

**To: Deputy Leader and Members of the Resources Board**

**Councillors Symonds, Chambers, T Clews,  
D Clews, Davey, Dirveiks, Hancocks,  
D Humphreys, Morson, M Parker, O Phillips  
and Simpson**

**For the information of other Members of the Council**

**For general enquiries please contact Democratic Services on 01827 719226 or via email – [democraticservices@northwarks.gov](mailto:democraticservices@northwarks.gov).**

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

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

## **RESOURCES BOARD AGENDA**

**7 November 2022**

The Resources Board will meet on Monday 7 November 2022 at 7.00pm in the Council Chamber at The Council House, South Street, Atherstone, Warwickshire.

The meeting can also be viewed on the Council's YouTube channel at [www.youtube.com/user/northwarks](http://www.youtube.com/user/northwarks)

### **AGENDA**

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

4 **Minutes of the Resources Board held on 6 September 2022** – copy herewith, to be approved as a correct record and signed by the Chairman.

5 **Public Participation**

Up to twenty minutes will be set aside for members of the public to put questions to elected Members.

Members of the public wishing to address the Board must register their intention to do so by 9:30am two working days prior to the meeting. Participants are restricted to five minutes each.

If you wish to put a question to the meeting, please register by email to [democraticservices@northwarks.gov.uk](mailto:democraticservices@northwarks.gov.uk) or telephone 01827 719221/719226/719237.

Once registered to speak, the person asking the question has the option to either:

- (a) attend the meeting in person at the Council Chamber.
- (b) attend remotely via Teams; or
- (c) request that the Chair reads out their written question.

If attending in person, precautions will be in place in the Council Chamber to protect those who are present however this will limit the number of people who can be accommodated so it may be more convenient to attend remotely.

If attending remotely an invitation will be sent to join the Teams video conferencing for this meeting. Those registered to speak should dial the telephone number and ID number (provided on their invitation) when joining the meeting to ask their question. However, whilst waiting they will be able to hear what is being said at the meeting. They will also be able to view the meeting using the YouTube link provided (if so, they made need to mute the sound on YouTube when they speak on the phone to prevent feedback).

## **ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)**

6 **Risk Management Update 2022/23** – Report of the Corporate Director – Resources

### **Summary**

This report is to inform Members of risk Management actions being undertaken during 2022/23.

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

- 7 **Treasury Management Update 2022/23** – Report of the Corporate Director – Resources

**Summary**

This report shows the Treasury Management activity for the period up to the end of September 2022.

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

- 8 **Internal Audit Half Yearly Report** – Report of the Corporate Director – Resources

**Summary**

This report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year. It also provides the Board with a summary of the work completed by the Council's Counter Fraud Officer.

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

- 9 **General Fund Budgetary Control Report 2022/23 – Period Ended 30 September 2022** – Report of the Corporate Director – Resources.

**Summary**

The report covers revenue expenditure and income for the period from 1 April 2022 to 30 September 2022. The 2022/23 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

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

- 10 **Housing Revenue Account Budgetary Control Report 2022/23 – Period Ended 30 September 2022** – Report of the Corporate Director – Resources.

**Summary**

This report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 30 September 2022

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

- 11 **Capital Programme 2022/23 – Period 6 Update** – Report of the Corporate Director – Resources.

### **Summary**

This report updated Members on the progress of the 2022/23 Capital Programme in terms of expenditure up to the end of September 2022

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

- 12 **Update on the Revenues and Benefits Service** – Report of the Corporate Director – Resources.

### **Summary**

The purpose of this report is to advise members of the work of the Revenues and Benefits Teams, including the collection progress made by the Revenues Team.

The Contact Officer for this report is Rachael Dobson (719338)

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

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

- 14 **Right to Buy Purchase** – Report of the Director of Housing.

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

- 15 **Property Adaptations** – Report of the Director of Housing.

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

- 16 **Innage Park – Phase 2** – Report of the Corporate Director - Streetscape.

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

- 17 **Property in Coleshill** – Report of the Corporate Director - Streetscape.

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

STEVE MAXEY  
Chief Executive

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE RESOURCES BOARD

6 September 2022

Present: Councillor Symonds in the Chair

Councillors Chambers, T Clews, D Clews, Davey, Dirveiks,  
D Humphreys, Morson, Moss, O Phillips and Simpson

An apology for absence was received from Councillor D  
Hancocks

Councillor H Phillips was also in attendance.

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

None were declared at the meeting.

#### 14 **Minutes of the Resources Board held on 20 June 2022**

The minutes of the Resources Board held on 20 June 2022, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

#### 15 **General Fund Budgetary Control Report 2022/2023. Period Ended 31 July 2022**

The Corporate Director – Resources, detailed the revenue expenditure and income for the period from 1 April 2022 to 31 July 2022. The 2022/23 budget and the actual position for the period compared with the estimate at that date, were given, together with an estimate of the out-turn position for services reporting to the Board.

**Resolved:**

**That the report be noted.**

#### 16 **Housing Revenue Account Budgetary Control Report 2022/2023.**

The Corporate Director – Resources reported on the total Housing Revenue Account.

**Resolved:**

**That the report be noted.**

**17 Capital Programme 2022/2023. Period Ended 31 July 2022.**

The Corporate Director - Resources – updated Members on the progress of the 2022/2023 Capital Programme in terms of expenditure up to the end of July 2022.

**Resolved:**

- a That additional budget allocation of £400,000 for new affordable/social housing be approved; and**
- b That progress made against the 2022/23 Capital Programme be noted.**

**18 Exclusion of the Public and Press**

**Resolved:**

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

**19 Confidential Extract of the minutes of the Resources Board held on 20 June 2022.**

The confidential extract of the minutes of the Resources Board held on 28 June 2022, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

C Symonds  
Chairman

**1 Summary**

- 1.1 This report is to inform Members of risk management actions being undertaken during 2022/23.

|   |
|---|
| <p><b>Recommendation to the Board</b></p> <p><b>That progress be noted.</b></p> |
|---|

**2 Introduction**

- 2.1 Risk is the threat that an event or action will affect the Council's ability to achieve its objectives and to successfully execute its strategies. Risk Management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of corporate governance.
- 2.2 The Council's strategic risks for 2022/23 were identified by the Management Team and were considered by this Board in June. A copy of the Authority's 2022/23 Strategic Risk Register is attached as Appendix A.
- ...

**3 Strategic Risks**

- 3.1 There are four significant risks in 2022/23 and over the longer term (classed as "red"). These are:
- S05 - the Council's ability to recruit and maintain appropriately qualified staff;
  - S08 - risks around the delivery of the financial savings required in the 2023/24 budget;
  - S11 - the potential inadequacy of resources to maintain the Council's capital assets, in particular the replacement of the leisure facilities, and;
  - S23 - the potential for a cyber incident affecting council systems.
- 3.2 Given the Council's difficulties in recruitment in some service areas, options other than like for like replacement are being considered in a number of service areas. The use of apprentices and training posts is being increased. Although this option will not resolve recruitment issues completely, it is proving helpful in a number of areas. Other action taken to date has included a review of the refuse service, which assisted in the retention of HGV drivers and the use of capacity in other local authorities, for areas such as green space.

- 3.3 The Council already makes use of flexible and hybrid working in many areas and has reviewed its advertising to try and highlight the overall package that can be offered to potential candidates. With regards to retention, annual staff surveys are undertaken to try and gauge morale within the workforce, so that improvements can be made where needed.
- 3.4 There are regular reports on the Council's financial position to all Boards of the Council. In particular, the financial strategy is updated twice per year, with the latest update considered by the Executive Board on 12 October. As set out in that report, the Council's financial position is extremely difficult and has become worse in the current economic climate. Finding savings or budget reductions is extremely challenging, as budget reductions have been sought for a number of years.
- 3.5 There are a number of actions being taken to assist with the delivery of financial savings. One relates to the Council's involvement with the Materials Recycling Facility, which will help to reduce recycling costs from mid-2023 onwards, as well as providing investment income. A LATCo is being set up to operate the Council's leisure facilities, which will allow some reduction in expenditure, as the current level of costs cannot be sustained over the medium term. During the estimate process other areas of spending will be reviewed as well as considering any other sources of income generation. Cost recovery relating to discretionary services is increasingly important.
- 3.6 With regard to the inadequacy of capital resources, a bid has been made to the Levelling Up Fund, which if approved will allow the replacement of Atherstone Leisure Complex. Funds have been earmarked from the Volatility Reserve to provide the match funding that the Council would need to contribute. The option to use the Volatility Reserve to fund the purchase of the replacement refuse vehicles in the current year will be put forward for approval during the estimate process. Other capital schemes have been delayed to allow alternative options to be considered, as disposal of some assets currently held would reduce the Council's capital liability. Reports later on the agenda relate to a couple of current capital schemes.
- 3.7 The Council continues to guard against cyber attacks, with periodic reminders to staff around security issues and information on potential scams sent round. The Council is also in the process of implementing three new major systems, which will improve security. In addition, work on internet arrangements is currently being undertaken.

## **4 Report Implications**

### **4.1 Safer Communities Implications**

- 4.1.1 There are specific risks identified for the work the Council carries out with partners to help reduce crime and disorder in North Warwickshire. These are reflected within the Partnership Plan of the North Warwickshire Community Safety Partnership and in specific service plans of the Council.

## 4.2 Legal and Human Rights Implications

4.2.1 Specific legal advice has been and will continue to be given where required in relation to the control procedures for each of the risks identified in the Appendices.

## 4.3 Environment and Sustainability Implications

4.3.1 Having effective risk management will contribute towards the delivery of sustainability and helps the Council continue to provide services to help improve the quality of life for the communities of North Warwickshire.

## 4.4 Equality Implications

4.4.1 The risk to the Council in not complying appropriately with the requirements of the Equality Act is included as an operational risk. Our corporate approach of including the identification of equality implications in reports to boards wherever appropriate to do so and carrying out equality impact assessments on all significant changes in our policies and practices helps to minimise any associated risks.

## 4.5 Risk Management Implications

4.5.1 Regular reports and ongoing monitoring will maintain the awareness of the importance of Risk Management. Individual risks fall into various categories, such as political, environmental, financial, economic, organisational, legal, technical etc. The implication of each risk is assessed and scored to identify whether there are sufficient controls in place or whether additional action needs to be taken.

