

To: Deputy Leader and Members of the Resources Board

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

For the information of other Members of the Council

For general enquiries please contact Democratic Services on 01827 719221 or via email – 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

6 September 2022

The Resources Board will meet on Tuesday 6 September 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

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 20 June 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 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 **General Fund Budgetary Control Report 2022/2023. Period Ended 31 July 2022** – Report of the Corporate Director – Resources

This report covers revenue expenditure and income for the period 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, are given together with an estimate of the out-turn position for services reporting to this Board.

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

7 **Housing Revenue Account Budgetary Control Report 2022/2023. Period Ended 31 July 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 31 July 2022.

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

8 **Capital Programme 2022/2023. Period Ended 31 July 2022. – Report of the Corporate Director – Resources**

Summary

This report updates Members on the progress of the 2022/23 Capital Programme in terms of expenditure up to the end of July 2022.

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

9 **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 item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

10 **Confidential Extract of the minutes of the Resources Board held on 20 June 2022** – copy herewith to be approved as a correct record and signed by the Chairman.

STEVE MAXEY
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE RESOURCES BOARD

20 June 2022

Present: Councillor Symonds in the Chair

Councillors Chambers, T Clews, D Clews, Hancocks, D Humphreys, Jordan, Morson, Moss, H Phillips, O Phillips and Simpson

Apologies for absence were received from Councillor Davey (Substitute Jordan) and Dirveiks (Substitute H Phillips)

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

None were declared at the meeting.

2 **Minutes of the Resources Board held on 28 March 2022**

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

3 **Members Allowance 2021/22**

The Corporate Director – Resources advised Members of the allowances paid for 2021/22, which the Council had a duty to publish under the Members' Allowance Scheme.

Resolved:

That the report be noted.

4 **Risk Management Annual Report 2021/22**

The Corporate Director – Resources informed Members of risk Management actions undertaken during 2021/22 and the risks identified for 2022/23.

Resolved:

That progress be noted.

5 **Annual Treasury Report for 2021/22**

The Corporate Director – Resources reported on the out-turn for 2021/22 and highlighted any areas of significance.

Resolved:

a That the Annual Treasury Report for 2021/22 be noted; and

Recommended:

b That the Annual Treasury Report be approved.

6 **Internal Audit Annual Report 2021/22**

The Corporate Director – Resources presented the Annual Report on Internal Audit.

Resolved:

a That the findings of an assessment of the internal audit function against the PSIAS and quality assurance programme be noted;

b That the summary of internal audit work, attached to the report of the Corporate Director – Resources at Appendix A, which supports her opinion be noted; and

c That the Corporate Director – Resources' overall opinion on the control environment be noted.

7 **Internal Audit Plan 2022/23 and Counter Fraud Activity**

The Corporate Director – Resources detailed the proposed internal Audit plan for 2022/23 and updated Board Members on the work of the Counter Fraud Officer.

Resolved:

That the Internal Audit Plan, attached at Appendix A to the report of the Corporate Director – Resources, be approved, and the work of the Counter Fraud Officer be noted.

8 Revisions to Lettings Scheme & Addressing Housing Needs of Refugees & Asylum Seekers

The Director of Housing informed the Board that the Housing Task and Finish Group had considered the Council's Lettings Scheme and proposed some amendments to ensure the housing needs of applicants were being met. Information was also provided about the current Government arrangements for Asylum Seekers and Refugees and the implications for the Council.

Resolved:

- a That the amendments to the Lettings Scheme be agreed;**
- b That the amended Scheme be noted, subject to consultation, and a further report be submitted to the Board when feedback is received from stakeholders; and**
- c That the national arrangements for Asylum Seekers and Refugees and the implications for additional demand on the Council's property vacancies be noted.**

9 Housing Task and Finish Group

Following the establishment of a Housing Task and Finish Group to consider the Council's landlord services, the Director of Housing provided feedback from the most recent meetings of the Group.

Resolved:

- a That the considerations of the Housing Task and Finish Group be acknowledged and supported; and**
- b That the terms of reference of the Group be confirmed.**

10 Exclusion of the Public and Press

Resolved:

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

11 **Land Sales**

The Corporate Director – Streetscape asked Members to consider two separate requests to purchase different parcels of Council owned land and to agree a course of action in respect of each site.

Resolved:

To defer a decision on the two requests to purchase Council owned land to a later meeting, to allow the possibility of Council development of the land to be explored.

