.3. There were a number of key changes made to the NHB's scheme in 2016 which were highlighted in the MTFS report to Council in February 2017. There have been no amendments to the scheme at the time of writing the report.
- 5.4. Due to the urban nature of the Borough, the opportunity to develop large scale housing that would increase our NHB funding is severely limited, with the Council receiving one of the lowest levels of funding in the country.

## 6. Business Rates Retention

- 6.1. The Business Rates Retention Scheme (BRR) came into effect from the 1 April 2013 and now forms a principal element of local government funding. This provides local authorities with a direct financial benefit from economic growth, coupled with exposure to financial risks should there be a lack of growth or even contraction. As highlighted earlier in the report, the financial settlement from government provides a combination of funding schemes, with the baseline funding for the BRR scheme being £1.480m for 2018/19.
- 6.2. Although local authorities are not able to set business rate levels, the amounts collected are a key element of the scheme. Income that is above or below anticipated levels will impact on the income retained locally. To mitigate somewhat against this, a safety net was built so that no local authority's income would fall below a pre-determined level. This level is £1.38m for Oadby and Wigston Borough Council. Equally, should there be any excessive growth above this level, a levy is payable of 50% of the additional growth, and this is paid to the Leicester and Leicestershire Enterprise Partnership (LLEP).
- 6.3. It is the intention of the Government that the main revenue support grant is removed and moved to a 100% retained business rates system. This was initially

mooted in 2015/16, with the planned phasing to be over the life of that parliament and to come into effect in 2019/20 or 2020/21. However, a snap general election was called in June 2017, and work on this scheme was not in the Queen's Speech, meaning there is an element of uncertainty around this.

It should be noted that as part of the Settlement Statement issued in December 2017, Government has indicated that, whilst it is still looking to move to 100% business rate retention, they are planning to implement 75% rate retention by 2020/21.

- 6.4. As previously reported in December 2017, Central Government is looking to expand its 100% business rates pilots across the country to test how such a scheme would work. The Authority, alongside the other boroughs and districts in Leicestershire, the City Council and the County Council applied to be a pilot scheme during 2018/19 (Business Rate Retention Paper, PFD Committee, October 2017). Unfortunately, our bid was unsuccessful and we are awaiting detailed feedback as to why this was the case – therefore as detailed in October's report, the existing pooling arrangement remains.

## 7. Revenue Budget

- 7.1. The General Fund Budget for the financial years 2018/19 and 2019/20 are summarised in the table below. Further details to changes to individual services' budgets will be found in the annual budget book and the MTFS report issued in February 2018. The budget takes into account key assumptions that are set out later in the report.

|                            | 2017/18        | 2017/18        | 9              | 2019/20        |
|----------------------------|----------------|----------------|----------------|----------------|
|                            |                | Revised        |                |                |
| Budget Summary             | £'000          | £'001          | £'000          | £'000          |
| Total Revenue Budget       | 6,601          | 6,631          | 6,399          | 6,700          |
| Central Government Grant   | (360)          | (360)          | (140)          | 0              |
| Other Government Grants    | (544)          | (512)          | (605)          | (575)          |
| Retained Business Rates    | (1,440)        | (1,440)        | (1,480)        | (1,540)        |
| Council Tax Surplus        | (28)           | (28)           | (10)           | (30)           |
| NNDR Surplus               | (40)           | (40)           | 139            | 140            |
| New Homes Bonus            | (408)          | (408)          | (339)          | (352)          |
| <b>Net Revenue Budget</b>  | <b>3,781</b>   | <b>3,843</b>   | <b>3,964</b>   | <b>4,343</b>   |
| Transfers to/from Reserves | (150)          | (212)          | (202)          | 0              |
| Savings schemes            | 0              | 0              | 0              | (410)          |
| <b>Council Tax</b>         | <b>(3,631)</b> | <b>(3,631)</b> | <b>(3,762)</b> | <b>(3,933)</b> |
| <b>Funding Gap</b>         | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |

- 7.2. The budget shows that the authority is able to produce a balanced budget for both 2018/19 and 2019/20. However, whilst the budget is balanced for 2019/20, this incorporates a savings target of over £400k for 2019/20. As referenced later in paragraphs 8.6 & 8.7, the Council meeting in June will seek final approval of the 2019/20 budget given the savings options for 2019/20 will have been finalised.
- 7.3. The Council published its efficiency plan in October 2016 which established the Authority's approach to delivering the savings that are required to meet these unprecedented funding reductions. The key features of the efficiency plan included:

- Active asset management;
- Service review and redesign;
- 'Invest to save' schemes - these include capital spending that achieves continuous savings in revenue costs or increased income;
- The council will not adopt any scheme, project or services that are not first demonstrated to be at least cost neutral; and
- Commitment to build more housing.

- 7.4. The budget delivered for 2017/18 illustrated significant savings from these efficiency plans. It is imperative that the Council continues to work in this manner to ensure services are delivered and our finances are sound.
- 7.5. The overall revised outturn for the Council is showing an increase in use of reserves of £62k. The principal reasons for this are.

| <b>Major Variations in 2017/18</b>     | <b>£'000</b> |
|--|--------------|
| <b>Increases in Cost</b>               |              |
| Cleaning Contract                      | 15           |
| Water Costs                            | 11           |
| Savings plans deferred to future years | 100          |
| <b>Decrease in Income</b>              |              |
| Recycling Sales                        | 60           |
| <b>Savings Made</b>                    |              |
| Structural Maintenance                 | (9)          |
| Salaries Provision                     | (102)        |
| <b>Increase in Income</b>              |              |
| Planning Fees                          | (20)         |

For a higher level of analysis, please refer to the Revenue Out-turn papers for Service Delivery Committee and Policy, Finance and Development Committee.

- 7.6. As part of this continuation, the Council needs to conduct a full review of its buildings and other assets to ensure that they are fit for purpose, providing value for money and identifying how the organisation can sweat such assets to generate income. It is recommended that this work commences in early 2018. Due to the changing shape of the Council and its services, a review of the governance framework should be carried out to ensure that it is maximising both effectiveness and efficiency.

## **8. Changes to Budgets 2018/19 Onwards**

- 8.1. The Council's overarching objectives are the forefront in setting the Authority's budget for the next two years. It is clear that, in these financially prohibitive times, growth has been prohibitive, but these themes have been at the forefront in developing services and delivering savings:
- An Inclusive and Engaged Borough
  - Effective Service Provision
  - Balanced Economic Development
  - Green and Safe Places and
  - Wellbeing for All.