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

### Background Papers

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

| Background Paper No | Author | Nature of Background Paper | Date |
|---------------------|--------|----------------------------|------|
|                     |        |                            |      |

| No.      | 2022/23 Score |        |       | 2023/24 – 2025/26 score |        |       | Risk   | Responsible Officer | Corporate Objective   |
|----------|---------------|--------|-------|-------------------------|--------|-------|--|---------------------|---|
|          | Likelihood    | Impact | Score | Likelihood              | Impact | Score |  |                     |   |
| 2022 S01 | 2             | 3      | 6     | 2                       | 3      | 6     | Council's procurement procedures are inadequate leading to poor VFM or lack of probity               | HoCS                | Responsible Financial & Resource Management   |
| 2022 S02 | 3             | 4      | 12    | 3                       | 4      | 12    | Insufficient corporate capacity to deal with all the issues facing the Council                       | CE                  | Responsible Financial & Resource Management   |
| 2022 S03 | 3             | 4      | 12    | 3                       | 4      | 12    | The Council's political arrangements cease to work effectively                                       | CE                  | Responsible Financial & Resource Management   |
| 2022 S04 | 2             | 3      | 6     | 2                       | 3      | 6     | Sickness absence is not managed effectively  | CD (R)              | Responsible Financial & Resource Management / Improving Leisure & Wellbeing Opportunities |
| 2022 S05 | 4             | 4      | 16    | 4                       | 4      | 16    | The Council is unable to recruit, motivate and retain appropriately qualified staff                  | CD (R)              | Supporting Employment & Business  |
| 2022 S06 | 2             | 4      | 8     | 2                       | 4      | 8     | Ineffective response to an incident (or business continuity plan fails)                              | CE                  | All Priorities  |
| 2022 S07 | 2             | 2      | 4     | 2                       | 2      | 4     | Relationships with key partners fail or become ineffective   | CE                  | Responsible Financial & Resource Management   |
| 2022 S08 | 4             | 4      | 16    | 3                       | 3      | 9     | Expected efficiency savings and service improvements are not delivered whilst maintaining resilience | CD (R)              | Responsible Financial & Resource Management   |
| 2022 S09 | 3             | 3      | 9     | 3                       | 3      | 9     | The Council fails to meet its commitments arising from the Community and Corporate Plans             | CE                  | Responsible Financial & Resource Management   |
| 2022 S10 | 2             | 4      | 8     | 2                       | 4      | 8     | The council fails to comply with key legislation   | CE / SH-L           | All Priorities  |
| 2022 S11 | 4             | 3      | 12    | 4                       | 4      | 16    | Inadequate resources to maintain the Council's capital assets  | CD (R)              | Responsible Financial & Resource Management   |
| 2022 S12 | 2             | 5      | 10    | 2                       | 5      | 10    | Health & Safety is not managed effectively   | CD (R)              | Responsible Financial & Resource Management / Improving Leisure & Wellbeing Opportunities |
| 2022 S13 | 2             | 4      | 8     | 2                       | 4      | 8     | Failure to manage staff concerns and well being, in the current economic climate                     | CE                  | Supporting Employment & Business  |
| 2022 S14 | 3             | 2      | 6     | 4                       | 3      | 12    | The instability of the Business Rates system   | CD (R)              | Responsible Financial & Resource Management   |
| 2022 S15 | 2             | 4      | 8     | 2                       | 4      | 8     | The impact of the duty to cooperate on the Borough   | CE                  | Protecting our Countryside & Heritage   |

| No.      | 2022/23 Score |        |       | 2023/24 – 2025/26 score |        |       | Risk   | Responsible Officer | Corporate Objective  |
|----------|---------------|--------|-------|-------------------------|--------|-------|--|---------------------|--|
|          | Likelihood    | Impact | Score | Likelihood              | Impact | Score |  |                     |  |
| 2022 S16 | 2             | 4      | 8     | 2                       | 4      | 8     | Failure to manage reputational risk  | CE                  | Responsible Financial & Resource Management                                    |
| 2022 S17 | 1             | 1      | 1     | 5                       | 2      | 10    | Changes to external resources as a result of the new Needs Assessment  | CD (R)              | Responsible Financial & Resource Management                                    |
| 2022 S18 | 3             | 4      | 12    | 3                       | 4      | 12    | Unplanned development happening across the Borough   | CE                  | Protecting our Countryside & Heritage  |
| 2022 S19 | 3             | 4      | 12    | 2                       | 4      | 8     | Non compliance with the General Data Protection Regulations (GDPR)   | CE                  | Responsible Financial & Resource Management                                    |
| 2022 S20 | 4             | 3      | 12    | 4                       | 3      | 12    | A significant downturn in the economy, reducing businesses in the Borough and increasing the numbers of benefit claimants. | CE                  | Responsible Financial & Resource Management                                    |
| 2022 S21 | 3             | 4      | 12    | 3                       | 4      | 12    | Health impact of Coronavirus   | CE                  | Improving Leisure & Wellbeing Opportunities<br>Financial & Resource Management |
| 2022 S22 | 4             | 2      | 8     | 4                       | 2      | 8     | Devolution issues  | CE                  | Responsible Financial & Resource Management                                    |
| 2022 S23 | 3             | 5      | 15    | 2                       | 5      | 10    | Cyber incident on council systems  | HoCS                | Responsible Financial & Resource Management                                    |
| 2021 S24 | 2             | 4      | 8     | 2                       | 4      | 8     | Delays in the building and operation of the MRF  | CDS                 | Responsible Financial & Resource Management                                    |

**Agenda Item No 7**

**Resources Board**

**7 November 2022**

**Report of the  
Corporate Director - Resources**

**Treasury Management Update  
2022/23**

**1 Summary**

- 1.1 This report shows the Treasury Management activity for the period up to the end of September 2022.

**Recommendation to the Board**

**That the Treasury Management Report for the period up to the end of September 2022 be noted.**

**2 Introduction**

- 2.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before maximising investment return.
- 2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 2.3 The Council uses the Code of Practice for Treasury Management issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) to ensure best practice is followed. The Code suggests minimum requirements for informing Members of Treasury Management activities, and this report follows the guidance of the Code.

### **3 Economic Forecast**

- 3.1 The second quarter of 2022/23 saw revisions to GDP, with the UK economy avoiding recession during the quarter. There were signs of economic activity losing momentum as production fell due to rising energy prices. The unemployment rate fell to a 48-year low of 3.6% due to a large shortage in labour supply. The number of vacancies has started to level off but there have been few signs of a slowing in upward momentum in wage growth.
- 3.2 The UK's CPI inflation rate eased from 10.1% in July to 9.9% in August, although inflation has not yet peaked. Inflation remains a concern, with domestic price pressures showing little sign of abating in the short term. There are signs that households are spending their excess savings in response to high prices.
- 3.3 The Monetary Policy Committee (MPC) have increased the Bank of England base interest rate and this currently stands at 2.25%. Further rises are still to come, although the timing and scale of these increases are not yet known. Economic uncertainty led to falls in sterling and increases in gilt yields.
- 3.4 Market expectations for interest rates are volatile and they are currently pricing in rates of 5.5% - 5.75%. Link Group, the Council's treasury advisers, expect the MPC to increase rates further and faster, from the current 2.25% to a peak of 5% in February 2023.

### **4 Treasury Management Strategy Statement**

#### **4.1 Review of Annual Investment Strategy**

- 4.1.1 The Treasury Management Strategy Statement (TMSS) for 2022/23 was approved by Resources Board on 24 January 2022. The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:
- Security of Capital
  - Liquidity
  - Yield
- 4.1.2 The Council will aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate generally to keep investments short term, and only invest with highly rated financial institutions, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Link Asset Services.
- 4.1.3 The Council's weighted average at the end of September has increased since the end of the 2021/22 financial year. This has been possible as some maturing investments have been re-invested at higher rates.

4.1.4 The average level of funds available for investment purposes during the April to September period was £32.5 million. The level of funds available for investment purposes was mainly dependent on the timing of precept payments, the NDR Appeals provision, the receipt and payments of grants and the timing of both capital and revenue expenditure.

4.1.5 Interest gained on investments up to the end of September 2022 totalled £170,236, compared to the profiled budgetary position of £100,000. The average weighted interest rate on investments for this period was 1.09% which is in line with the benchmark of the average 7 day rate. Going forward we expect our average interest rate on investments to increase, as interest rates have recently improved.

## 4.2 Borrowing

4.2.1 The Council's Capital Financing Requirement (CFR) for 2022/23 was estimated at £56.048 million. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

4.2.2 The table below shows the Council's external borrowings and the utilisation of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate.

|                                   | 2022/23<br>Original<br>Estimate<br>£m | 2022/23<br>Estimated<br>Out-turn<br>£m |
|-----------------------------------|---------------------------------------|--|
| External borrowing – Housing      | 42,041                                | 42,041                                 |
| Internal borrowing - Housing      | -                                     | 1,000                                  |
| Internal borrowing – General Fund | 14,007                                | 14,007                                 |
| <b>CFR (year end position)</b>    | <b>56,048</b>                         | <b>57,048</b>                          |

4.2.3 The Council has not needed to borrow any funds on a short term basis during the year to date.

## 4.3 Prudential Indicators

4.3.1 It is a statutory duty for the Council to determine and keep under review its "Affordable Borrowing Limits". The Council's Authorised Borrowing Limit and Operational Boundary Limits for 2022/23 were set at £79.715 million and £56.048 million respectively. Activity has remained within these limits for the months from April to September 2022.

## 5 Report Implications

### 5.1 Finance and Value for Money Implications

5.1.1 Up to 30 September 2022, interest earned on investments was £170,236. The Council has not needed to borrow during the first six months of the year to fund any temporary shortfalls in the day-to-day cash flow.

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

### 5.2 Environment and Sustainability Implications

5.2.1 Having effective and prudent treasury management contributes towards sustainability and provides services that improve the quality of life for the communities of North Warwickshire.

### 5.3 Risk Management Implications

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

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

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

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

### Background Papers

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

| Background Paper No | Author | Nature of Background Paper | Date |
|---------------------|--------|----------------------------|------|
|                     |        |                            |      |

**Agenda Item No 8**

**Resources Board**

**7 November 2022**

**Report of the  
Corporate Director - Resources**

**Internal Audit Half Yearly  
Report**

**1 Summary**

- 1.1 The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year. It also provides the Board with a summary of the work completed by the Council's Counter Fraud Officer.

**Recommendation to the Board**

**That progress against the approved plan at Appendices A and B and the work of the Counter Fraud Officer be noted.**

**2 Progress Against the Internal Audit Plan**

- 2.1 The Internal Audit Plan for the current year was approved by the Resources Board in June 2022. A copy of the Plan and the progress to date is attached at Appendix A.

- 2.2 The work of the team has been affected due to staff turnover and sickness absence, which has reduced the staff resource available to carry out audits. Currently just one member of the team is available to work on audits.

- 2.3 A summary of work completed, and the findings is shown in Appendix B, but it should be noted that this is only a snapshot of the position at the time of the audit. Where areas for improvement are identified an action plan is agreed which sets out the changes that will be introduced, the responsible officer and the target date for completion. The team carry out follow-up reviews to ensure that agreed actions have been implemented and, where necessary, they will revise the internal audit opinion to reflect the change in the overall control system.

### 3 Counter Fraud Activity

3.1 The current Counter Fraud Officer has been employed by the Council since June 2018. This is a shared role with Nuneaton and Bedworth Borough Council (NBBC), with the Officer spending 40% of his time investigating fraud allegations at NWBC and 60% at NBBC. The types of fraud allegations that he investigates include:

- Right to Buy;
- Tenancy fraud such as sub-letting and abandonment of the property;
- Council Tax and housing Benefit; and
- Single Persons Discount.