12 **Confidential Extract of the minutes of the Resources Board held on 28 March 2022**

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

C Symonds
Chairman

Agenda Item 6

Resources Board

06 September 2022

Report of the Corporate Director - Resources

General Fund Budgetary Control Report 2022/23 Period Ended 31st July 2022

1 Summary

- 1.1 The report covers 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, 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 31st July 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 31st July 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 31 July 2022 is £985,020 compared with a profiled budgetary position of £897,987; giving an overspend of £87,033 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 Rent Allowances, and Rent Rebates and Administration

3.4.1 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.

3.5 Car Parks

3.5.1 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 31 July 2021, is £32,542 compared with a profiled budgetary position of £157,796 giving an underspend of £125,254 for the period.

4.2 Although the overall position is an underspend against profile, unbudgeted spend of £77,727 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 £19,324. 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.

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 key areas of operations. The table below relates to the General Fund only.

	£
Current agency staff variance	108,960
Current salaries underspend	(272,208)
Assumed pay award at 2%	39,260
Sub Total	(123,988)
Less Central vacancy factor	66,670
TOTAL	(57,318)

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 31st July 2022 is £2,978,982 compared with a profiled budgetary position of £2,883,681 an overspend of £95,301.
 - 6.3 The Planning and Development Board is currently behind on Planning fee Income.
 - 6.5 Within the Community and Environment Board, leisure income across all sites has not achieved the levels anticipated, as customers have not yet returned to leisure facilities in the numbers experienced prior to the pandemic. This is part of a national trend. The income shortfall has been partially offset by lower employee costs. In addition, other services within the Board are below profiled spend, which is currently covering the income shortfall.
 - 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 July 2022 totals £2,630,599 compared with a profiled position of £2,559,511. This reduces the general overspend for the period to £71,088.

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: -

	£
Approved Budget 2022/23	9,758,370
Pay Award	556,000
Increased utility and fuel costs	240,000
Reduced recovery of housing benefits Overpayments and lower legal costs from recovery	150,000
Gain on Investment Income	(200,000)
Expected Out-turn 2022/23	10,504,370

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 £746,000 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 th Feb 2022

**SERVICE REMAINING WITHIN RESOURCES BOARD
Budgetary Control Report 2022/23 as at 31 July 2022**

Description	Approved Budget 2022/23	Profiled Budget to July 2022	Actuals to end July 2022	Variance to Date	Comments
Cost of Democratic Process	496,760	166,830	157,056	(9,774)	Comment 3.2
Election Expenses	22,420	11,220	13,592	2,372	
Registration of Electors	71,540	21,001	21,093	93	
Business Rates	78,950	61,732	62,150	418	
Council Tax Collection	333,010	109,131	144,751	35,620	Comment 3.3
Miscellaneous Finance	510	170	170	-	
Compensation and Pension Increases	274,280	91,427	89,955	(1,472)	
Assisted Car Purchases	330	170	170	-	
Electricity at Work	24,870	10,135	10,852	717	
Finance Unused Land and Assets	1,170	358	907	549	
Corporate and Democratic Core	532,760	237,828	238,505	677	
Unallocated Central Support Services	121,770	11,047	11,423	377	
Coleshill Shops and Flats	(66,020)	(18,413)	(18,399)	15	
The Pavilions, Holly Lane	(75,920)	(27,333)	(27,226)	107	
Carlyon Road Industrial Estate	(125,300)	(52,700)	(53,685)	(985)	
Innage Park Industrial Estate	(87,750)	(50,237)	(46,897)	3,339	
Maya Bar and Restaurant	(17,850)	(6,183)	(6,183)	-	
Football Ground	-	-	1,115	1,115	
Homeless Persons	129,710	74,473	75,437	963	
Homeless Project Watling Street Dordon	-	7,910	8,809	898	
Public Conveniences	24,380	7,553	7,793	239	
Customer Contact (Service Budget)	62,320	20,773	20,233	(540)	
Rent Allowances and Administration	142,480	34,337	73,411	39,074	Comment 3.4
Housing Rent Rebates and Administration	172,770	50,504	73,033	22,530	Comment 3.4
Council Tax Support	236,190	31,415	28,253	(3,162)	
Car Parks	185,670	39,841	31,702	(8,139)	Comment 3.5
Private Sector Housing Assistance	85,840	29,519	29,527	9	
CCTV	93,610	35,480	37,475	1,995	
TOTALS	2,718,500	897,987	985,020	87,033	