## Revenue Pressures

- 8.2. In the current climate, revenue growth budgets have been restricted and constrained to areas considered unavoidable, such as changes in legislation. The table below highlights the areas of significant growth that have materialised since the last MTFS was set and updated in December 2017 (£30k and above).

| Committee        | Description   | £'000 |
|------------------|---|-------|
| Service Delivery | Cleaning Contract                                   | 30    |
| All              | Increase in superannuation charge                   | 33    |
| All              | Correction in previously assumed savings provisions | 120   |
| Service Delivery | Increase pressure on Homelessness Service           | 30    |
| All              | Reduction in New Homes Bonus                        | 69    |

The budget also takes into account services pressures that the Council needs to address, and these include:

- Implementing appropriate Antisocial Behaviour provision (ASB)
- Implementing project management tools and expertise to assisting with the Council's ongoing transformation programme.
- Ensuring adequate (at minimum) procurement skills on a corporate-wide level to ensure best value is achieved by the authority, whilst meeting legislative requirements.

## Revenue Savings

- 8.3. As reported in previous MTFS reports, the scale of funding cuts and the increased pressures on local authorities meant that significant financial savings are required. It should be recognised that significant work had been carried out by officers to ensure that these pressure were mitigated as far as possible, however, further significant work still needs to be undertaken to ensure the Authority has a balanced budget. Over those years, the focus has been on protecting front-line services, and so this remains as a key driver.
- 8.4. The aim of the Authority is to provide improved levels of service, whilst reducing the costs and this is recognised in the savings already allocated to 2018/19 and assisting in achieving a balanced budget. The table below lists all of the significant savings the Council has in place, or increased levels of income, that affect the 2018/19 budget. It should be noted that approximately 14 FTEs have been removed from the draft establishment list, compared to the prior year.
- 8.5. The table below lists the significant savings (£30k and above) that have enabled the authority to produce a balanced budget for 2018/19, and reduced the known pressures for 2019/20.

| Changes agreed and implemented |   |   |
|--------------------------------|---|---|
| Brocks Hill                    | Agreed as part of the savings menu in 2017. | Built into the MTFS report in December 2017. Saving of approximately £100k. |

|   |   |   |
|---|---|---|
| Closure of MRF  | Agreed as part of the savings menu in 2017.   | Built into the MTFS report in December 2017. Saving of approximately £100k.                   |
| Charging for Green Waste  | Agreed by Council in December 2017.   | Built into the MTFS as part of this paper. Full year estimated net income generated of £325k. |
| <b>Other changes to be implemented by 31 March 2018</b>             |   |   |
| Efficiencies through Customer Services initiatives and improvements | Through various streamlining of work through Customer Services Centre (CSC), this has enabled cashable benefits to be realised now the services have bedded in. | Built into the MTFS as part of this paper. Savings total £85k.                                |
| Grounds Maintenance Review  | Agreed as part of the savings menu in 2017.   | Built into the MTFS as part of this paper. Savings total £70k                                 |
| Review of Facilities Maintenance                                    | Agreed as part of the savings menu in 2017.   | Built into the MTFS as part of this paper. Savings total £30k                                 |
| Efficient Investments through active treasury management            | Implementation of active treasury management.   | Built into the MTFS as part of this paper. Savings total £30k                                 |

8.6. As mentioned earlier in the report, whilst the 2019/20 budget has been balanced, this has been achieved by identifying various schemes that can be implemented and be fully operational by April 2019. These schemes have been costed out to varying degrees, with some needing significant work to gather assurance as to their viability and efficiencies gained.

8.7. Therefore, at the Council meeting in June 2018, final decisions on the 2019/20 budget will need to be agreed to meet our current savings target and any further financial issues that have arisen in the intervening months. The list of items currently in the savings plan are identified below. It should be noted that whilst this list is estimated to provide efficiencies, savings and additional income in totality in excess of the known savings requirement, each schemes benefits have not, in all cases, been finalised and that no scheme has been ruled in or ruled out definitively.

2019/20 Savings Programme includes:

- Refuse and Recycling Provision
- Council Grants and Donations
- Structured Management Review
- % Cut of Service Budgets
- Further efficiencies through Channel Shift and Customer Services
- Implementation of Public Toilet Scheme (if already not in place).

## **2020 and beyond**

8.8. The Council is continuing to look beyond the period of this settlement in order to not only improve the services we deliver, but to look at how we can generate further income to mitigate against any unquantifiable risks or issues that are currently

unknown. Whilst 2020 may be a couple of years away, work is currently at various stages in progressing to achieving income goals after 2020. These schemes include:

- Bushloe Developments
- The Strategic Asset Review
- Parishes
- Retail Business Models

All of which will be reported to the various committees at their inception (or in Bushloe Developments case currently reporting to the Company Board).

## **9. Assumptions**

There are a number of key assumptions that were made in drafting the Medium Term Financial Strategy, and these were:

- Council Tax increase of 3% at Band D;
- Council Tax base increase of 0.6% for 2018/19 and 1.5% for 2019/20;
- Pay award of 2%
- Inflation - Contractual 3.6%, General 0%;
- Interest Rates - reflect the recent increase in Bank of England Base Rates;
- Staffing vacancy factor of 3%;
- Formula funding as per settlement agreement - 2018/19- 2019/20;
- A 98.5% Council Tax Collection Rate; and
- Fees and charges as agreed at Policy, Finance and Development Committee in October 2017.

## **10. Risk Assessment and Management**

10.1. Oadby and Wigston Borough Council has a commitment to managing risk and its exposure to the various risks it faces. Key to the management of this risk is identifying operational risk when we are developing our service plans, as well as taking a holistic and strategic view when considering the risks at a corporate level. The Council has a strong record of financial management, but further improvements were recommended by both our Internal and External Auditors to continue in this manner, and to reduce the impact of financial risks to the Authority. Therefore, changes have been made to the budget setting process (including regular and detailed updates throughout the year) but also changes need to be made as to how we monitor and manage risks.

10.2. The more fundamental financial risks over the next two years have been highlighted below and have been ranked (Red/Amber/Green) according to their likelihood of occurrence and the potential scale of their impact.

### **10.3. Formula Central Government Funding**



Whilst the provisional funding settlement provided some certainty with respect to local government funding, it still remains unclear as to exactly how funding will work from 2020/21 and beyond. The snap General Election in 2017 further greyed the situation.

### **10.4. New Homes Bonus**



The continuing changes to the delivery of funding regarding the New Homes Bonus scheme can provide troublesome forecasting. However, due to the Authority's size

and nature of its geography, the limited amount of development eases the ability to forecast. However, the inability to deliver significant numbers of new homes reduces our income generation ability with regards to this. As this report highlights, the authority received a lesser amount than last year, but also a lesser amount than our most likely scenario had planned for. Therefore the authority is taking a prudent approach to forecasting future NHB income.

#### 10.5. **Business Rate Retention Scheme**



The Authority is exposed to an element of risk of reduced income levels if the amount of business rates contracts. There are also a number of other risks associated with this scheme. Firstly the ability to generate new income - as with NHB, the geography of the Borough means that the ability to generate new business rate income is limited, but work within economic regeneration and local plans is going some way to address this. Another significant risk relates to the factors that can impact on the amount of business rates collected. For example, mandatory relief that can be back dated. Business rates revaluation came into effect from April this year, and a centrally held reserve held by the LLEP is set aside to help mitigate any risks arising from this.