3.2 The Counter Fraud Officer has continued to use a pro-active approach to investigations. So far this financial year, he has received and opened 50 fraud investigations, during which 3 local authority properties have been recovered and 2 fraudulent housing applications have been prevented. The Officer has also reviewed a further 25 Right-to-Buy applications, with around half having either had a visit or telephone interview to investigate issues arising. As a result, 2 applications have been denied.

3.3 To date the Officer has identified cashable savings to the public purse of approximately £19,595 and notional savings of £300,068, mainly in relation to Housing Benefit and Council Tax Fraud.

### 4 Report Implications

#### 4.1 Risk Management Implications

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

4.1.2 Failure to investigate allegations of fraud could result in poor publicity for the Council and some reputational damage.

#### 4.2 Links to Council's Priorities

4.2.1 The audit programme and the counter fraud activity are aligned to both the priorities of the Council and the requirements of external assessors.

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

### Background Papers

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

| Background Paper No | Author | Nature of Background Paper | Date |
|---------------------|--------|----------------------------|------|
|                     |        |                            |      |

**Internal Audit Plan 2022/23**

| <b>System Reviews</b>                                 | <b>Timing of Review</b>         |
|---|---------------------------------|
| Cleaning (HRA) *                                      | <i>Completed see Appendix B</i> |
| Community Centres*                                    | <i>Completed see Appendix B</i> |
| Procurement   | <i>Completed see Appendix B</i> |
| Contaminated Land *                                   | <i>Completed see Appendix B</i> |
| Environmental Protection – Food Hygiene & Inspection* | In progress                     |
| Leaseholder Management *                              | In progress                     |
| Democratic Services                                   | Quarter 3                       |
| Housing Repairs (excluding voids)*                    | Quarter 3                       |
| Commercial Properties and Industrial Units            | Quarter 4                       |
| Events and Publicity*                                 | Quarter 4                       |
| Civil Parking Enforcement                             | Quarter 4                       |
| <b>Annual Reviews</b>                                 |                                 |
| Leisure   | Quarter 4                       |
| <b>Follow-up Reviews</b>                              |                                 |
| Corporate Feedback (Complaints and Compliments)*      | Follow up carried out           |
| Corporate Governance*                                 | Follow up carried out           |
| Equalities*   | Follow up carried out           |
| Fly Tipping*  | In progress                     |
| Partnerships and Shared Services*                     | Completed                       |
| Transport Fleet Management*                           | Quarter 4                       |
| Domestic Refuse*                                      | Completed                       |
| Petty Cash Procedures – Leisure Centres *             | Completed                       |
| Council Tax   | In progress                     |
| Insurance   | Follow up carried out           |
| Economic Development                                  | Follow up carried out           |
| Cesspool Emptying                                     | Quarter 4                       |
| Civic Silver and Security                             | Quarter 2                       |

## Summary of Internal Audit Findings

### Audits Brought Forward from 2021/22

#### Community Centres

##### Audit Scope

To review the operating effectiveness of certain key expected controls, to mitigate key risks for the hiring out of the Council's Community Centres / Sheltered Scheme Communal Rooms [CCC / SSCRs] to voluntary and certain private groups.

##### Audit Findings

A '**Significant Assurance**' was given. The key expected controls are being applied in a consistent and sound manner in relation to the Council's hiring out of its Community Centre Sheltered Scheme Communal Rooms.

#### Cleaning (HRA)

##### Audit Scope

To establish the adequacy of the working arrangements and controls in place for the Housing Revenue Account estate cleaning works, undertaken by the Council's Neighbourhood Warden team, in communal spaces in flats, both internal and external, and communal rooms.

##### Audit Findings

A '**Significant Assurance**' was given. The key expected controls are being applied in a consistent and sound manner in relation to the Council's HRA Cleaning of its estate by its in-house Neighbourhood Wardens team.

#### Contaminated Land

##### Audit Scope

The overall scope was to ensure that the Council's Commercial Environmental Protection Team's arrangements for identifying and dealing with contaminated land in the Borough comply with the Council's legal obligations under the Environmental Protection Act [EPA] 1990 and the Contaminated Land (England) Regulations 2012.

##### Audit Findings

A '**satisfactory**' assurance was given. The key expected controls for the Council's arrangements (as an enforcing authority) for identifying and dealing with

contaminated land in the Borough were operating as required. However the Contaminated Land Inspection Strategy and the fees and charges published on the Council's website are in need of updating.

## **Planned Audits 2022/23**

### **Procurement**

#### **Audit Scope**

To review the operating effectiveness of certain key expected controls, to help mitigate key potential risks to the Council in relation to its procurement arrangements.

#### **Audit Findings**

A '**Satisfactory Assurance**' level was given. There is a need to update the Contract Standing Orders to reflect recent changes in staffing and the UK's exit from the European Union and to recommence periodic quality assurance checks on procurement activity undertaken. Work is already underway to streamline the compilation and maintenance of the annual contracts register and this needs to ensure that all requirements under the Transparency Code are complied with. Consideration is being given to the benefits of making a master list of corporate contracts available for senior officers. The approved Procurement and Commissioning Strategy ended in 2021, so needs review and update.

### **Follow up Reviews**

#### **Insurance, Equalities, Corporate Governance, and Corporate Feedback**

Follow up reviews on the above have identified that whilst a number of recommendations have been actioned, the implementation of some recommendations has been affected by staffing changes. Further follow up on these will be undertaken.

### **Economic Development**

Due to the longer time frames used in economic development planning, proposed recommendations are still to be considered.

| <b>Assurance Level</b> | <b>Definition</b>   |
|------------------------|---|
| Significant            | There is a sound system of internal controls that are being consistently applied  |
| Satisfactory           | There is basically a sound system of internal controls although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk. |
| Limited                | There are some weaknesses in the adequacy of the internal control system and/or the level of non-compliance puts some of the system objectives at risk.   |
| No Assurance           | Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.   |

## Agenda Item 9

### Resources Board

07 November 2022

### Report of the Corporate Director - Resources

### General Fund Budgetary Control Report 2022/23 Period Ended 30 September 2022

## 1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2022 to 30 September 2022. The 2022/23 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

### **Recommendation to Resources Board**

**That the report be noted and that the Board requests any further information it feels would assist it in monitoring the budgets under the Board's control.**

## 2 Introduction

- 2.1 Resources Board is responsible for monitoring the Council's overall financial position on the General Fund, and this report gives details of the position at 30th September 2022.
- 2.2 The Board is also directly responsible for several internal and frontline services. Accounting rules require frontline services to show the total cost of providing the service, which includes support costs such as finance and IT services, as well as costs and income directly incurred.
- 2.3 Internal service costs are therefore recharged to all the services they support, both those that remain within Resources Board and those which are the responsibility of other Boards. This report provides some detail on both the frontline services relating to this Board and the internal service costs that are recharged, on 30th September 2022.
- 2.4 Where possible, the year-to-date budget figures have been calculated with some allowance for seasonal variations, to give a better comparison with actual figures.

### **3 Services Remaining Within Resources Board**

3.1 The total expenditure for those services that remain within Resources as of 30 September 2022 is £1,570,837 compared with a profiled budgetary position of £1,478,834; giving an overspend of £92,002 for the period. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

### **3.2 Democratic Process**

3.2.1 The current underspend is mainly due to lower spend on mayoral activity, transport, and members allowances.

### **3.3 Council Tax Collection**

3.3.1 The current overspend is mainly due to lower than profiled income from the recovery of legal costs. This is because debt recovery action was put on hold by the Authority during the pandemic and therefore summons or liability orders were not issued. Recovery action has recommenced, and court action will be taken when appropriate, but the Council continues to work with customers where they are still struggling with current payments.

### **3.4 Innage Park Industrial Estate**

3.4.1 Rental income is presently below the budgeted level due to two units being vacated and which remain unoccupied at present.

### **3.5 Rent Allowances, and Rent Rebates and Administration**

3.5.1 The current overspend on Rent Allowances and Rent Rebates relates to lower income from the recovery of housing benefit overpayments. Debt recovery action was put on hold by the Authority due to the pandemic and therefore liability orders or attachment of benefit orders were not issued. Normal working has now resumed.

### **3.6 Car Parks**

3.6.1 Spending on car parks is lower than profile as maintenance work has not yet taken place. In addition, income from parking fees and penalties is slightly better than expected.

## **4 Services Recharged to Other Directorates and Services**

4.1 Net expenditure for those services that are recharged to other Directorates and Services, as at 30 September 2022, is a benefit of £106,849 compared with a profiled budgetary cost of £136,715 giving rise to an underspend of £243,564 for the period.

4.2 Although the overall position is an underspend against profile, unbudgeted spend of £78,891 in legal costs was incurred in dealing with the oil protests. A claim for reimbursement has since been made to DLUHC by the Legal Services team.

... 4.3 Appendix B shows the profiled and actual positions for each service for the period, together with the variance. The Council's budget requirement for 2022/23 assumed that there would be a salary vacancy saving in the year of £200,000 and this was included as a central amount. The central vacancy factor has been added into the budget columns shown in Appendix B to enable easier comparison with the actual position. The assumed pay award of 2% has also been included to allow a better comparison. When the appropriate proportion of this is considered, there is an underspend of £94,474. However, it should be noted that the pay award that has been offered for 2022/23 is above the 2% assumed, so if agreed will increase actual costs.

4.4 The underspend on Council Offices is due to lower heating and ventilation maintenance, supplies and services, and employee costs due to vacancies, also a rebate received relating to Non-Domestic Rates on Old Bank House.

4.5 The underspend on Printing and Stationery relates to lower usage of stationery and lower photocopier usage charges.

4.5 **Directorate Budgets**

4.5.1 Current vacancy levels within the Directorates are slightly better than the profiled budget after allowing for the use of agency staff to cover some key duties, any recruitment costs resulting from these vacancies and excluding vacancies that relate to the Housing Revenue Account.

4.5.2 The areas with vacancies are Environmental Health, Landscape Management, Community Development, Financial Services, Human Resources, Internal Audit, Revenues and Benefits and Customer Contact. This level of vacancies is due to a limited response to recruitment exercises in some service areas. This has resulted in the Council relying on more expensive agency staff to cover most of the posts in some key areas of operations. The table below relates to the General Fund only.

|                               | £                |
|-------------------------------|------------------|
| Current agency staff variance | 163,232          |
| Current salaries underspend   | (445,143)        |
| Assumed pay award at 2%       | 49,090           |
| <b>Sub Total</b>              | <b>(232,821)</b> |
| Less Central vacancy factor   | 100,000          |
| <b>TOTAL</b>                  | <b>(132,821)</b> |

4.5.3 In addition to the salary variations identified above there are underspends on officer travel expenses due to the reduction in travel undertaken and some additional income.

5 **Performance Indicators**

5.1 In addition to the financial information provided to this Board, when the budgets were set in February, performance indicators were included as a means of putting the financial position into context. These are shown at Appendix C.

...

- 5.2 The majority of the Performance Indicators are comparable with the profiled position.
- 5.3 The main reason for the variance in the performance figures for council tax collection is due to lower recovery of legal costs.
- 5.4 The main reason for the variance in the performance figures for rent allowances and rent rebates is due to lower recovery of housing rent allowance and rent rebate overpayments, therefore resulting in a higher net administration cost per claimant. In addition, with rent allowances there has been a lower number of claimants.