RECHARGED SERVICES
Budgetary Control Report 2022/23 as at 31 July 2022

Description	Approved Budget 2022/23	Profiled Budget to July 2022	Actuals to end July 2022	Variance to Date	Comments
Building Maintenance Fund	-	-	(0)	(0)	
Central Telephones	-	3,352	3,227	(124)	
Council Offices	340	12,101	(1,735)	(13,836)	Comment 4.3
Depot and Stores	-	17,227	16,485	(742)	
Recruitment	-	2,453	3,837	1,384	
Training	-	1,100	(583)	(1,683)	
Printing and Stationery	-	109	(7,849)	(7,958)	Comment 4.4
Chief Executive	350	87	(4,114)	(4,201)	
Corporate Director - Community Services	2,320	8,509	2,406	(6,104)	
Corporate Director - Environment	6,620	2,953	42,010	39,056	Comment 4.2
Corporate Director - Resources	4,280	(1,054)	(31,899)	(30,845)	
Director of Corporate Services	430	109,032	101,474	(7,558)	
Director of Housing	5,110	1,741	304	(1,437)	
Director of Streetscape	270	612	(17,404)	(18,016)	
Director of Leisure & Community Development	660	533	(72,661)	(73,194)	
Transport	240	(961)	(956)	5	
TOTALS	20,620	157,796	32,542	(125,254)	
Central Vacancy Factor	(200,000)	(66,670)	-	66,670	
Assumed pay award @ 2%	-	-	39,260	39,260	
TOTALS	(179,380)	91,126	71,802	(19,324)	

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

	Budgeted performance	Profiled Budgeted performance	Actual performance to Date
Registration of Electors			
Cost per registered elector	£1.44	£0.59	£0.43
Business Rates			
Business Rate Collection Rate	99.00%	40.00%	43.05%
Cost per NDR Property	£32.68	£25.90	£25.64
Council Tax Collection			
Council Tax Collection Rate	98.20%	40.00%	37.27%
Cost per Household	£11.43	£3.75	£5.08
Coleshill Shops and Flats			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Shop	(£9,431)	(£2,630)	(£2,628)
The Pavilions			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Unit	(£9,490)	(£3,417)	(£3,403)
Carlyon Road Industrial Estate			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Unit/Plot	(£15,663)	(£6,588)	(£6,711)
Innage Park Industrial Estate			
Occupancy Rate	97.56%	95.12%	95.12%
Annual Income per Unit	(£6,149)	(£2,371)	(£2,282)
Rent Allowances			
Number of Claimants	1,020	1,020	837
Rent Allowances per Claimant	£4,483	£1,494	£1,764
Cost of Administration per Claimant	£139.69	£46.20	£87.71
Rent Rebates			
Number of Claimants	900	900	919
Rent Rebates per Claimant	£4,795	£1,598	£1,513
Cost of Administration per Claimant	£191.97	£63.77	£79.47
Council Tax Support			
Number of Claimants	4,400	4,400	3,789
Net Cost of Administration per Claimant	£53.68	£7.14	£7.46

CONSOLIDATED GENERAL FUND POSITION
Budgetary Control Report 2022/23 as at 31 July 2022

Board	Approved Budget 2022/23	Expected position at July 2022	Actual position at July 2022	Variance
Executive	772,480	218,857	215,654	(3,203)
Planning and Development	268,570	88,201	115,994	27,793
Licensing Committee	22,470	7,490	12,974	5,484
Community and Environment	6,014,290	1,580,020	1,577,537	(2,482)
Resources (including staff vacancies)	2,539,120	989,113	1,056,823	67,710
Other Contingencies	141,000	-	-	-
Net Board Expenditure	9,757,930	2,883,681	2,978,982	95,301
Investment Income	(190,000)	(63,333)	(87,546)	(24,213)
Investment Income - MRF	(123,000)	-	-	-
Use of Balances	(277,660)	-	-	-
Financing Adjustment	(782,510)	(260,837)	(260,837)	-
Net Expenditure	8,384,760	2,559,511	2,630,599	71,088

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

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Agenda Item No 7

Resources Board

6 September 2022

**Report of the
Corporate Director - Resources**

**Housing Revenue Account
Budgetary Control Report 2022/2023
Period Ended 31 July 2022**

1 Summary

- 1.1 The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 July 2022.