In addition to this element of the risk, the government has announced that they are looking to move to a 75% retention scheme by 2020/21 (as opposed to the 100% retention scheme initially indicated). However, there has been no detail as to how such a scheme would operate, but consensus across local authority treasurers is that district councils would be no better off than in the current scheme.

#### 10.6. **Income Generation**



The Authority currently has limited streams of income generation. Work is being carried out to identify ways of maximising our income streams - ranging from the potential for charging for discretionary services to generating new business streams to supplement income. Local authorities need to become more commercial in their thinking and operating as the creation of income will enable service protection and improvement.

There are current significant risks pertaining to existing income generating programmes such as Bushloe Developments and the new Garden Waste Scheme. Whilst there are no "red flags" currently, the authority must manage these schemes carefully to mitigate any obstacles to their success.

#### 10.7. **Pension Fund**



There is expected to be a broad 2% increase in the superannuation rate in both 2018/19 and 2019/20.

#### 10.8. **Self-Funding Pay Awards**



Earlier this year, the Government removed the 1% public sector pay rise cap. Whilst this is a relief to the workers within the public sector, whose salaries remained static for many years, and in many cases decreased in real terms, the burden of coping with any pay rises has to be borne out by the organisation itself, with no additional funding forthcoming from the Government. The budget has built in the anticipated 2% pay award, but if inflation increases, it could add greater pressure to increase salaries further.

#### 10.9. **Homelessness**





The increase in the homeless population across the country has put an increasing pressure on local authorities and their resources given the changes in legislation over the previous years. The Authority is actively managing the issue, and is in receipt of minor government grants to assist with this. The authority has ring-fenced reserves specifically to support this issue, and has allocated additional revenue funding to the 2018/19 budget to continue to support this area and manage this increasing pressure.

Work is also beginning to address the housing issue relating to homelessness, however, this work will take a number of years to come to fruition and the authority cannot rest on its laurels in the meantime.

#### 10.10. **Brexit**



In the eighteen months since Brexit was confirmed, the country has seen various changes. Whilst exports have increased sharply due to the devaluation of the pound, issues linked to the economy are still to be addressed. These issues range from the long term implications on pension funds to capital funding resources that were available from Europe as members of the European Union (EU).

#### 10.11. **Local Council Tax Support**



There is no change to the current scheme for 2018/19. However, it should be noted that the funding distributed by Leicestershire County Council to support the Discretionary Council Tax Support Scheme has ended. The Council will, however, continue to run the scheme and fund it itself.

#### 10.12. **Interest Rate Movements**



Interest rates have recently risen due to the expected increase in inflation that is above the Bank of England's expectations. However, at the time of writing this report, the latest inflation figures were below that. To that regard, the Authority takes a prudent approach when setting interest budgets.

#### 10.13. **Universal Credit**



This was originally going to move to full service in March 2018. However, the Government have recently announced that this date has been deferred until July 2018. Indications from authorities who currently operate the full service are that they have experienced significant reductions in income that would normally have been passported through benefit payments.

### 11. **Reserves**

11.1. The Local Government Act 2003 requires the Council's Section 151 Officer to report on the robustness and sustainability of the estimates included in the budget and the adequacy of the reserves for which the budget provides. The Council's policy is to carry out an annual review of all reserves as part of the budget-setting process. This review includes identifying the reserves purpose and advising the appropriate level for each reserve. This work is being undertaken and will be completed when the draft budget is put to Council in February 2018.

11.2. Additionally, the Section 151 Officer has reviewed the level of General Fund Balances. The Council has used approximately £300k of the general fund balances to



address any budget gaps, leaving reserves at around £697k (10% of annual net expenditure). Previous reports have stated both that general fund balances would be between 5% and 10% of net expenditure, that the reserves are used to cushion financial pressures, reserves are used to stimulate growth and reserves should not be utilised to plug budget shortfalls. Clear direction is needed with regards to reserves.

11.3. It is the opinion of the Section 151 Officer that General Fund Reserves should:

- Not drop below 10% of net expenditure
- Not be used to plug budget gaps
- To be used to mitigate against unforeseen risks.

|                                       | <b>General Fund Reserves</b> | <b>Earmarked Reserves</b> |
|---------------------------------------|------------------------------|---------------------------|
|                                       | <b>£'000</b>                 | <b>£'000</b>              |
| Estimated Opening Balance 2018/19     | 600                          | 1810                      |
| Estimated use during the year 2018/19 | 0                            | (400)                     |
| Estimated Closing Balance 2018/19     | 600                          | 1,410                     |
| Estimated use during the year 2019/20 | 0                            | 0                         |
| Estimated Closing Balance 2019/20     | 600                          | 1,410                     |

Members will note that it is best practice to only use reserves in support of one-off revenue items and support capital expenditure. Reserves are not used to support ongoing revenue expenditure.

## 12. Housing Revenue Account

12.1. The Council is about to enter the fifth year of the financial regime which the government introduced in 2013/14 which was intended to give Authorities more control over their housing stock and its associated finances.

12.2. However, since 2013 the government has made a number of changes to the financial framework which impacts directly on this authority's finances. These changes announced in July 2015 have been diluted slightly in recent months but the main thrust of the changes remains the same and once again rents on dwellings will be reduced by 1% for 2018/19.

### Rent Levels 2018/19

12.3. As stated rent levels will decrease for 2018/19. Currently a 1% decrease in all households rent will move the average rent for a property from £77.08 to £76.31 which equates to a drop in annual rental income of around £50,000. It is important to remind Members that this is a year on year decrease which will continue for this and a further two years. The range covered by the new rent levels are listed below:

|                | <b>Weekly Rent 2017/18</b> | <b>Weekly Rent 2018/19</b> | <b>Decrease per week</b> | <b>Change</b> | <b>Property Type</b> |
|----------------|----------------------------|----------------------------|--------------------------|---------------|----------------------|
|                | <b>£</b>                   | <b>£</b>                   | <b>£</b>                 | <b>%</b>      |                      |
| <b>Highest</b> | 96.13                      | 95.17                      | 0.96                     | -1%           | 3 Bedroom            |

|                     |       |       |      |     |        |
|---------------------|-------|-------|------|-----|--------|
| <b>Rent</b>         |       |       |      |     | House  |
| <b>Lowest Rent</b>  | 57.33 | 56.76 | 0.57 | -1% | Bedsit |
| <b>Average Rent</b> | 77.08 | 76.31 | 0.77 | -1% |        |

### Service Charges and Garage Rents

- 12.4. Non dwelling rents are not subject to the rent reduction described in part 4 of this report and as a result it is recommended that they are increased by RPI in line other Council charging policies.
- 12.5. Non dwelling rents are not subject to the rent reduction described in paragraph 12.3 of this report and as a result it is recommended that they are increased by RPI in line with other Council's charging policies.
- 12.6. It is recommended that charges are increased by 3.8% which is the CPI +1% rate of inflation for September 2017.