## 6 Overall General Fund Position

- ... 6.1 Appendix D provides an analysis of Board expenditure and the overall position for the General Fund for this report.
- 6.2 The actual level of Board expenditure for the period to 30th September 2022 is £4,747,969 compared with a profiled budgetary position of £4,634,751 resulting in an overspend of £113,218.
- 6.3 Within the Community and Environment Board, costs have increased on refuse and recycling services due to additional staff costs and higher disposal costs. In addition, leisure income across all sites has not achieved the levels anticipated, The income shortfall has been partially offset by lower employee costs.
- 6.6 Resources Board variances are as detailed earlier in this report.
- 6.7 As well as expenditure directly attributable to services, and included in the Board totals, there are several other amounts that need to be considered that provide the total net expenditure for the General Fund. This includes investment income, external interest payments and adjustments to reverse capital charges included within Board expenditure, from out of Council expenditure. Investment income is currently better than expected, as investment rates have started to rise.
- 6.8 Taking these amounts into account, net expenditure for the Council to the end of September 2022 totals £4,191,478 compared with a profiled position of £4,148,496. This reduces the general overspend for the period to £48,982.

## 7 Risks to Services

- 7.1 In setting the budget in January 2022, a number of key risks to the overall budgetary position of the Council were highlighted and these are shown below:
- A pay award of 2% has been assumed in preparing the budgets. Any settlement above or below this would affect the financial position of the Authority. The National Employers have currently offered a flat rate increase of £1,925 as part of the pay negotiations for 2022/23 and if accepted this will increase the costs to the Council significantly, by around £556,000.

- A vacancy factor has been included within the overall estimates. Should vacancies be less than expected, additional costs will be borne by the Authority.
- There are potential additional costs for the Council in carrying out its planning function. If the Council loses a planning appeal, an award of costs can be made against the Council (the appellants costs for the appeal). If the Council consistently loses appeals it will become a designated authority, which means that prospective applicants can submit their applications directly to the planning directorate. This would mean the Council would lose the accompanying planning fee. In addition, any downturn in planning applications would impact on the fee income received.
- Council expenditure on housing benefit is significant, although the majority is recouped through grant. Any reduction in performance can lead to a loss of grant and/or increase in the non-recovery of overpayments. The transfer of housing benefit into the universal credit administered nationally will impact on council resources.
- A downturn in the current economic situation could have an impact on the industrial rent income that the Council can obtain. In addition, the NDR on vacant commercial properties will impact directly on the Council's costs.
- Legislation, as well as the economic situation, could also impact on other Council services such as Homelessness, with increased demand leading to additional expenditure.
- The Council is promoting recycling activities across the Borough. Reductions in income for recycling materials could add to the existing costs of the service.
- Limited budgetary provision is available for one off spending on areas such as public enquiries on planning, un-adopted roads, and contaminated land issues.
- Deterioration of the Council's assets could require costly remedial action and could also impact on the ability of some services to generate income. Income generation could also be affected more widely by the current economic position.

## 8 Estimated Out-turn for the General Fund

8.1 The anticipated out-turn for the General Fund is detailed in the table below: -

|   | £                |
|---|------------------|
| <b>Approved Budget 2022/23</b>                              | <b>9,758,370</b> |
| Pay Award   | 556,000          |
| Additional Costs on Refuse and Recycling                    | 250,000          |
| Planning Income – expected reduction                        | 20,000           |
| Leisure Income – expected reduction net of employee savings | 100,000          |
| Reduced legal costs income - CT                             | 50,000           |

|  |                   |
|--|-------------------|
| Reduced recovery of housing benefits overpayments            | 100,000           |
| Increased utility and fuel costs                             | 175,000           |
| Increased fuel costs   | 65,000            |
| Increase in investment income                                | (200,000)         |
| Amenity Cleaning / Grounds Maintenance – reduced costs       | (95,000)          |
| Vacancies above vacancy factor - August                      | (45,000)          |
| Reduction in financial assistance to voluntary organisations | (20,880)          |
| <b>Expected Out-turn 2022/23</b>                             | <b>10,713,490</b> |

## 9 Report Implications

### 9.1 Finance and Value for Money Implications

9.1.1 The Council's original budgeted contribution from General Fund balances for the 2022/23 financial year was £277,670. This is now expected to increase by £955,120 as shown above in section 8.1. If the claim for legal costs incurred on the oil protests is unsuccessful, then a further £78,000 will be needed from balances.

9.1.2 Income and expenditure will continue to be closely managed and any further issues that arise will be reported to this Board at future meetings.

### 9.2 Environment and Sustainability Implications

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

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

## Background Papers

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

| Background Paper No              | Author                         | Nature of Background Paper   | Date                      |
|----------------------------------|--------------------------------|--|---------------------------|
| Executive Board – Agenda item 10 | Corporate Director - Resources | General Fund Revenue Estimates and Setting the Council Tax 2022-23 | 14 <sup>th</sup> Feb 2022 |

**SERVICE REMAINING WITHIN RESOURCES BOARD**  
**Budgetary Control Report 2022/23 as at 30 September 2022**

| COST CENTRE | Description                             | Approved Budget 2022/23 | Profiled Budget to Sept 2022 | Actuals to end Sept 2022 | Variance to Date | Comments    |
|-------------|---|-------------------------|------------------------------|--------------------------|------------------|-------------|
| 3000        | Cost of Democratic Process              | 496,760                 | 248,790                      | 234,347                  | (14,443)         | Comment 3.2 |
| 3001        | Election Expenses                       | 22,420                  | 14,020                       | 16,392                   | 2,372            |             |
| 3002        | Registration of Electors                | 71,540                  | 45,042                       | 48,908                   | 3,865            |             |
| 3003        | Business Rates                          | 78,950                  | 100,255                      | 99,702                   | (553)            |             |
| 3004        | Council Tax Collection                  | 333,010                 | 176,160                      | 231,383                  | 55,223           | Comment 3.3 |
| 3050        | Miscellaneous Finance                   | 510                     | 255                          | 255                      | 0                |             |
| 3051        | Compensation and Pension Increases      | 274,280                 | 70,118                       | 70,118                   | (0)              |             |
| 3052        | Assisted Car Purchases                  | 330                     | 255                          | 255                      | 0                |             |
| 3054        | Electricity at Work                     | 24,870                  | 13,812                       | 14,529                   | 717              |             |
| 3059        | Finance Unused Land and Assets          | 1,170                   | 553                          | 1,083                    | 530              |             |
| 3060        | Corporate and Democratic Core           | 532,760                 | 342,630                      | 343,111                  | 481              |             |
| 3061        | Unallocated Central Support Services    | 114,850                 | 16,570                       | 17,135                   | 565              |             |
| 3065        | Coleshill Shops and Flats               | (66,020)                | (27,620)                     | (27,598)                 | 22               |             |
| 3067        | The Pavilions, Holly Lane               | (75,920)                | (37,940)                     | (39,521)                 | (1,581)          |             |
| 3068        | Carlyon Road Industrial Estate          | (125,300)               | (63,810)                     | (64,948)                 | (1,138)          |             |
| 3069        | Innage Park Industrial Estate           | (87,750)                | (84,940)                     | (80,205)                 | 4,735            | Comment 3.4 |
| 3079        | Maya Bar and Restaurant                 | (17,850)                | (9,275)                      | (9,275)                  | (0)              |             |
| 3080        | Football Ground                         | -                       | -                            | 1,115                    | 1,115            |             |
| 3084        | Homeless Persons                        | 129,710                 | 148,089                      | 147,913                  | (176)            |             |
| 3086        | Homeless Project Watling Street Dordon  | -                       | 15,258                       | 15,631                   | 373              |             |
| 3089        | Public Conveniences                     | 24,380                  | 11,330                       | 11,610                   | 280              |             |
| 3094        | Customer Contact (Service Budget)       | 62,320                  | 31,160                       | 30,350                   | (810)            |             |
| 3097        | Rent Allowances and Administration      | 142,480                 | 74,375                       | 113,573                  | 39,197           | Comment 3.5 |
| 3098        | Housing Rent Rebates and Administration | 172,770                 | 88,095                       | 96,943                   | 8,848            | Comment 3.5 |
| 3101        | Council Tax Support                     | 236,190                 | 83,873                       | 83,873                   | 0                |             |
| 3102        | Car Parks                               | 185,670                 | 52,754                       | 43,131                   | (9,623)          | Comment 3.6 |
| 5008        | Private Sector Housing Assistance       | 85,840                  | 100,798                      | 100,811                  | 13               |             |
| 5035        | CCTV                                    | 93,610                  | 68,228                       | 70,216                   | 1,988            |             |
| RES2        | <b>TOTALS</b>                           | <b>2,711,580</b>        | <b>1,478,834</b>             | <b>1,570,837</b>         | <b>92,002</b>    |             |

**RECHARGED SERVICES**  
**Budgetary Control Report 2022/23 as at 30 September 2022**

| Description                                 | Approved Budget 2022/23 | Profiled Budget to Sept 2022 | Actuals to end Sept 2022 | Variance to Date | Comments    |
|---|-------------------------|------------------------------|--------------------------|------------------|-------------|
| Building Maintenance Fund                   | 0                       | 0                            | 0                        | 0                |             |
| Central Telephones                          | 0                       | 4,259                        | 6,374                    | 2,115            |             |
| Council Offices                             | 340                     | 6,419                        | (9,936)                  | (16,354)         | Comment 4.4 |
| Depot and Stores                            | 0                       | 11,859                       | 10,142                   | (1,717)          |             |
| Recruitment                                 | 0                       | 1,840                        | 1,955                    | 114              |             |
| Training                                    | 0                       | 825                          | (812)                    | (1,637)          |             |
| Printing and Stationery                     | 0                       | 972                          | (7,800)                  | (8,772)          | Comment 4.5 |
| Chief Executive                             | 350                     | (45)                         | (6,388)                  | (6,343)          |             |
| Corporate Director - Community Services     | 3,820                   | 16,892                       | 47,489                   | 30,596           | Comment 4.2 |
| Corporate Director - Environment            | 7,070                   | 5,180                        | 30,400                   | 25,219           | Comment 4.2 |
| Corporate Director - Resources              | 5,170                   | (11,154)                     | (124,021)                | (112,867)        |             |
| Director of Corporate Services              | 430                     | 98,714                       | 83,849                   | (14,865)         |             |
| Director of Housing                         | 2,710                   | 1,780                        | 3,680                    | 1,899            |             |
| Director of Streetscape                     | 340                     | (902)                        | (30,950)                 | (30,049)         |             |
| Director of Leisure & Community Development | 990                     | 75                           | (110,829)                | (110,904)        |             |
| Transport                                   | 410                     | 0                            | 0                        | (0)              |             |
| <b>TOTALS</b>                               | <b>21,630</b>           | <b>136,715</b>               | <b>(106,849)</b>         | <b>(243,564)</b> |             |
| Central Vacancy Factor                      | (200,000)               | (100,000)                    |                          | 100,000          |             |
| Assumed pay award @ 2%                      | -                       | -                            | 49,090                   | 49,090           |             |
| <b>TOTALS</b>                               | <b>(178,370)</b>        | <b>36,715</b>                | <b>(57,759)</b>          | <b>(94,474)</b>  |             |