<p>Recommendation to the Board</p> <p>To consider if any further information is required.</p>

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 31 July 2022 is a surplus of £423,696, compared with a forecast surplus position for the period of £393,938. 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 £29,758 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 underspend within Supervision and Management General relates to recruitment costs and legal costs.
- 3.4 The underspend within Supervision and Management Special Services is due to lower expenditure on window cleaning. There are also underspends on supplies budgets due tenant participation activity only just resuming following the pandemic. In addition, income from community room hire is below 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, 1.22% 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 July 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 for 2022/23 is a deficit of £24,450 as agreed at Resources Board on 24 January 2022.
- 7.2 The estimated out-turn for the Repairs Fund remains the same as that included in the original budget.

8 Report Implications

8.1 Finance and Value for Money Implications

- 8.1.1 The Council is currently forecasting a contribution from the Housing Revenue Fund balance for the 2022/23 financial year of £24,450.

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 th Jan 2022

HOUSING REVENUE ACCOUNT

	Amended Budget 2022/2023	Expected Spend to July 2022/2023	Actual Spend to July 2022/2023	Variance	Comments
EXPENDITURE					
Repairs and Maintenance	3,407,390	1,144,130	1,144,130	-	Comment 3.2
Supervision and Management - General	1,730,820	414,833	407,572	(7,261)	Comment 3.3
Supervision and Management - Special Services	451,090	151,700	147,401	(4,299)	Comment 3.4
Provision for Bad Debts	241,890	80,630	80,630	-	
Interest on Loans	1,405,570	468,523	468,523	-	
Revenue Set Aside (debt Repayment)	2,260,000	753,333	753,333	-	
Capital Expenditure - New Build	334,570	111,523	111,523	-	Comment 3.2
Capital Expenditure	2,830,680	943,560	943,560	-	Comment 3.2
Total Expenditure	12,662,010	4,068,233	4,056,673	(11,560)	
INCOME					
Gross Rent Income from Dwellings	(12,094,640)	(4,283,518)	(4,305,149)	(21,631)	Comment 3.5
Gross Rent Income from Non-Dwellings	(410,340)	(147,420)	(144,187)	3,233	Comment 3.6
Charges for Services and Facilities	(114,360)	(25,160)	(24,960)	200	
Total Income	(12,619,340)	(4,456,098)	(4,474,296)	(18,198)	
NET COST OF SERVICES	42,670	(387,865)	(417,623)	(29,758)	
Investment Income- Other	(18,220)	(6,073)	(6,073)	-	
TOTAL (SURPLUS)/DEFICIT FOR THE YEAR	24,450	(393,938)	(423,696)	(29,758)	

Appendix B

HOUSING REPAIRS FUND (to end of July 2022)

	£
Balance available at 1 April 2022 (Estimate)	1,406,238
Contribution 2022/23 (to July 2022)	1,144,130
Expected Use of Fund (to July 2022)	(1,252,921)
Surplus on the Fund at 30 September 2021	1,297,447

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

	Original Budget 2022/2023	Expected Spend 2022/2023	Actual Spend 2022/2023	Variance
EXPENDITURE				
Employee Costs	907,860	300,710	290,000	(10,710)
Supplies and Services	461,250	153,590	149,604	(3,986)
Transport	100,690	27,096	30,801	3,705
Income	(7,820)	(2,607)	(19,554)	(16,947)
Gross controllable Expenditure	1,461,980	478,789	450,851	(27,938)
Central Support	257,770	85,923	85,923	-
Housing Direct Works Expenditure	1,719,750	564,712	536,774	(27,938)

Agenda Item No 8

Resources Board

6 September 2022

Report of the Corporate Director - Resources

Capital Programme 2022/23
Period Ended 31 July 2022

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 July 2022.

Recommendation to the Board

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

2 Introduction

- 2.1 The Executive Board approved the Council's 2022/23 Capital Programme of £11,954,935 in February 2022. At its meeting on 20 July, the Executive Board increased the programme by £400,000, bringing forward £400,000 of the 2023/24 allocation for the Atherstone Activity Hub.
- 2.2 Budget provision of £4,119,131 that was committed in 2021/22 has been added to the approved 2022/23 programme giving a revised programme of £16,474,066 (Appendix A). This will be reported to Executive Board on 19 September, along with some requests to carry forward some unspent budget allocations from the approved 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 together with commitments of £2,429,210 this gives a total Housing Capital budget of £8,682,790 (Appendix A).