|   |  |                              |                     |
|---|--|------------------------------|---------------------|
|   |  | <b>£</b>                     | <b>£</b>            |
| <b><u>Garage Spaces</u></b>                   |  |                              |                     |
| 48 Week Basis                                 |  | 3.78                         | 3.92                |
| 52 Week Basis                                 |  | 3.49                         | 3.62                |
| <b><u>Lock up Garages</u></b>                 |  |                              |                     |
| 48 Week Basis                                 |  | 6.98                         | 7.25                |
| 52 Week Basis                                 |  | 6.45                         | 6.69                |
| <b><u>Caretaking Charge (Lower Rate)</u></b>  |  |                              |                     |
| 48 Week Basis                                 |  | 2.96                         | 3.08                |
| 52 Week Basis                                 |  | 2.74                         | 2.84                |
| <b><u>Caretaking Charge (Higher Rate)</u></b> |  |                              |                     |
| 48 Week Basis                                 |  | 6.04                         | 6.27                |
| 52 Week Basis                                 |  | 5.58                         | 5.79                |
| <b><u>Charges in Sheltered Schemes</u></b>    |  | Increase for<br>2017/18<br>% | for<br>2018/19<br>% |
| Chartwell House, Oadby                        |  | 2.5                          | 3.8                 |
| Marriott House, Oadby                         |  | 2.5                          | 3.8                 |
| William Peardon Court, Oadby                  |  | 2.5                          | 3.8                 |
| Mobility Scooter Garaging                     |  | 2.5                          | NIL                 |

### Background Documents:

Report to Full Council (Extraordinary) on 6 July 2017

Reports to the Policy, Finance and Development Committee on 10 and 31 October 2017

Reports to Full Council on 5 December 2017

2017/18 Outturn - Service Delivery Committee January 2018 & Policy, Finance and

Development Committee February 2018.

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| <b>Implications   Medium Term Financial Strategy (MTFS) Update</b>                   |   |
|--|---|
| <b>Finance</b>   | The financial implications feature throughout this report.  |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer) |   |
| <b>Legal</b>   | Whilst this report is for noting, it should be remembered that the Section 151 Officer has a statutory duty under s 151 of the Local Government Act 1972 and s 73 of the Local Government Act 1985 to ensure that there are proper financial arrangements in place to administer the Council's financial affairs. The Council is also required by the Local Government Finance Act 1992 to produce a "balanced budget".   |
| <b>Dave Gill</b><br>(Head of Law & Governance / Monitoring Officer)                  |   |
| <b>Corporate Risk(s) (CR)</b>  | <input checked="" type="checkbox"/> <b>Decreasing Financial Resources (CR1)</b><br>This report highlights the reducing central government funding to local authorities and highlights the funding gap needed to be found by the Council over the next two years.<br><input checked="" type="checkbox"/> <b>Effective Utilisation of Assets/Buildings (CR5)</b><br>Whilst only mentioned in dispatches, the review of the Council's asset base is recommended to be undertaken urgently.<br><input checked="" type="checkbox"/> <b>Regulatory Governance (CR6)</b><br>This report is aimed to improve the level of information received by members to ensure statutory regulations are met.<br><input checked="" type="checkbox"/> <b>Organisational/Transformational Change (CR8)</b><br>The financial issues raised in this report encourage the Council to continue its transformation programme to ensure improved and efficient use of resources. |
| (Director of Finance & Transformation / Section 151 Officer)                         |   |
| <b>Corporate Priorities (CP)</b>   | <input checked="" type="checkbox"/> <b>Effective Service Provision (CP2)</b><br>The need for effective service provision underpins a balanced medium term financial strategy.   |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer) |   |
| <b>Vision &amp; Values (V)</b>   | <input checked="" type="checkbox"/> <b>"A Strong Borough Together" (Vision)</b><br><input checked="" type="checkbox"/> <b>Accountability (V1)</b><br><input checked="" type="checkbox"/> <b>Teamwork (V3)</b><br><input checked="" type="checkbox"/> <b>Innovation (V4)</b><br><input checked="" type="checkbox"/> <b>Customer Focus (V5)</b>   |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer) |   |
| <b>Equalities &amp; Equality Assessment(s) (EA)</b>                                  | There are no equalities implications.   |
| <b>Stephen Hinds</b><br>(Director of Finance & Transformation / Section 151 Officer) | <input checked="" type="checkbox"/> <b>Not Applicable (EA)</b>  |



# Agenda Item 10



**Policy, Finance and  
Development  
Committee**

**Tuesday, 06  
February 2018**

**Matter for Information**

**Title:** **Committee Budget Revenue and Capital Review  
(April - November 2017)**

**Author(s):** **Chris Raymakers (Head of Finance, Revenues & Benefits)**

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## **1. Introduction**

This report provides Members with details of the budgetary position for the Committee at 30 November 2017 for both capital and revenue budgets within both the General Fund and Housing Revenue Account (HRA).

## **2. Recommendation(s)**

That Members note the current position.

## **3. Information**

- 3.1 In February 2017, a revenue budget was approved for this Committee of £2,328,400 which was an increase of £432,000 from the 2016/17 budget.

Currently, the Committee General Fund position shows a predicted net spend for the year of £2,361,100 giving an increase in net expenditure of £33,000. The principal variances are shown in the table below.

| <b>Budget</b>                               | <b>Cause of Variance</b>                          | <b>£</b>         |
|---|---|------------------|
| <b>Original Committee Budget</b>            |   | <b>2,328,400</b> |
| Reduction in Bank Charges                   | New Contract Started 1 April 2017                 | (19,000)         |
| Savings Provisions not made                 | Reviews of various services not concluded in Year | 67,000           |
| Reduction in Increase in Bad Debt Provision | Few debts being written off in year               | (55,000)         |
| Letter Box Costs                            | Increased content published                       | 6,000            |
| Health and Safety Training                  | bought forward from 2017/16                       | 12,000           |
| Recruitment Expenses                        | Recruitment of new director                       | 10,000           |
| Long Service Awards                         | Part of the reward and recognition scheme         | 9,100            |
| Other costs                                 |   | 2,600            |
| <b>Estimated Revised Budget</b>             |   | <b>2,361,100</b> |

## **3.2 Capital Programme**

The original Capital Programme for this Committee had a budget cost of £256,000 plus carry forwards from 2016/17 of £458,700, giving a total budgeted programme of £714,700. A full breakdown of the Capital Programme can be found in the Appendix.