## Performance Indicators (PIs) for budgets reporting to the Resources Board

At 30 September 2022

|   | Budgeted performance | Profiled Budgeted performance | Actual performance to Date |
|---|----------------------|-------------------------------|----------------------------|
| <b>Registration of Electors</b>         |                      |                               |                            |
| Cost per registered elector             | £1.44                | £0.84                         | £0.99                      |
| <b>Business Rates</b>                   |                      |                               |                            |
| Business Rate Collection Rate           | 99.00%               | 58.00%                        | 55.82%                     |
| Cost per NDR Property                   | £32.68               | £41.22                        | £41.00                     |
| <b>Council Tax Collection</b>           |                      |                               |                            |
| Council Tax Collection Rate             | 98.20%               | 57.00%                        | 55.93%                     |
| Cost per Household                      | £11.43               | £6.00                         | £7.88                      |
| <b>Coleshill Shops and Flats</b>        |                      |                               |                            |
| Occupancy Rate                          | 100.00%              | 100.00%                       | 100.00%                    |
| Annual Income per Shop                  | (£9,431)             | (£3,946)                      | (£3,943)                   |
| <b>The Pavilions</b>                    |                      |                               |                            |
| Occupancy Rate                          | 100.00%              | 100.00%                       | 100.00%                    |
| Annual Income per Unit                  | (£9,490)             | (£4,743)                      | (£4,940)                   |
| <b>Carlyon Road Industrial Estate</b>   |                      |                               |                            |
| Occupancy Rate                          | 100.00%              | 100.00%                       | 100.00%                    |
| Annual Income per Unit/Plot             | (£15,663)            | (£7,976)                      | (£8,119)                   |
| <b>Innage Park Industrial Estate</b>    |                      |                               |                            |
| Occupancy Rate                          | 97.56%               | 95.12%                        | 92.68%                     |
| Annual Income per Unit                  | (£6,149)             | (£3,378)                      | (£3,256)                   |
| <b>Rent Allowances</b>                  |                      |                               |                            |
| Number of Claimants                     | 1,020                | 1,020                         | 826                        |
| Rent Allowances per Claimant            | £4,483               | £2,242                        | £1,787                     |
| Cost of Administration per Claimant     | £139.69              | £72.92                        | £88.87                     |
| <b>Rent Rebates</b>                     |                      |                               |                            |
| Number of Claimants                     | 900                  | 900                           | 904                        |
| Rent Rebates per Claimant               | £4,795               | £2,398                        | £1,538                     |
| Cost of Administration per Claimant     | £191.97              | £97.88                        | £80.79                     |
| <b>Council Tax Support</b>              |                      |                               |                            |
| Number of Claimants                     | 4,400                | 4,400                         | 3,787                      |
| Net Cost of Administration per Claimant | £53.68               | £20.02                        | £22.15                     |

**CONSOLIDATED GENERAL FUND POSITION**  
**Budgetary Control Report 2022/23 as at 30 September 2022**

| Code      | Board                                 | Approved Budget 2022/23 | Expected position at 30-Sep 2022 | Actual position at 30-Sep 2022 | Variance       |
|-----------|---------------------------------------|-------------------------|----------------------------------|--------------------------------|----------------|
| EXEC      | Executive                             | 772,480                 | 338,060                          | 325,453                        | (12,607)       |
| PD        | Planning and Development              | 268,570                 | 121,702                          | 123,220                        | 1,517          |
| LIC       | Licensing Committee                   | 22,470                  | 11,235                           | (2,258)                        | (13,493)       |
| COM       | Community and Environment             | 6,014,290               | 2,648,204                        | 2,788,477                      | 140,273        |
| RES/RES2  | Resources (including staff vacancies) | 2,539,120               | 1,515,549                        | 1,513,078                      | (2,471)        |
| 6900-5302 | Other Contingencies                   | 141,000                 | 0                                | 0                              | 0              |
|           | <b>Net Board Expenditure</b>          | <b>9,757,930</b>        | <b>4,634,751</b>                 | <b>4,747,969</b>               | <b>113,218</b> |
| 6403-9659 | Investment Income                     | (190,000)               | (95,000)                         | (135,086)                      | (40,086)       |
|           | Investment Income - MRF               | (123,000)               | 0                                | 0                              | 0              |
| 6900-5310 | Use of Balances                       | (277,660)               | 0                                | 0                              | 0              |
| 6900 Var  | Financing Adjustment                  | (782,510)               | (391,255)                        | (391,255)                      | 0              |
|           |                                       |                         |                                  |                                |                |
|           | <b>Net Expenditure</b>                | <b>8,384,760</b>        | <b>4,148,496</b>                 | <b>4,221,628</b>               | <b>73,132</b>  |

|  |                  |
|--|------------------|
| <b>Net Expenditure Per Budget Book</b> | 8,385,200        |
| Virement of Recruitment to HRA         |                  |
| Virement of Corporate Training to HRA  | <b>(440)</b>     |
| <b>Net Board Expenditure in Report</b> | <b>8,384,760</b> |

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## Agenda Item No 10

### Resources Board

7 November 2022

#### Report of the Corporate Director - Resources

#### Housing Revenue Account Budgetary Control Report 2022/2023 Period Ended 30 September 2022

## 1 Summary

- 1.1 The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 30 September 2022.

### Recommendation to the Board

To consider if any further information is required.

## 2 Introduction

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

## 3 Overall Position

- 3.1 The Housing Revenue Account (HRA) includes all costs and income relating to the letting and management of the Council's housing stock. This has to be kept separate from General Fund expenditure. The actual position for the HRA for the period ended 30 September 2022 is a surplus of £508,633, compared with a forecast surplus position for the period of £476,915. Where possible, the forecast position has been profiled to reflect seasonal variations in expenditure and income, in order to give a better comparison with actual figures. The actual position is a favourable variance of £31,718 against the forecast position. Appendix A to this report provides details of the profiled and actual position for expenditure and income incurred by the HRA.

...

- 3.2 The contribution to the Repairs Fund is transferred from the Revenue Account on a monthly basis as profiled. The actual spend on repairs is shown within the Repairs Fund. Similarly, budget provision within the Revenue Account for capital expenditure is transferred to capital reserves, which are then utilised to fund HRA capital expenditure included in the capital programme.

- 3.3 The overspend within Supervision and Management General relates to the increased costs for the Housing Ombudsman Membership, partially offset by lower spend to date on recruitment costs.
- 3.4 The underspend within Supervision and Management Special Services is due to lower expenditure on window cleaning. There is also a one off multi-year refund of NNDR on Eastlang Road Community Centre with a change in use status. This has been partially offset by income from community room hire budget having not returned to pre-Coronavirus pandemic levels.
- 3.5 Rental income is currently higher than expected. This is mainly due to less income lost from a lower level of voids, 1.16% against a budgeted level of 1.4% and a lower level of Right to Buy sales.
- 3.6 Garage rental income is currently lower than expected, partially relating to the condition of some garages.

#### 4 **Housing Repairs Fund**

- 4.1 The Housing Repairs Fund covers expenditure on all repairs and maintenance, both day to day and programmed, whether carried out by Housing Direct Works or external contractors. This includes any surplus or deficit on the operation of Housing Direct Works.
- 4.2 The balance on the Fund estimated at the start of the year amounted to £1,406,238. The balance can be used to cover timing issues between years. In 2022/23 the contribution to the fund is £3,407,390. Any over-spend in the repairs fund would impact on the use of Housing Revenue Account balances if it exceeded the balance on the fund and the contribution in the year.
- ... 4.3 The position on the fund at the end of September is shown in Appendix B.

#### 5 **Housing Direct Works**

- 5.1 There is an under spend on employee costs reflecting the current level of permanent employee vacancies against the agreed budget. Recruitment to some vacancies has stalled because of the difference in hourly rates in the private sector and strong demand for tradesmen. A number of vacancies have been temporarily filled with agency employees. There has been a decrease in supplies and services to date, also more work has been undertaken on capital schemes and for the General Fund reflected in the higher level of income. This has been partially offset by an increase in transport fuel and maintenance costs.
- ... 5.2 Appendix C to this report provides the profiled and actual expenditure of Housing Direct Works in more detail.

#### 6 **Risks to the Budget**

- 6.1 The key risks to the budgetary position of the Housing Revenue Account identified when setting the budget in February 2022/23 are:-.

- The potential ongoing impact of sustaining rent income levels with the changes from Universal Credit and the impact of the pandemic and cost of living crisis. Whilst rent collection in 2021/22 was good, the ongoing collection of rent remains challenging;
- The requirement on the Council to meet statutory housing needs and support tenants to sustain their tenancies as well as manage them in moving on as secure tenancies are replaced with flexible ones;
- A change in interest rates if funds need to be borrowed.
- A reduction in the rent levels assumed in the Business Plan, as this could impact significantly on the expected surpluses. More attractive Right to Buy conditions could encourage higher sales;
- The requirements of an ageing stock and the need to meet the Decent Homes Standard are likely to continue to increase the demand for capital works. Work to keep the Council's assets in good condition will be prioritised and accommodated within existing budgets;
- Any reduction in the performance of Housing Direct Works will put pressure on the Council to use external contractors and therefore will impact on the level of expenditure;
- Asbestos removal is an ongoing cost pressure over the next few years until the full picture of the level of asbestos contained in council houses and the cost of removal is assessed;
- The impact of the Social Housing White Paper, which sets out the Government's intention to change and strengthen the regulatory framework in conjunction with enhancing the roles of the Regulator and Housing Ombudsman alongside the Building Safety Regulator. It also urges Councils to build more homes and specifically refers to Government's action to remove the borrowing cap for this purpose.

## 7 Estimated Out-turn

7.1 The anticipated out-turn for the Housing Revenue Account is detailed in the table below: -

|  | £              |
|--|----------------|
| <b>Approved Budget 2022/23</b>             | <b>24,450</b>  |
| Net increase in rental income to September | (24,500)       |
| NNDR refund - Eastlang Road, Fillongley    | (8,480)        |
| <b>Expected Out-turn 2022/23</b>           | <b>(8,530)</b> |

## 8 Report Implications

### 8.1 Finance and Value for Money Implications

8.1.1 The Council is currently forecasting a small contribution into the Housing Revenue Fund balance of £8,530 for the 2022/23 financial year.