- 4.2 There has been a total of £3,558,427 spent on the Housing Capital programme during the first four months of 2022/23; this is compared to a profiled budget of £3,186,823.
- 4.3 Work on energy saving measures has been undertaken at 98 properties. Expenditure has exceeded the full year budget allocation, with inflationary pressures adding to scheme costs. Although most of the works have now been undertaken, outstanding costs are being assessed to establish the level of overspend for the year.
- 4.4 There is significant pressure on the Multi Trade budget due to structural works on void properties. The approved budget of £300,000 will be insufficient for the year and reflects current demand and the age of the stock, as well as inflationary pressures.
- 4.5 Members are aware that a major works programme is being delivered to provide remedial works to blocks of flats. The scheme of works at Alexandra Court which started in 2021/22 for a new flat to pitched roof, new windows, external remedial works and works to the internal areas of the communal blocks has been completed. The costs of £1,735,744 have exceeded the budget brought forward. The budget allocation of £2.3 million in the 2022 programme is for schemes at St Leonards Close and Drayton Court which have not yet started. Given rising costs in the building industry, underspends on these schemes are not anticipated, so the additional costs on Alexandra Court are expected to be an overspend at the end of the year.
- 4.6 Budget provision for the New Build programme relates to a retention amount for the completed scheme at Mancetter and the balance of funding for the completion of the schemes on Long Street and Coleshill Road in Atherstone. The new build schemes in Atherstone have not yet completed due to difficulties with the appointed contractor.
- 4.7 Schemes to deliver adaptations to council properties, replacement roofing, heating and electrical works are all ongoing and currently in line with budget allocations.
- 4.8 The Housing Vehicle replacement scheme is being affected by the extended waiting time for the procurement of new vehicles.
- 4.9 An opportunity has arisen in Dordon to buy 2 new properties at the New Street development, to add to the Council's housing stock. This will help to reduce the loss of housing stock from Right to Buys and enables the Council to use of some of the additional capital receipts that have been retained for new housing stock.

5 General Fund Schemes

- 5.1 The original budget for 2022/23 was £5,701,355 and together with commitments of £1,689,921 and funding of £400,000 brought forward from 2023/24 programme this gives a total General Fund Capital budget of £7,791,276 (Appendix A).
- 5.2 There has been a total of £931,458 spent or committed against the General Fund Capital projects for 2022/23; compared to a profiled budget of £931,054.
- 5.3 A further £677,150 has been spent on the project to develop the sub-regional Materials Recycling Facility for use by local authority partners. Final payments on the car parking pay and display scheme are being made, whilst some preparatory work on the LUF bid for Atherstone has been undertaken. Survey work on the shops and flats at High street Coleshill has also been carried out.
- 5.4 Within the Play Area Replacement programme, work has been undertaken at the Austrey and Piccadilly play areas. In addition, some general and fitness leisure equipment has been replaced at the Leisure Facilities and work has commenced on the replacement of the Environmental Health System.
- 5.6 The requirement for works at the industrial units are being reassessed to ensure that budget provision is available for the most urgent works. Leaseholder changes have led to a delay with the planned work at the Maya restaurant and capital works at High Street Coleshill are still being considered. The electrical upgrade planned for the Council Offices at Old Bank House is likely to be delayed whilst its future use is considered.

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 Budget provision of £400,000 will be needed to purchase the properties referred to in paragraph 4.9. There will be no impact on the currently approved HRA capital programme, as the Council can use capital receipts held for new affordable housing to fund 40% of the cost, with Section 106 resources available to fund the remaining 60%.
- 6.1.2 Capital receipts that the Council can retain to spend on the acquisition or provision of new affordable housing need to be spent within a specified time period or need to be returned to the government. Any funding returned will incur interest charges. There are no other schemes for spending the new build receipts at the current time.
- 6.1.3 As highlighted in the report, there are inflationary pressures affecting capital spending, particularly in the HRA. Housing budgets are coming under increasing pressure due to the work needed on our ageing stock and inflationary increases currently being experienced across the economy. Further work will be carried out to establish the extent of these issues, which will be reported to the next meeting of the Board.

6.1.4 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.

6.2 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 brings together all previous equality legislation and includes a public sector duty (the equality duty). The capital programme includes some provision for improving accessibility as required by the current 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).