### **Background Documents:**

Budget Report to Full Council - February 2017

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| <b>Implications</b>   Committee Budget Revenue and Capital Review (April - November 2017) |  |
|---|--|
| <b>Finance</b>  | The financial implications are as set out in the report.   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)                          |  |
| <b>Legal</b>  | There are no significant legal implications.<br>The report is satisfactory.  |
| <b>Dave Gill</b><br>(Head of Law & Governance / Monitoring Officer)                       |  |
| <b>Corporate Risk(s) (CR)</b>   | <input checked="" type="checkbox"/> <b>Decreasing Financial Resources (CR1)</b><br>Financial resources are reducing while the Government's austerity programme continues. It is important that the Council keeps to its programme of transforming services and savings targets.<br><input checked="" type="checkbox"/> <b>Reputation Damage (CR4)</b><br>Poor financial stewardship will lead to reputational damage for the Council.<br><input checked="" type="checkbox"/> <b>Regulatory Governance (CR6)</b><br>Financial Management forms are an integral part of the governance of the Authority.<br><input checked="" type="checkbox"/> <b>Organisational/Transformational Change (CR8)</b><br>If the Council's transformation programme does not progress in a timely then the affordability of some services will be in doubt. |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)                          |  |
| <b>Corporate Priorities (CP)</b>  | <input checked="" type="checkbox"/> <b>An Inclusive and Engaged Borough (CP1)</b><br>All Council Priorities are underpinned by sound financial management.<br><input checked="" type="checkbox"/> <b>Effective Service Provision (CP2)</b><br><input checked="" type="checkbox"/> <b>Balanced Economic Development (CP3)</b><br><input checked="" type="checkbox"/> <b>Green &amp; Safe Places (CP4)</b><br><input checked="" type="checkbox"/> <b>Wellbeing for All (CP5)</b>   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)                          |  |
| <b>Vision &amp; Values (V)</b>  | <input checked="" type="checkbox"/> <b>"A Strong Borough Together" (Vision)</b><br>All Council Values are underpinned by sound financial management.<br><input checked="" type="checkbox"/> <b>Accountability (V1)</b><br><input checked="" type="checkbox"/> <b>Respect (V2)</b><br><input checked="" type="checkbox"/> <b>Teamwork (V3)</b><br><input checked="" type="checkbox"/> <b>Innovation (V4)</b><br><input checked="" type="checkbox"/> <b>Customer Focus (V5)</b>  |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)                          |  |
| <b>Equalities &amp; Equality Assessment(s) (EA)</b>                                       | There are no significant equalities implications.  |



|   |   |
|---|---|
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues<br>& Benefits) | <input checked="" type="checkbox"/> <b>Not Applicable</b> |
|---|---|

## POLICY FINANCE AND DEVELOPMENT COMMITTEE - CAPITAL PROGRAMME

| Project Code Reference | Scheme                                  | 2017/18 Approved Budget | Expenditure to 30th November 17 | Budget Remaining | Comments   |
|------------------------|---|-------------------------|---------------------------------|------------------|--|
|                        |   | £                       | £                               | £                |  |
|                        | <b>POLICY FINANCE AND DEVELOPMENT</b>   |                         |                                 |                  |  |
| 56001                  | Council Office Refurbishment/Demolition | 198,900                 | 86,432                          | (112,468)        | Boiler works complete. 2 of 3 toilet blocks expected to be complete by year end. Expect £108K spend this year, plus £17K for 56067. Carry £73K forward for third toilet block, changing rooms, chimney refurbishment.              |
| 56010                  | IT Replacement Programme                | 31,800                  | 4,456                           | (27,344)         | Full spend expected  |
| 56014                  | Upgrade of Contact Centre Telephones    | 16,000                  | 0                               | (16,000)         | Project is underway. Not clear with it will complete by year end.  |
| 56027                  | 41 Canal Street CPO                     | 350,000                 | 0                               | (350,000)        | Details of compulsory purchase still being worked out. Unlikely to be required this year.  |
| 56037                  | PARIS Upgrade                           | 10,800                  | 1,329                           | (9,471)          | Development work still to be carried out in  |
| 56053                  | Public Realm                            | 7,700                   | 8,270                           | 570              | Now complete   |
| 56055                  | Document Management System Software     | 50,000                  | 13,690                          | (36,310)         | Expected to be complete by year end  |
| 56063                  | Building Control Public Access Module   | 3,500                   | 0                               | (3,500)          | Scheme no longer required due to Uniform upgrade taking place.   |
| 56065                  | Replacement of Academy server           | 23,000                  | 11,400                          | (11,600)         | Expected to be complete by year end  |
| 56067                  | Reception Reconfiguration               | 0                       | 17,256                          | 17,256           | To be funded from 56001  |
| 56068                  | Upgrade of Uniform database             | 23,000                  | 2,708                           | (20,292)         | £10K for uniform database expected to be complete. £6.5K of uniform app development journalled from 56063. Remaining £6.5K vired to 56063 to make up £10K budget for Building Control Public Access Module that is not going ahead |
|                        | <b>TOTAL COMMITTEE EXPENDITURE</b>      | <b>714,700</b>          | <b>145,541</b>                  | <b>(569,159)</b> |  |



|  |                                  |  |
|--|----------------------------------|--|
| <b>Policy, Finance and Development Committee</b> | <b>Tuesday, 06 February 2018</b> | <b>Matter for Information and Decision</b> |
|--|----------------------------------|--|

**Title:** **Capital Programme 2018/19**

**Author(s):** **Chris Raymakers (Head of Finance, Revenues & Benefits)**

## **1. Introduction**

This report outlines the proposed Capital Programme, including both the General Fund services and the Housing Revenue Account (HRA), for 2018/19.

## **2. Recommendation(s)**

- 2.1. That Members approve the schemes put forward for 2018/19 as outlined in paragraph 3.4 in the report.
- 2.2. That Members approve the Schemes to be carried forward from 2017/18 as outlined in paragraph 3.5 in the report.

## **3. Information**

- 3.1. As part of the annual budgeting process each year, the Council sets out a programme of major schemes to be funded as capital projects. These are submitted each year by services taking into account the agreed Corporate Priorities.
- 3.2. The programme consists of new schemes submitted for approval as well as projects from 2017/18 which are requested to be carried forward.
- 3.3. The total value of the proposed programme is £4.7 million. The following tables set out the 2018/19 capital submissions, schemes to be carried forward from 2017/18 together with the indicative funding to be used.

Members should also be aware that capital schemes will have an ongoing revenue implication either for ongoing maintenance or the costs associated with borrowing. All ongoing revenue costs are built into future revenue budgets by the appropriate service manager. Interest costs relating to the expected borrowing are likely to be in the region of £29,000 per annum.