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

### 8.2 Environment and Sustainability Implications

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

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

### Background Papers

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

| Background Paper No              | Author                         | Nature of Background Paper                                | Date                      |
|----------------------------------|--------------------------------|---|---------------------------|
| Resources Board – Agenda item 11 | Corporate Director - Resources | Housing Revenue Account Estimates 2022-23 and Rent Review | 24 <sup>th</sup> Jan 2022 |

**HOUSING REVENUE ACCOUNT**

|   | <b>Amended<br/>Budget<br/>2022/2023</b> | <b>Expected<br/>Spend<br/>to September<br/>2022/2023</b> | <b>Actual<br/>Spend<br/>to September<br/>2022/2023</b> | <b>Variance</b> | <b>Comments</b> |
|---|---|--|--|-----------------|-----------------|
| <b>EXPENDITURE</b>                            |   |  |  |                 |                 |
| Repairs and Maintenance                       | 3,407,390                               | 1,725,627  | 1,725,627  | -               | Comment 3.2     |
| Supervision and Management - General          | 1,730,820                               | 859,872  | 862,926  | 3,054           | Comment 3.3     |
| Supervision and Management - Special Services | 451,090                                 | 218,060  | 207,921  | (10,139)        | Comment 3.4     |
| Provision for Bad Debts                       | 241,890                                 | 120,945  | 120,945  | -               |                 |
| Interest on Loans                             | 1,405,570                               | 702,785  | 702,785  | -               |                 |
| Revenue Set Aside (debt Repayment)            | 2,260,000                               | 1,130,000  | 1,130,000  | -               |                 |
| Capital Expenditure - New Build               | 334,570                                 | 167,285  | 167,285  | -               | Comment 3.2     |
| Capital Expenditure                           | 2,830,680                               | 1,415,340  | 1,415,340  | -               | Comment 3.2     |
| <b>Total Expenditure</b>                      | <b>12,662,010</b>                       | <b>6,339,914</b>   | <b>6,332,829</b>                                       | <b>(7,085)</b>  |                 |
| <b>INCOME</b>                                 |   |  |  |                 |                 |
| Gross Rent Income from Dwellings              | (12,094,640)                            | (6,551,263)  | (6,580,767)  | (29,504)        | Comment 3.5     |
| Gross Rent Income from Non-Dwellings          | (410,340)                               | (217,976)  | (213,369)  | 4,607           | Comment 3.6     |
| Charges for Services and Facilities           | (114,360)                               | (38,480)   | (38,216)   | 264             |                 |
| <b>Total Income</b>                           | <b>(12,619,340)</b>                     | <b>(6,807,719)</b>                                       | <b>(6,832,352)</b>                                     | <b>(24,633)</b> |                 |
| <b>NET COST OF SERVICES</b>                   | <b>42,670</b>                           | <b>(467,805)</b>   | <b>(499,523)</b>                                       | <b>(31,718)</b> |                 |
| Investment Income- Other                      | (18,220)                                | (9,110)  | (9,110)  | -               |                 |
| <b>TOTAL (SURPLUS)/DEFICIT FOR THE YEAR</b>   | <b>24,450</b>                           | <b>(476,915)</b>   | <b>(508,633)</b>                                       | <b>(31,718)</b> |                 |

## Appendix B

### HOUSING REPAIRS FUND (to end of September 2022)

|   | £                |
|---|------------------|
| <b>Balance available at 1 April 2022 (Estimate)</b> | <b>1,406,238</b> |
| Contribution 2022/23 (to September 2022)            | 1,725,627        |
| Expected Use of Fund (to Septemebr 2022)            | (1,764,387)      |
| <b>Surplus on the Fund at 30 September 2022</b>     | <b>1,367,478</b> |

**HOUSING DIRECT WORKS****Budgetary Control Report as at 31 September 2022**

|   | <b>Original<br/>Budget<br/>2022/2023</b> | <b>Expected<br/>Spend<br/>2022/2023</b> | <b>Actual<br/>Spend<br/>2022/2023</b> | <b>Variance</b> |
|---|--|---|---------------------------------------|-----------------|
| <b>EXPENDITURE</b>                      |  |   |                                       |                 |
| Employee Costs                          | 938,510                                  | 466,170                                 | 432,284                               | (33,886)        |
| Supplies and Services                   | 461,250                                  | 230,385                                 | 221,487                               | (8,898)         |
| Transport                               | 100,690                                  | 49,876                                  | 52,311                                | 2,435           |
| Income                                  | (7,820)                                  | (3,910)                                 | (26,597)                              | (22,687)        |
| <b>Gross controllable Expenditure</b>   | <b>1,492,630</b>                         | <b>742,521</b>                          | <b>679,485</b>                        | <b>(63,036)</b> |
| Central Support                         | 257,770                                  | 128,885                                 | 128,885                               | -               |
| <b>Housing Direct Works Expenditure</b> | <b>1,750,400</b>                         | <b>871,406</b>                          | <b>808,370</b>                        | <b>(63,036)</b> |

**Agenda Item No 11**

**Resources Board**

**8 November 2022**

**Report of the Corporate Director -  
Resources**

**Capital Programme 2022/23  
Period 6 Update**

**1 Summary**

- 1.1 The report updates Members on the progress of the 2022/23 Capital Programme in terms of expenditure up to the end of September 2022.

**Recommendation to the Board**

- a To approve the virements within the housing capital programme set out in appendix A; and**
- b To approve supplementary estimates of £450,000 for the additional work required at Alexandra Court and £300,000 for the multi trade contract.**

**2 Introduction**

- 2.1 The Council's Capital Programme for 2022/23 totals £16,846,086; a programme of work amounting to £11,954,930 was approved in February 2022; and at the Executive Board meeting on 12 October 2022, it was agreed to carry forward £4,891,156 of committed and unspent 2021/22 budget.

**3 Budget Profiling**

- 3.1 A schedule of works is arranged by each budget holder and each of the schemes are timetabled for completion throughout the year. This schedule is monitored on a monthly basis and discussed with Budget Holders.

**4 Housing Schemes**

- 4.1 The original budget for 2022/23 was £6,253,580, and there was an agreed carry forward of £3,070,580 from the 2021/22 budget, which provides a total Housing Capital budget of £9,324,160 (Appendix A).

...

- 4.2 There has been a total of £4,575,322 spent on the housing capital programme during the first six months of 2022/23; this is compared to a profiled budget of £3,850,608.

- 4.3 An extensive programme of works to provide external wall insulation has been provided over the last two years with 81 properties improved. This includes 22 which were completed in 2022. The programmes have been part funded by Government grant and have been extended over their original timescales due to capacity issues in the industry. Costs have also risen in the industry over the last 2 years with an average 15% uplift which has not been reflected in an increase in grant allowances.
- 4.4 The extensive major works programme to the blocks of flats at Alexandra Court Atherstone is now completed. The blocks have a new flat to pitched roof and wall insulation. Internal and external works have been completed to a high standard and new windows provided to the flats. Most of the works programme was delivered within our expected, tendered prices however there has been some uplift and additional, unexpected works have been agreed and funded. This means that there has been an overspend of £450,000.
- 4.5 The programme of works at Drayton Court, Hartshill to provide a new flat to pitched roof, external wall repairs and internal improvements has been delayed by 3 months due to the discovery of bats. A Natural England licence has been applied for to manage the bat population and work is expected to start in January 2023. A new pitched roof is being provided on the flats at St Leonards Close, Dordon. This work will be completed by December 2022.
- 4.6 Productive works programmes are providing new efficient heating systems and electrical upgrades. The gas heating systems meet the Decent Homes standard and give tenants energy efficient systems. 28 properties now have efficient Air Source Heat Pump heating systems. New regulations require all rented homes to have an Electrical Inspection Condition Report every 5 years and when required upgrade works or a rewire is necessary to ensure a property has a safe and modern installation.
- 4.7 The Multi Trade Contract budget was established to fund major unforeseen works that arise during the year. In previous years this budget has routinely been used to pay for structural works discovered when a property became void. Whilst there have been fewer voids meeting the criteria this year other unforeseen works will need to be funded from this budget. An increase of £300,000 is requested to cover these works. One example is the demolition and rebuilding of the boundary wall at Chancery Court flats. The wall was discovered to be defective and leaning towards the private owned neighbouring house. Foundations had to be renewed and a new wall built. Safety works are required to the walkway balconies at Gramer Court. They are asbestos and whilst managed are deteriorating so need to be removed and replaced urgently.
- 4.8 The adaptations programme for tenants with a disability is productive with one level access shower adaptation being delivered every week. Ramps and stair lifts are the other common adaptations. The adaptation is based on recommendations from the HEART partnership. Adaptations for housing

associations are funded by Government grant but Local Authorities are expected to fund those for their tenants from the Housing Revenue Account.

- 4.9 Unfortunately the new build programme in Atherstone has stalled because the developer is going into Administration. Contractual matters are being addressed in order to obtain possession of the sites and complete the developments. The County Council will act to complete the path around the houses on Long Street. The 4 town houses on Long Street and 8 flats at Coleshill Road will be completed to a high standard.
- 4.10 The Board is asked to note that material prices have increased significantly over the last 12 months. In some cases supplies are difficult to access. Prices have increased on average between 10% and 15% but for some materials it is in the region of 20%. The kitchen and bathroom programme which was due to start on site in September has stalled because of this. The procurement of the programme is being reviewed
- 4.11 The Housing Vehicle replacement scheme is not scheduled to commence until later in the year.
- 4.12 Building safety and energy efficiency are going to be key drivers for the capital programme in future years due to changes in legislation. The Building Safety Act came into force in April 2022 and has three phases of introducing new regulations. Changes to the Fire Safety Order 2005 come into effect in January 2023. Cost of living pressures for tenants provide a renewed drive for the capital programme to be used to improve energy efficiency measures for Council properties. These drivers will be reflected in the new capital programme presented to the Resources Board in January 2023 however the delivered programme anticipates these priorities by delivering energy efficiency measures to individual properties and improving blocks of flats. We will continue with these programmes as funding allows and in future years programmes will be required for a new window programme and a fire door replacement programme. In 2018 the HRA Asset Management Plan set out the need to address the condition of some of the Council's blocks of flats. The Contracts Team works programme has successfully improved flats in Atherstone, Hartshill, Polesworth and Dordon. A scheme of major works for the flats at Abbey Green Court, Polesworth is being developed in advance of the January Resources Board meeting.

## **5 General Fund Schemes**

- 5.1 The original budget for 2022/23 was £5,701,350 and there is an agreed carry forward of £1,820,576. In addition, budget of £400,000 has been brought forward from 2023/24 and a supplementary estimate of £43,300 has been approved. This gives a total General Fund Capital budget of £7,965,226 (Appendix A).
- 5.2 There has been a total of £2,707,953 spent against the general fund capital projects for 2022/23, compared to a profiled budget of £2,554,013.

- 5.3 Work on automatic doors has been carried out at Polesworth Hub and design work is being undertaken with regard to the Levelling Up Fund bid to replace the leisure facility in Atherstone. Leisure and gym equipment has been replaced at all 3 leisure facilities.
- 5.4 Improvements have been carried out at Grendon to the playing pitch and pavilion at Boot Hill Recreation Ground and work at play areas in Austrey, Cole End Park in Coleshill, Abbey Green Park in Polesworth and Hurley has been undertaken.
- 5.5 The project to develop the sub-regional Materials Recycling Facility for use by local authority partners has continued. Final equipment costs have now been received relating to the pay and display equipment installed in the Borough's car parks. Whilst there has been no spend on the structural car park programme, procurement for the first contact is currently underway. In addition, the car park at the Maya restaurant is being resurfaced. No further work has been carried out at the Sheepy Road Depot, whilst options are being considered and schemes relating to Old Bank House and Industrial buildings have been put on hold for the present.
- 5.6 With regard to Information Services, a lot of work is currently in hand around the replacement of three major systems: Local Land Charges and Planning, Environmental Health and Finance. Work on the Environment Health and Local Land Charges and Planning systems are progressing well. The Finance system is at an earlier stage, but the contracts have now been exchanged and project expenditure will commence shortly. These three systems are all hosted, so work on the back up strategy is being held as decommissioning the incumbent systems will have an impact on work needed for the backup strategy. Market testing of other website providers to ensure that we are getting value for money is currently being undertaken before the website is upgraded.
- 5.7 Spending within the Vehicle Replacement scheme relates to a replacement Kubota Mower and the replacement of refuse vehicles.