Capital Budgetary Control Summary 2022/23 - as at 31 July 2022

	(A)		(B)	(C)	(D)	(E)	
Cost Centre Description	Original Budget 2022/23	Commitments Carried Forward from 2021/22	Budget Brought Forward from 2023/24	Total 2022/23 Approved Budget	Profiled Budget	Total Year To Date	Total v Profiled Budget
Hsg Disabled Facility Adaptation CH	261,280			261,280	87,093	90,459	3,366
Hsg Energy Saving Measures	350,000			350,000	350,000	396,034	46,034
Hsg Kitchens and Bathrooms	426,870			426,870	-	-	0
Hsg Multi Trade Contract	300,000			300,000	100,000	245,305	145,305
Hsg Remedial Work to Flats	2,300,000	1,459,150		3,759,150	1,459,150	1,735,744	276,594
Hsg Roofing	300,000			300,000	100,000	47,127	(52,873)
Hsg Heating	900,000	135,380		1,035,380	435,380	448,087	12,707
Hsg Electrics	900,000			900,000	300,000	438,238	138,238
New Build - Mancetter		49,100		49,100	-	-	0
New Build - Atherstone		785,580		785,580	261,860	91,707	(170,153)
Hsg HDW Replacement Vehicles	235,410			235,410	-	-	0
Housing Capital Salaries	280,020			280,020	93,340	95,727	2,387
Total HRA	6,253,580	2,429,210	-	8,682,790	3,186,823	3,588,427	401,604
Decent Homes Grants and Works (Private Sector)	20,000			20,000	6,667		(6,667)
Materials Recycling Facility		1,532,901		1,532,901	510,967	677,150	166,183
External Works on Industrial Buildings	300,000			300,000	-		0
Refurbishment of Council Owned Buildings	45,000			45,000	15,000		(15,000)
Electrical Upgrade at Old Bank House	150,000			150,000	-		0
Disabled Discrimination Adaptations	137,310			137,310	-		0
Works required at High Street, Coleshill	970,000			970,000	8,200	8,151	(49)
Depot - Demolition Works	30,600			30,600	-		0
Cap Parking Pay and Display	-	12,514		12,514	4,171	5,654	1,483
Structural Maintenance Programme of Car Parks and Unadopted Roads	345,000			345,000	-		0
Water Orton Car Park		10,505		10,505	3,502		(3,502)
Increased car parking at Coleshill	600,000			600,000	-		0
Maya Restaurant - Resurface Car Park	30,000			30,000	-		0
Innage Park - Mobile Care Admin Facility	30,000			30,000	-		0
Atherstone Activity Hub			400,000	400,000	100,000	58,211	(41,789)
Play Area Replacement Programme	240,000	92,040		332,040	110,680	101,000	(9,680)
Playing Pitch Strategy		21,960		21,960	7,320	4,093	(3,227)
Leisure Equipment	20,000			20,000	6,667	6,056	(611)
Leisure Centre Fitness Suite Equipment Replacement	65,000	20,000		85,000	41,667	31,076	(10,591)
Computer hardware and software, purchase and replacement	53,950			53,950	17,983		(17,983)
Replacement Financial Management System (FMS)	300,000			300,000	-		0
ICT Infrastructure Development	20,000			20,000	6,667		(6,667)
Network Infrastructure	-			-	-		0
Telephone System	20,000			20,000	6,667		(6,667)
Backing Up	20,000			20,000	6,667		(6,667)
Mobile Devices	10,000			10,000	3,333		(3,333)
Replacement Planning and Enforcement and Local Land Charges Systems	32,550			32,550	10,850		(10,850)
Web Development (Internet, Intranet and Extranets)	50,000			50,000	16,667		(16,667)
Replacement Environmental Health System	115,000			115,000	38,333	33,960	(4,373)
Uninterruptable Power Supply	10,000			10,000	3,333		(3,333)
Replacement of Pool Vehicles	-			-	-		0
Replacement of Refuse Vehicles	1,572,582			1,572,582	-		0
Replacement of Cesspool Vehicles	-			-	-		0
Replacement of Street Cleaning Vehicles	192,049			192,049	-		0
Replacement of Horticulture Vehicles	287,882			287,882	-		0
Replacement of Leisure Services Vehicles	17,292			17,292	-		0
Transport							
Capital Salaries - Management	17,140			17,140	5,713	6,107	393
Total General Fund	5,701,355	1,689,921	400,000	7,791,276	931,054	931,457	404
Total Expenditure	11,954,935	4,119,131	400,000	16,474,066	4,117,877	4,519,885	402,007

Agenda Item No 9

Board Resources Board

Date 6 September 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 item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 10

Confidential Extracts of the Minutes of the Resources Board held on 20 June 2022

Paragraph 1 – Information relating to an individual; and

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

In relation to the item 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).