*(Continued overleaf)*

|      |   |                  |  |
|------|---|------------------|--|
| 3.4. | <b>Capital Programme 2018/19</b>                        |                  |  |
|      |   | <b>2018/19</b>   |  |
|      |   | <b>£</b>         |  |
|      | <b>General Fund Schemes</b>                             |                  |  |
|      | <b>Policy Finance and Development Committee</b>         |                  |  |
|      | IT Replacement Programme                                | 20,000           |  |
|      | Orchard Serve Replacement                               | 7,500            |  |
|      | Citrix Upgrade  | 27,000           |  |
|      | Server and Network Hardware Replacement                 | 14,500           |  |
|      | Wigston Public Realm                                    | 560,000          |  |
|      | Total Policy Finance and Development                    | 629,000          |  |
|      | <b>Service Delivery Committee</b>                       |                  |  |
|      | Refurbishment of Crow Mill Picnic Shelter               | 6,000            |  |
|      | Dog Walk Shelter at Blaby Road Park                     | 3,300            |  |
|      | Ervins Lock – Pedestrian Footbridge                     | 135,000          |  |
|      | Incorporating ex Scout Hut Land into Oadby Cemetery     | 25,000           |  |
|      | Extension to Garden of Remembrance, Oadby Cemetery      | 5,600            |  |
|      | Extension to Garden of Remembrance, Wigston Cemetery    | 14,000           |  |
|      | Refurbishment of bus shelters (continuation of project) | 12,000           |  |
|      | New Refuse Truck 7.5 tonne                              | 65,000           |  |
|      | Grounds maintenance Equipment Rolling Programme         | 10,000           |  |
|      | <b>Total Service Delivery</b>                           | 275,900          |  |
|      | <b>General Fund Total</b>                               | <b>904,900</b>   |  |
|      | <b>Housing Revenue Account</b>                          |                  |  |
|      | Major Repair Works                                      | 1,273,000        |  |
|      | <b>Total Capital Programme</b>                          | <b>2,177,900</b> |  |

|      |   |                  |
|------|---|------------------|
| 3.5. | <b>Schemes Carried Forward from 2017/18</b> |                  |
|      |   | <b>£</b>         |
|      | Disabled Access/Facility Improvements       | 14,200           |
|      | Blaby Road Park Pavilion                    | 250,400          |
|      | Purchase of New Vehicles                    | 750,000          |
|      | Horsewell Lane Pavilion                     | 660,000          |
|      | Council Office Refurbishment                | 100,000          |
|      | 41 Canal Street                             | 350,000          |
|      | Document Management System                  | 50,000           |
|      | <b>Total</b>                                | <b>2,174,600</b> |

3.6. The indicative funding of these projects is as follows:

| Type of Funding       | £                |
|-----------------------|------------------|
| Borrowing             | 2,368,200        |
| Grants                | 611,300          |
| Capital Receipts      | 100,000          |
| Major Repairs Reserve | 1,273,000        |
| <b>Total</b>          | <b>4,352,500</b> |
|                       |                  |

### **Background Documents:**

Report to Services Delivery Committee - January 2018.

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**Tel:**        (0116) 257 2891

| <b>Implications   Capital Programme 2018/19</b>                     |   |
|---|---|
| <b>Finance</b>  | The financial implications are as set out in the report.  |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)    |   |
| <b>Legal</b>  | There are no significant legal implications.<br>The report is satisfactory.   |
| <b>Dave Gill</b><br>(Head of Law & Governance / Monitoring Officer) |   |
| <b>Corporate Risk(s) (CR)</b>                                       | <input checked="" type="checkbox"/> <b>Decreasing Financial Resources (CR1)</b><br>Capital programmes have to be built to be affordable within the current financial pressures the Council is under.<br><input checked="" type="checkbox"/> <b>Reputation Damage (CR4)</b><br>Failing to complete the programme can lead to reputational damage.<br><input checked="" type="checkbox"/> <b>Effective Utilisation of Assets/Buildings (CR5)</b><br>Continuous appropriate expenditure is required on Council assets to make the effective use of them.<br><input checked="" type="checkbox"/> <b>Organisational/Transformational Change (CR8)</b><br>Capital expenditure is required as part of the current programme of service redesign. |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)    |   |
| <b>Corporate Priorities (CP)</b>                                    | <input checked="" type="checkbox"/> <b>Effective Service Provision (CP2)</b><br>Continuous capital investment is required to keep services efficient and effective.<br><input checked="" type="checkbox"/> <b>Green &amp; Safe Places (CP4)</b><br>Will provide a greener safer Borough.<br><input checked="" type="checkbox"/> <b>Wellbeing for All (CP5)</b><br>This programme will increase the sporting and recreational offer to the public.   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)    |   |
| <b>Vision &amp; Values (V)</b>                                      | <input checked="" type="checkbox"/> <b>Not Applicable</b>   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)    |   |
| <b>Equalities &amp; Equality Assessment(s) (EA)</b>                 | There are no significant equalities implications.   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues & Benefits)    | <input checked="" type="checkbox"/> <b>Not Applicable (EA)</b>  |



**Policy, Finance and  
Development  
Committee**

**Tuesday, 06  
February 2018**

**Matter for  
Information**

**Title: Collection and Write-Off of Miscellaneous Debtors**

**Author(s): Chris Raymakers (Head of Finance, Revenues and Benefits)**

## 1. Introduction

- 1.1. As part of the income collection process, the Council's Finance Section is responsible for the production and collection of general invoices for sundry/miscellaneous debts across all services of the Council.
- 1.2. This report updates members on the current collection position and requests permission to write-off larger items as required by the Council's Financial Regulations.

## 2. Recommendation(s)

That Members note the contents of the report.

## 3. Miscellaneous Sundry Debtors

- 3.1. The Council's Finance Section is responsible for the raising and collection of around 1,400 invoices per annum, with an annual value of approximately £1.5 million relating to income for all services of the Council.

The Council uses three principal methods for collecting these debts.

- (i) Direct contact with the debtor by letter or telephone;
- (ii) Referring the debt to a collection agent; and
- (iii) Legal action through the courts.

During the financial year 2016/17, the Council raised 1,398 invoices totalling £1,424,377. In the second quarter of 2017/18, 290 invoices were raised totalling £395,000.

- 3.2. The current position relating to collection of outstanding invoices is summarised.

|                   | Days Overdue |        |         |         |          | Total          |
|-------------------|--------------|--------|---------|---------|----------|----------------|
|                   | 0-90         | 90-182 | 182-365 | 365-730 | Over 730 |                |
| 30 September 2017 | 81,788       | 8,953  | 26,341  | 28,326  | 118,400  | <b>263,808</b> |
| 31 December 2017  | 173,107      | 12,399 | 28,929  | 26,673  | 120,566  | <b>361,674</b> |

- 3.3. During the second quarter of 2017/18, miscellaneous debt has risen by £97,866. However, this is largely due to new debt being taken which should be cleared by the next report. Of the total debt of £362,000, approximately £97,000 (102 accounts) is actively managed through instalments.

- 3.4. In the second quarter, the Council has:

- no cases have been referred to the collection agent;
- no write-offs have been made in line with the Financial Regulations;

- 1 account have completed their arrangements to re-pay; and
- a Key Performance Indicator of the Council is the proportion of debt over 90 days old as a percentage of the total estimated annual debit. At 30 September 2017, this percentage is 13% (the target for 2017/18 being under 20%).

#### 4. Overpayment of Housing Benefit

- 4.1. Recouping the overpayment of housing benefit has become an increasing problem for councils across the country over the last few years. Oadby and Wigston has, since 2015, brought this under control. The majority of cases are collected from ongoing benefit, however, where the claimant is no longer receiving or entitled to housing benefit, then that debt is passed over to a debt collection team.
- 4.2. Historically, the Council has raised almost 11,000 overpayment invoices totalling over £3.5million of debt successfully collecting £2.9million.