## **6 Report Implications**

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

- 6.1.1 Capital schemes will contribute to services provided by the Council, from maintaining decent Council homes, assisting in carrying out adaptations to resident's houses to helping to fund efficient heating systems to promote carbon reduction and encouraging fitness and wellbeing.
- 6.1.2 A supplementary estimate of £450,000 will be required to fund the overspend for Alexandra Court, with a further £300,000 to cover the increased demand in the multi trade contract. As mentioned in the June report to Board, further work is underway to establish the revised budget levels that are needed to cover cost increases and additional demand for work. The funding for the

supplementary budgets is available in year, although the business plan will need to be adjusted in January to manage capital demands in future years.

## **6.2 Environment and Sustainability Implications**

6.2.1 Expenditure incurred as part of the Council's Capital Programme enables the Council to continue to improve and deliver a range of services to the people of North Warwickshire. The implementation of the capital programme will lead to improvements in the quality of life for the communities of North Warwickshire.

## **6.3 Risk Management Implications**

6.3.1 Failure to make reasonable adjustments to ensure our buildings and facilities are accessible could expose the Council to potential litigation and risks damage to its reputation.

## **6.4 Equality Implications**

6.4.1 The Council is required to ensure it meets the requirements of the Equality Act 2010. The Act replaces previous equality legislation and includes a public sector equality duty. The capital programme includes some provision for improving accessibility as required by the Equality Act 2010 and other relevant legislation.

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

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

APPENDIX A

Capital Expenditure Budgetary Control Summary 2022/23 - as at 30 September

| Cost Centre Code | Cost Centre Description  | Original Budget 2022/23 | Budget Slippage from 2021/22 | Virements & Supplementary Budgets | (A)                     | (B)              | Total Year To Date | Total v Profiled Budget |
|------------------|--|-------------------------|------------------------------|-----------------------------------|-------------------------|------------------|--------------------|-------------------------|
|                  |  |                         |                              |                                   | Approved Budget 2022/23 | Profiled Budget  |                    |                         |
| 8,401            | Cap Hsg Disabled Facility Adaptation CH                          | 261,280                 |                              |                                   | 261,280                 | 130,640          | 145,946            | 15,306                  |
| 8,404            | Cap Hsg Kitchens and Bathrooms                                   | 426,870                 |                              |                                   | 426,870                 | 0                | 350                | 350                     |
| 8,405            | Cap Hsg Insulation   | 350,000                 |                              | 335,580                           | 685,580                 | 342,790          | 581,013            | 238,223                 |
| 8,406            | Cap Hsg Roofing  | 300,000                 | 511,970                      |                                   | 811,970                 | 135,328          | 47,127             | (88,201)                |
| 8,409            | Cap Hsg Heating  | 900,000                 | 135,380                      |                                   | 1,035,380               | 517,690          | 629,414            | 111,724                 |
| 8,410            | Cap Hsg Electrics  | 900,000                 |                              |                                   | 900,000                 | 450,000          | 572,250            | 122,250                 |
| 8,435            | Cap Remedial Work to Flats - Alexandra Court / St Leonards Court | 300,000                 | 1,459,150                    |                                   | 1,759,150               | 1,759,150        | 2,122,644          | 363,494                 |
| 8,435            | Cap Remedial Work to Flats - Drayton Court                       | 2,000,000               |                              |                                   | 2,000,000               |                  |                    | 0                       |
| 8,483            | Cap Multi Trade Contract   | 300,000                 |                              |                                   | 300,000                 | 150,000          | 270,682            | 120,682                 |
| 8,484            | Cap Replacement DLO Vehicles                                     | 235,410                 | 90,400                       |                                   | 325,810                 | 0                | 0                  | 0                       |
|                  | Cap Replacement Housing Inspectors Vehicles                      |                         | 39,000                       |                                   | 39,000                  |                  | 0                  | 0                       |
| 8,492            | Cap Church Walk, Mancetter                                       | 0                       | 49,100                       |                                   | 49,100                  | 0                | 0                  | 0                       |
| 8,495            | Cap New Build, Atherstone  | 0                       | 785,580                      | (335,580)                         | 450,000                 | 225,000          | 62,306             | (162,694)               |
|                  |  |                         |                              |                                   |                         | 0                |                    | 0                       |
| 8,453            | Cap Hsg General Costs  | 280,020                 |                              |                                   | 280,020                 | 140,010          | 143,590            | 3,580                   |
|                  |  |                         |                              |                                   |                         | 0                |                    |                         |
|                  | <b>Total HRA</b>   | <b>6,253,580</b>        | <b>3,070,580</b>             | <b>0</b>                          | <b>9,324,160</b>        | <b>3,850,608</b> | <b>4,575,322</b>   | <b>724,714</b>          |
|                  |  |                         |                              |                                   |                         | 0                |                    |                         |
| 8,002            | Cap DDA  | 137,310                 |                              |                                   | 137,310                 | 8,175            | 8,173              | (2)                     |
| 8,005            | Cap Refurbishment of Council Owned Buildings                     | 45,000                  |                              |                                   | 45,000                  | 0                | 0                  | 0                       |
| 8,006            | Cap Atherstone LUFBid  | 0                       |                              | 400,000                           | 400,000                 | 166,667          | 323,904            | 157,237                 |
| 8,007            | Cap Polesworth Leisure Facility                                  | 0                       |                              |                                   | 0                       | 0                | 11,772             | 11,772                  |
| 8,008            | Cap Parks and Playing Fields                                     | 240,000                 | 92,040                       |                                   | 332,040                 | 166,020          | 153,980            | (12,040)                |
| 8,013            | Cap Old Bank House Electrical Upgrade                            | 150,000                 |                              |                                   | 150,000                 | 0                | 0                  | 0                       |
| 8,014            | Cap Playing Pitch Strategy                                       | 0                       | 21,960                       |                                   | 21,960                  | 21,960           | 28,520             | 6,560                   |
| 8,023            | Cap General Leisure Equipment                                    | 20,000                  | 9,100                        |                                   | 29,100                  | 14,550           | 8,467              | (6,083)                 |
| 8,025            | Cap ALC Gym Equipment  | 65,000                  | 20,000                       |                                   | 85,000                  | 42,500           | 49,428             | 6,928                   |
| 8,027            | Cap High Street, Coleshill                                       | 970,000                 |                              |                                   | 970,000                 | 8,151            | 8,151              | 0                       |
| 8,066            | Cap External Works on Industrial Buildings                       | 300,000                 |                              |                                   | 300,000                 | 0                | 0                  | 0                       |
| 8,072            | Cap Depot Works  | 30,600                  |                              |                                   | 30,600                  | 0                | 0                  | 0                       |
| 8,073            | Cap Materials Recycling Facility                                 | 0                       | 1,532,901                    |                                   | 1,532,901               | 766,451          | 677,150            | (89,301)                |
| 8,075            | Cap Water Orton Car Park   | 0                       |                              |                                   | 0                       | 0                | 0                  | 0                       |
| 8,077            | Cap Car Parking Pay and Display                                  | 0                       | 12,514                       |                                   | 12,514                  | 12,514           | 10,312             | (2,202)                 |
| 8,080            | Cap Structural Maintenance Car Park Programme                    | 345,000                 |                              |                                   | 345,000                 | 0                | 0                  | 0                       |
| 8,081            | Cap Car Parking Coleshill  | 600,000                 |                              |                                   | 600,000                 | 0                | 0                  | 0                       |
| 8,082            | Cap Resurface Car Park Maya Restaurant                           | 30,000                  |                              |                                   | 30,000                  | 15,000           | 17,592             | 2,592                   |
| 8,083            | Cap Mobile Care Admin Facility - Innage Park                     | 30,000                  |                              |                                   | 30,000                  | 0                | 0                  | 0                       |
| 8,201            | Cap Computer Software  | 53,950                  | 24,050                       |                                   | 78,000                  | 39,000           | 0                  | (39,000)                |
| 8,205            | Cap Infrastructure Development                                   | 20,000                  | 41,300                       |                                   | 61,300                  | 30,650           | 0                  | (30,650)                |
|                  | Cap Network Infrastructure                                       |                         | 25,600                       |                                   | 25,600                  |                  | 0                  | 0                       |
| 8,207            | Cap Financial Management System                                  | 300,000                 |                              |                                   | 300,000                 | 0                | 0                  | 0                       |
| 8,223            | Cap Backing Up   | 20,000                  |                              |                                   | 20,000                  | 10,000           | 0                  | (10,000)                |
| 8,257            | Cap Environmental Health System                                  | 115,000                 |                              |                                   | 115,000                 | 57,500           | 34,226             | (23,274)                |
| 8,259            | Cap Telephone System   | 20,000                  |                              |                                   | 20,000                  | 10,000           | 0                  | (10,000)                |
| 8,260            | Cap Mobile Devices   | 10,000                  |                              |                                   | 10,000                  | 5,000            | 0                  | (5,000)                 |
| 8,261            | Cap Replacement Planning System                                  | 32,550                  |                              | 43,300                            | 75,850                  | 75,850           | 79,460             | 3,610                   |
| 8,262            | Cap Web Development  | 50,000                  |                              |                                   | 50,000                  | 25,000           | 0                  | (25,000)                |
| 8,263            | Cap UPS  | 10,000                  |                              |                                   | 10,000                  | 5,000            | 0                  | (5,000)                 |
| 8,500            | Cap Transport  | 2,069,800               | 41,110                       |                                   | 2,110,910               | 1,055,455        | 1,287,658          | 232,203                 |
| 8,704            | Cap DHS Assistance   | 20,000                  |                              |                                   | 20,000                  | 10,000           | 0                  | (10,000)                |
|                  |  |                         |                              |                                   |                         |                  |                    |                         |
| 8,303            | Capital Salaries   | 17,140                  |                              |                                   | 17,140                  | 8,570            | 9,160              | 590                     |
|                  |  |                         |                              |                                   |                         | 0                |                    |                         |
|                  | <b>Total General Fund</b>  | <b>5,701,350</b>        | <b>1,820,576</b>             | <b>443,300</b>                    | <b>7,965,226</b>        | <b>2,554,013</b> | <b>2,707,953</b>   | <b>153,940</b>          |
|                  | <b>Total Expenditure</b>   | <b>11,954,930</b>       | <b>4,891,156</b>             | <b>443,300</b>                    | <b>17,289,386</b>       | <b>6,404,621</b> | <b>7,283,275</b>   | <b>878,654</b>          |

**Report of the  
Corporate Director - Resources**

**Update on the Revenues and  
Benefits Service**

**1 Summary**

- 1.1 The purpose of this report is to advise members of the work of the Revenues and Benefits teams, including the collection progress made by the Revenues team.