The total still outstanding is listed below by age:

|                   | <b>Days Overdue</b> |               |                |                |                |
|-------------------|---------------------|---------------|----------------|----------------|----------------|
|                   | <b>0-90</b>         | <b>90-182</b> | <b>182-365</b> | <b>365-730</b> | <b>Total</b>   |
| 30 September 2017 | 71,656              | 14,804        | 80,047         | 479,199        | <b>645,706</b> |
| 30 December 2017  | 76,375              | 53,255        | 41,727         | 492,993        | <b>664,350</b> |

#### 5. Council Tax and Non-Domestic (Business) Rates

Council Tax and Non-Domestic (Business) Rates make up the largest debits within the income collection area. These income streams have a combined annual debit to collect of around £40 million.

The current arrears situation for these services are:

| <b>Service</b>                       | <b>Council Tax<br/>£</b> | <b>Non Domestic Rates<br/>£</b> |  |
|--------------------------------------|--------------------------|---------------------------------|--|
| Previous years arrears               |                          |                                 |  |
| Balance outstanding 1 April 2017     | 1,320,190                | 986,312                         |  |
| Balance outstanding 31 December 2017 | 1,051,064                | 946,672                         |  |

Both income streams have shown a steady reduction in arrears since the beginning of the year.

#### Background Documents:

None.

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| <b>Implications</b>   Collection and Write-Off of Miscellaneous Debtors |  |
|---|--|
| <b>Finance</b>  | Good debt management is essential if the Council is to maximise its revenue streams.   |
| <b>Chris Raymakers</b><br>(Head of Finance Revenues and Benefits)       |  |
| <b>Legal</b>  | There are no significant legal implications.<br>The report is satisfactory.  |
| <b>Dave Gill</b><br>(Head of Law & Governance / Monitoring Officer)     |  |
| <b>Corporate Risk(s) (CR)</b>   | <input checked="" type="checkbox"/> <b>Decreasing Financial Resources (CR1)</b><br><input checked="" type="checkbox"/> <b>Reputation Damage (CR4)</b><br><input checked="" type="checkbox"/> <b>Economy/Regeneration (CR9)</b><br><input checked="" type="checkbox"/> <b>Increased Fraud (CR10)</b>  |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)      |  |
| <b>Corporate Priorities (CP)</b>  | <input checked="" type="checkbox"/> <b>Effective Service Provision (CP2)</b><br><input checked="" type="checkbox"/> <b>Balanced Economic Development (CP3)</b><br><input checked="" type="checkbox"/> <b>Wellbeing for All (CP5)</b>   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)      |  |
| <b>Vision &amp; Values (V)</b>  | <input checked="" type="checkbox"/> <b>"A Strong Borough Together" (Vision)</b><br><input checked="" type="checkbox"/> <b>Accountability (V1)</b><br><input checked="" type="checkbox"/> <b>Respect (V2)</b><br><input checked="" type="checkbox"/> <b>Teamwork (V3)</b><br><input checked="" type="checkbox"/> <b>Innovation (V4)</b><br><input checked="" type="checkbox"/> <b>Customer Focus (V5)</b> |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)      |  |
| <b>Equalities &amp; Equality Assessment(s) (EA)</b>                     | There are no equalities implications.  |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)      | <input checked="" type="checkbox"/> <b>Not Applicable</b>  |

# Agenda Item 13



**Policy, Finance and  
Development  
Committee**

**Tuesday, 06  
February 2018**

**Matter for  
Information and  
Decision**

**Title: Resident Forum Outturn Budget Position and Allocation Requests**

**Author(s): Chris Raymakers (Head of Finance, Revenues and Benefits)**

## **1. Introduction**

This report sets out grant requests from both the Resident Forums and other outside bodies as well as updating Members on the current financial position of the Forums.

## **2. Recommendation(s)**

- 2.1 That Members note the position of the Forums' budget.
- 2.2 That Members approve a grant of £5,500 to Age UK for the period of one year.

## **3. Information**

- 3.1. The attached report (at set out at the appendix) shows the financial position for the three Residents' Forums at 31 December 2017.

The report shows the actual spend at the end of February 2018 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.

| <b>Forum</b>  | <b>Original<br/>Allocation</b> | <b>Budgets<br/>Allocated</b> | <b>Unused<br/>Balances for<br/>Reallocation</b> | <b>Total<br/>Unallocated<br/>Funds</b> | <b>Spend to 31<br/>December<br/>2017</b> |
|---------------|--------------------------------|------------------------------|---|--|--|
|               | <b>£</b>                       | <b>£</b>                     | <b>£</b>  | <b>£</b>                               | <b>£</b>                                 |
| Wigston       | 259,200                        | 218,382                      | 10,492  | 51,310                                 | 197,693                                  |
| South Wigston | 129,600                        | 114,370                      | 7,626   | 22,856                                 | 95,894                                   |
| Oadby         | 259,200                        | 224,564                      | 11,911  | 46,547                                 | 203,995                                  |
|               | <b>648,000</b>                 | <b>557,316</b>               | <b>30,029</b>                                   | <b>120,713</b>                         | <b>497,582</b>                           |

- 3.2. All three Forums were held in November 2017, however, no requests for expenditure were put forward.

## **4. Grant Requests**

The Council has received a grant request from Age UK. They requested £5,500 for their 'Information and Advice' Service provided to older residents. This service could benefit around 3,000 residents and this is a one-year extension of the grant they have received in previous years.

### **Background Documents:**

None.

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**Tel:** (0116) 257 2891

| <b>Implications</b>   Resident Forum Outturn Budget Position and Allocation Requests |  |
|--|--|
| <b>Finance</b>   | The financial implications are as set out in the report.   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)                   |  |
| <b>Legal</b>   | There are no legal implications.<br>The report is satisfactory.  |
| <b>Dave Gill</b><br>(Head of Law & Governance / Monitoring Officer)                  |  |
| <b>Corporate Risk(s) (CR)</b>  | <input checked="" type="checkbox"/> <b>Decreasing Financial Resources (CR1)</b><br>Financial resources are reducing while the Government's austerity programme continues.<br><input checked="" type="checkbox"/> <b>Reputation Damage (CR4)</b><br>Poor financial stewardship will lead to reputational damage for the Council.<br><input checked="" type="checkbox"/> <b>Regulatory Governance (CR6)</b><br>Financial Management forms are an integral part of the governance of the Authority. |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)                   |  |
| <b>Corporate Priorities (CP)</b>   | <input checked="" type="checkbox"/> <b>An Inclusive and Engaged Borough (CP1)</b><br>All Council Priorities are underpinned by sound financial management.<br><input checked="" type="checkbox"/> <b>Effective Service Provision (CP2)</b><br><input checked="" type="checkbox"/> <b>Balanced Economic Development (CP3)</b><br><input checked="" type="checkbox"/> <b>Green &amp; Safe Places (CP4)</b><br><input checked="" type="checkbox"/> <b>Wellbeing for All (CP5)</b>                   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)                   |  |
| <b>Vision &amp; Values (V)</b>   | <input checked="" type="checkbox"/> <b>"A Strong Borough Together" (Vision)</b><br>All Council Values are underpinned by sound financial management.<br><input checked="" type="checkbox"/> <b>Accountability (V1)</b><br><input checked="" type="checkbox"/> <b>Customer Focus (V5)</b>   |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)                   |  |
| <b>Equalities &amp; Equality Assessment(s) (EA)</b>                                  | There are no equalities implications.  |
| <b>Chris Raymakers</b><br>(Head of Finance, Revenues and Benefits)                   | <input checked="" type="checkbox"/> <b>Not Applicable (EA)</b>   |

| WIGSTON RESIDENT FORUM   | Approved amount   | Actual amount spent at 31/12/17   | Completed projects - balance available for reallocation                                | Progress Report  |
|--|---|---|--|--|
| Original Allocation<br>Allocation PFD committee 28 March 2017<br><b>Total allocated to Wigston Forum</b>   | £<br>230,000<br>29,200<br><b>259,200</b>  | £<br>259,200  | £  |  |
| <b>Schemes Complete at 1 April 2017</b><br><br>Civic Orchestra Commemorative Event (PFD Feb 16)<br>Seat to be Placed in Bus Shelter near the health centre (PFD March 16)<br>Litterbin at Horsewell lane (PFD July 16)<br>Refurbishment of Marrome Square (PFD July 16)<br>Grant Oadby and Wigston First Responders - Jackets (PFD Feb 17)<br>Grant to Little Hill Residents Assoc - leaf Blower (PFD Feb 17)<br>Grant to Girls Guides Assoc - Purchase of a shed (PFD Feb 17)<br>Sheriff Mitchell Pavilion - New Cooker (PFD March 17)<br>The Wigston Pinfold refurbished trough project (delegated auth)<br>Little Hill Residents Association - 12 Laurel Bushes (delegated auth)<br>Wigston Lions - Gazeboe Banners (delegated auth)<br><b>Schemes currently requiring completion</b> | <b>209,672</b><br><br>500<br>250<br>400<br>5,000<br>180<br>187<br>300<br>400<br>873<br>420<br>200<br><b>8,710</b> | <b>194,948</b><br><br>500<br>250<br>400<br>0<br>180<br>187<br>300<br>400<br>385<br>0<br>143<br><b>2,745</b> | <b>(10,492)</b><br><br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br><b>0</b> | Job Complete<br>Job Complete<br>Job Complete<br>Work to commence after consultation with residents<br>Job Complete<br>Job Complete<br>Job Complete<br>Job Complete<br>Part Payment made<br>Funds yet to be released<br>Part Payment made |
| <b>Total committed</b>   | <b>218,382</b>  | <b>197,693</b>  | <b>(10,492)</b>  |  |
| <b>Completed projects - unused balance available for reallocation</b>  | <b>10,492</b>   |   |  |  |
| <b>Funds remaining</b>   | <b>51,310</b>   |   |  |  |

| SOUTH WIGSTON RESIDENT FORUM   | Approved amount | Actual amount spent at 31/12/17 | Completed projects - balance available for reallocation | Progress Report                                  |
|--|-----------------|---------------------------------|---|--|
|  | £               | £                               |   |  |
| Original Allocation  | 115,000         |                                 |   |  |
| Allocation PFD committee 28 March 2017                                 | 14,600          |                                 |   |  |
| <b>Total allocated budget</b>  | <b>129,600</b>  | <b>129,600</b>                  |   |  |
| <b>Schemes Complete at 1 April 2017</b>                                | <b>111,890</b>  | <b>94,489</b>                   | <b>(7,401)</b>  |  |
| <b>Schemes currently requiring completion</b>                          |                 |                                 |   |  |
| South Wigston Market Traders Community Newsletter (PFD Oct 15)         | 500             | 500                             | 0   | Funds about to be released                       |
| Civic Orchestra Commemorative Event (PFD Feb 16)                       | 500             | 500                             | 0   | Job Complete                                     |
| Oadby and Wigston Civic Society plaque at Train Station (PFD March 16) | 450             | 225                             | (225)   | Job Complete - remaining balance returned to pot |
| Grant for Step-Out Project (PFD July 16)                               | 400             | 0                               | 0   | Funds about to be released                       |
| Grant Oadby and Wigston First Responders - Jackets (PFD Feb 17)        | 180             | 180                             | 0   | Job Complete                                     |
| Litter bins to be placed on Saffron Road (delegated auth)              | 450             | 0                               | 0   | Exact location to be determined                  |
| <b>Subtotal</b>  | <b>2,480</b>    | <b>1,405</b>                    | <b>(225)</b>  |  |
| <b>Total committed</b>   | <b>114,370</b>  | <b>95,894</b>                   | <b>(7,626)</b>  |  |
| <b>Completed projects - balance available for reallocation</b>         | <b>7,626</b>    |                                 |   |  |
| <b>Funds remaining</b>   | <b>22,856</b>   |                                 |   |  |

| OADBY RESIDENT FORUM   | Approved amount | Actual amount spent at 31/12/17 | Completed projects - balance available for reallocation | Progress Report              |
|--|-----------------|---------------------------------|---|------------------------------|
|  | £               | £                               | £   |                              |
| Original Allocation  | 230,000         |                                 |   |                              |
| Allocation PFD committee 28 March 2017   | 29,200          |                                 |   |                              |
| <b>Total allocated budget</b>  | <b>259,200</b>  | <b>259,200</b>                  |   |                              |
| <b>Spend at 1 April 2017</b>   | <b>218,934</b>  | <b>198,515</b>                  | <b>(11,911)</b>   |                              |
| Litter Bin placed on Uplands Park nr Manor Rd School (PFD July 15)                 | 450             | 450                             | 0   | Job Complete                 |
| Litter bins - Coombe Park (PFD March 16)   | 900             | 900                             | 0   | Job Complete                 |
| Grant Oadby and Wigston First Responders - Jackets (PFD Feb 17)                    | 180             | 180                             | 0   | Job Complete                 |
| Grant to 7Events - Defibrillator (PFD Feb 17)                                      | 250             | 250                             | 0   | Job Complete                 |
| Oadby Traders Christmas lights switch-on, hire of stage set up (delegated auth)    | 2,800           | 2,800                           | 0   | Job Complete                 |
| Litterbins to be placed on A6 outside Waitrose in both directions (delegated auth) | 900             | 900                             | 0   | Job Complete                 |
| Refurbishment of bench on Florence Wragg Way (delegated auth)                      | 150             | 0                               |   | Scheme about to be commenced |
| <b>Schemes currently requiring completion</b>                                      | <b>5,630</b>    | <b>5,480</b>                    | <b>0</b>  |                              |
| <b>Total committed</b>   | <b>224,564</b>  | <b>203,995</b>                  | <b>(11,911)</b>   |                              |
| <b>Completed projects - unused balance available for reallocation</b>              | <b>11,911</b>   |                                 |   |                              |
| <b>Funds Remaining</b>   | <b>46,547</b>   |                                 |   |                              |