**Recommendation to the Board**

**That Members note the report.**

**2 Introduction**

- 2.1 In March 2020, the government announced a national lockdown due to the rising levels of Covid. The impact of Covid over the last two and a half years has been felt by all Authorities. The collection of Business Rates (NNDR), Council Tax and Housing Benefits Overpayments (HBOP) have been directly affected due to government restrictions around the pursuit of debt and the continued work being allocated to local authorities to help support local businesses and residents.
- 2.3 During the Covid period, the work priority for the Revenues team was to award payments of government led business grant payments, whilst continuing to collect council tax and business rates within the agreed restrictions. The priority of the Benefits team was to continue to process Housing Benefit and Council Tax Support claims, along with the additional task of processing Test and Trace Payments.

**3 Revenues Team**

**3.1 Covid 19 Business Grant Payments / Energy Payments**

- 3.1.1 With the support of the System Support Team, the Revenues Team have since March 2020 been able to provide £26,544,391 in Business Support Grants to our local businesses and have so far paid out £3,556,560 to local residents under the Energy Rebate Schemes. The table below provides a breakdown of the support provided.

| <b>Name of Government Payments</b>                                    | <b>Amounts awarded</b> |
|---|------------------------|
| Small Business Grants (SBFG) & Retail Hospitality and Leisure (RHLGF) | £13,050,000            |
| Local Authority Grants (LAGF)   | £661,000               |
| Omicron (OHLG)  | £469,363               |
| Closed Business Lockdown Payment (CBLP)                               | £1,892,000             |
| Restart Grant   | £2,578,691             |
| Wet Led Pubs  | £67,000                |
| All Local Restrictions Support Grants (LRSG)                          | £2,954,234             |
| Additional Support Grants (ARG)                                       | £2,506,233             |
| Covid Additional Relief Fund (CARF) Payments                          | £2,365,870             |
| Energy Payments Main Scheme   | £3,556,560             |
| <b>Total as at 25/10/2022</b>   | <b>£30,100,951</b>     |

### 3.2 Council Tax Collection

3.2.1 The target for the collection of Council Tax during the current financial year is 98.20%. To monitor performance against this figure, a monthly target is set to monitor how collection is progressing. For comparative purposes, collection figures shown below include 2019/20 which was not affected by Covid, together with the collection rates for the years impacted by Covid.

| <b>Month</b>             | <b>Target %</b> | <b>2022/23 Performance %</b> | <b>2021/22 Performance %</b> | <b>2020/21 Performance %</b> | <b>2019/20 Performance %</b> |
|--------------------------|-----------------|------------------------------|------------------------------|------------------------------|------------------------------|
| April                    | 10.5            | 10.35                        | 10.67                        | 10.47                        | 11.30                        |
| May                      | 19.5            | 19.43                        | 19.65                        | 19.59                        | 20.78                        |
| June                     | 30.0            | 28.36                        | 28.58                        | 28.80                        | 30.03                        |
| July                     | 38.0            | 37.27                        | 37.52                        | 37.90                        | 39.47                        |
| August                   | 48.0            | 46.13                        | 46.54                        | 46.99                        | 48.90                        |
| September                | 57.0            | 55.93                        | 55.48                        | 56.48                        | 58.14                        |
| <b>Year End Position</b> | <b>98.2</b>     |                              | <b>95.21</b>                 | <b>95.48</b>                 | <b>97.11</b>                 |

3.2.2 Collection is currently below target, but work is in hand to try to remedy this position.

### 3.3 Non-Domestic Rates Collection

3.3.1 The target for the collection of non-domestic rates during the current financial year is 99%. Once again, for comparative purposes collection figures shown below include 2019/20 which was unaffected by Covid and following years.

| Month                        | Target<br>% | 2022/23<br>Performance<br>% | 2021/22<br>Performance<br>% | 2020/21<br>Performance<br>% | 2019/20<br>Performance<br>% |
|------------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| April                        | 11.0        | 10.4                        | 9.04                        | 7.94                        | 11.67                       |
| May                          | 19.0        | 19.06                       | 17.89                       | 15.68                       | 20.76                       |
| June                         | 30.0        | 29.16                       | 24.40                       | 23.73                       | 29.14                       |
| July                         | 40.0        | 37.25                       | 32.28                       | 31.95                       | 38.29                       |
| August                       | 49.0        | 46.46                       | 41.78                       | 41.94                       | 47.09                       |
| September                    | 58.0        | 55.82                       | 51.98                       | 50.63                       | 56.73                       |
| <b>Year End<br/>Position</b> | <b>99.0</b> |                             | <b>97.55</b>                | <b>93.70</b>                | <b>99.36</b>                |

3.3.2 Although collection is below target in the current year, there has been a significant improvement in collection compared to this point in 2021/22. With the re-introduction of recovery action, it is hoped that the gap between expected targets and collection rates will be closed before the end of the financial year.

### 3.4 Housing Benefit Overpayments (HBOP)

3.4.1 These are created when a customer who is in receipt of Housing Benefit has a change to their circumstances and a recalculation is undertaken for the Housing benefit award resulting in an overpayment having been made. Where the claimant is still receiving benefit, these overpayments can be recovered by reducing their level of ongoing entitlement. If the claimant no longer receives benefit, then the team seek to recover the overpayment through sundry debt procedures. During the current year recovery rates of overpayments have started to rise.

### 3.5 Ongoing Collection Plans

3.5.1 Now that much of the additional workload created by the grants, CARF and the energy rebates has come to an end, the focus is on recovering the balances on the different types of debt outstanding for the current and previous years.

3.5.2 During October 2022 a regular and structured approach to recovering all debt types has been re-introduced. The recovery timetable for the next 6 months has been provisionally set and will be finalised once the Magistrates Court have confirmed their availability for Liability Order hearings. These hearings are expected to be held monthly.

3.5.3 Reminders and/or final notices will be sent to approximately 500 Council Tax and NDR account, every week over the coming months, until we have cleared the backlog of outstanding work. This will generate additional customer contact but will also assist with encouraging payment.

3.5.4 A reconciliation of all HBOP balances that are part of the Department of Work and Pensions Payment Deduction Programme (PDP) is being undertaken currently. As part of this, a review of all outstanding HBOP's is being carried

out. Where appropriate these cases will be submitted to HMRC to obtain employer details for a salary deduction to clear the debt.

3.5.5 The Council will also make use of our appointed enforcement agency for some older debts, so these can be followed up with less delay.

## 4 Benefits Team

### 4.1 Housing Benefit, Council Tax Support and Discretionary Housing Payments

4.1.1 In 2019/20, the expectation was that the Council should have been starting to see some slight reduction in benefit caseload by the end of that financial year, due to the expected migration to Universal Credit. As a result of Covid this did not happen.

4.1.2 As shown below, the Housing Benefit/Council Tax caseloads increased from May 2020 and did not get back to pre-covid levels until April 2021.

| HB/CTS  | April | May  | June | July | Aug  | Sept | Oct  | Nov  | Dec  | Jan  | Feb  | Mar  |
|---------|-------|------|------|------|------|------|------|------|------|------|------|------|
| 2019/20 | 4327  | 4299 | 4275 | 4289 | 4336 | 4327 | 4327 | 4337 | 4331 | 4325 | 4335 | 4325 |
| 2020/21 | 4392  | 4522 | 4624 | 4612 | 4620 | 4609 | 4560 | 4556 | 4482 | 4463 | 4492 | 4416 |
| 2021/22 | 4376  | 4351 | 4314 | 4272 | 4243 | 4216 | 4195 | 4165 | 4155 | 4081 | 4057 | 4047 |
| 2022/23 | 4028  | 3974 | 3949 | 3950 | 3951 | 3941 |      |      |      |      |      |      |

4.1.3 In addition to dealing with new claimants and changes of circumstances for both Housing Benefit and Council Tax Support, the team administer funding received for Discretionary Housing Payments. They also refer some customers to the Financial Inclusion Support Officer where additional support and advice is needed. Whilst the number of claimants in benefit have fallen from 2019/20, there are still a number of enquiries to process which are unsuccessful.

4.1.4 The Council receives some funding for Discretionary Housing Payments, which it able to allocate to those who meet the criteria. The allocations received from the DWP are shown below, together with the payments made in each year.

| DHP     | Allocated by DWP | Payment made by NWBC £        |
|---------|------------------|-------------------------------|
| 2019/20 | £76,325          | £75,333                       |
| 2020/21 | £106,863         | £106,259.72                   |
| 2021/22 | £85,017          | £84,808                       |
| 2022/23 | £60,017          | £30,930.78 (at end September) |

## 4.2 Additional Support payments

- 4.2.1 The Benefits team were also responsible for the administration of funding received by the Council for Test and Trace (T&T) payments and Energy Rebates (also known as the Council Tax Rebate).
- 4.2.2 The Test and Trace scheme was split in to 2 elements, covering a main scheme and a discretionary scheme. The team was tasked with dealing with all the awards. This scheme is now closed.

| <b>Test and Trace</b> | <b>Awarded</b>  |
|-----------------------|-----------------|
| Main scheme           | £230,000        |
| Discretionary scheme  | £89,500         |
| <b>Total</b>          | <b>£319,500</b> |

- 4.2.3 With the Energy Rebate scheme, the largest element of funding related to the main scheme, with payments of £3,556,560 made by 30 September 2022, as set out in the table at 3.1.1. The Discretionary Energy Rebate scheme is still open and final payments need to be made by the 30 November 2022. So far, the team have been able to support 271 residents with a payment and further work is continuing.

| <b>Discretionary Energy Payments</b> | <b>Allocation</b> | <b>Awards made</b> |
|--------------------------------------|-------------------|--------------------|
| 1 April to 11 October                | £134,100          | £40,650            |

## 5 Summary

- 5.1 Both teams have been impacted by an additional workload during the last couple of years during the pandemic. Some excellent work has been undertaken to support both businesses and residents, whilst continuing to collect revenues and maintain the benefit service. Whilst revenue collection rates did dip, this was very much in line with the experiences of other local authorities. As indicated in the report, action is now being taken to improve this position.

The Contact Officer for this report is Rachael Dobson (719338).

### **Background Papers**

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

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

**Agenda Item No 13**

**Resources Board**

**7 November 2022**

**Report of the  
Chief Executive**

**Exclusion of the Public and Press**

**Recommendation to the Board**

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

**Agenda Item No 14**

**Right to Buy Purchase** – Report of the Director of Housing.

Paragraph 1 – Information relating to an Individual.

**Agenda Item No 15**

**Property Adaptations** – Report of the Director of Housing.

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**Agenda Item No 16**

**Innage Park – Phase 2** – Report of the Corporate Director - Streetscape.

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**Agenda Item No 17**

**Property in Coleshill** – Report of the Corporate Director - Streetscape.

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

In relation to the items listed above members should only exclude the public if the public interest in doing so outweighs the public interest in disclosing the information, giving their reasons as to why that is the case.

The Contact Officer for this report is Marina Wallace (719226)