

Date: 18th September 2017

The Arc
High Street
Clowne
Derbyshire
S43 4JY

Dear Sir or Madam

You are hereby summoned to attend a meeting of the Audit Committee of the Bolsover District Council to be held on Tuesday 26th September 2017 at 1400 hours in the Council Chamber, The Arc, Clowne.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on page 2.


Yours faithfully



Assistant Director of Governance and Monitoring Officer
To: Members of the Audit Committee

ACCESS FOR ALL

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 **01246 242528**
Minicom: 01246 242450

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AUDIT COMMITTEE

AGENDA

Tuesday 26th September 2017 at 1400 hours in the
Chamber Chamber, The Arc, Clowne

Item No.		Page No.(s)
	PART 1 – OPEN ITEMS	
1.	To receive apologies for absence, if any.	
2.	To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4 (b) of the Local Government Act 1972.	
3.	Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of: a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items and if appropriate, withdraw from the meeting at the relevant time.	
4.	To approve the minutes of a meeting held on 25 th July 2017.	3 to 8
5.	Reports of the Internal Audit Consortium	
	(A) Summary of Progress on the 2017/18 Internal Audit Plan	9 to 15
6.	Reports of the Assistant Director – Finance and Revenues & Benefits	
	(A) Budget Monitoring – Quarter 1 : April to June 2017	16 to 40
	(B) Key Issues of Financial Governance	41 to 47
7.	PART 2 – EXEMPT ITEMS	
	<i>The Local Government (Access to Information) Act 1985, Local Government Act 1972, Part 1, Schedule 12a (relevant exemption paragraph is cited next to the agenda item).</i>	
	<u>Paragraph 3</u>	
8.	Reports of the Internal Audit Consortium	
	(A) Internal Audit Report – Sheltered Housing Accommodation	48 to 65

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Tuesday 25th July 2017 at 1400 hours.

PRESENT:-

Members:-

Councillor D. McGregor in the Chair

Councillors J.A. Clifton, M. Dooley, S.W. Fritchley and K. Reid

External Audit – KPMG:-

Mr. T. Crawley

Officers:-

D. Clarke (Assistant Director – Finance and Revenues & Benefits), S. Brunt (Assistant Director – Streetscene), S. Barker (Assistant Director – HR and Payroll), J. Arnold (Assistant Director – Planning and Environmental Health), S. Gillott (Environmental Health Manager), J. Williams (Internal Audit Manager) and A. Brownsword (Senior Governance Officer)

0129. APOLOGIES

Apologies for absence were received from Councillor A.M. Syrett and Mrs. R. Jaffray (Independent Member)

0130. URGENT ITEMS OF BUSINESS

There were no urgent items of business.

0131. DECLARATIONS OF INTEREST

There were no declarations of interest.

0132. MINUTES – 16TH MAY 2017

Moved by Councillor M. Dooley and seconded by Councillor D. McGregor
RESOLVED that minutes of a meeting of the Audit Committee held on 16th May 2017 be approved as a true and correct record.

AUDIT COMMITTEE

0133. REPORT OF THOSE CHARGED WITH GOVERNANCE ISA260

Committee considered a report of the External Auditor, KPMG, regarding the ISA 260 report 2016/17, in relation to the Council's financial statements for the year ended 31st March 2017.

Committee were also requested to note and consider the Management Representation letter attached as an appendix to the report which the Chair of the Committee and the Chief Financial Officer would be required to sign on behalf of the Council.

KPMG had received complete draft accounts on ahead of the DCLG deadline and noted that these were of the same high standard as last year.

The report represented a good outcome for the Authority with no material adjustments identified. The External Auditors anticipated giving an unqualified opinion in respect of the accounts by 31st July 2017.

In relation to Value for Money, KPMG had concluded that the Authority had made proper arrangements to ensure it had taken properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Members thanked KPMG and the Finance team for their work in producing and auditing the Council's Statement of Accounts 2016/17 and noted that it was a pleasing report.

Moved by Councillor D. McGregor and seconded by Councillor K. Reid

RESOLVED that (1) the report of the External Auditors, KPMG, be noted,

(2) the Letter of Representation appended to the report be approved and Audit Committee authorises the Chair of Audit Committee and the Chief Financial Officer sign the Letter on behalf of the Council.

(Councillor D. McGregor (Chairman)/Chief Financial Officer)

0134. CORPORATE PLAN TARGETS PERFORMANCE UPDATE – APRIL TO JUNE 2017 (q1 – 2017/18)

This item was withdrawn.

AUDIT COMMITTEE

0135. BOLSOVER DISTRICT COUNCIL - STATEMENT OF ACCOUNTS 2016/17

Committee considered a report which sought approval of the Council's audited Statement of Accounts for 2016/17.

The outturn position for the Council's accounts had previously been reported to the Executive and would be discussed later on the agenda. The work undertaken by KPMG on the accounts did not require the Council to make any amendments in respect of the overall outturn position on the General Fund Revenue Account, Housing Revenue Account or the Capital Programme.

The Assistant Director – Finance and Revenues & Benefits thanked the Finance Team for preparing the accounts and the Auditors (KPMG), for the way in which the audit had been conducted.

It was noted that should any minor amendments to the accounts be identified prior to 31st July 2017, these would be agreed by the Chief Financial Officer, in consultation with the Chair or Vice Chair of the Audit Committee. Any such changes would only be made with the agreement of KPMG and would be reported back to the next meeting of Audit Committee.

Moved by Councillor S.W. Fritchley and seconded by Councillor K. Reid

RESOLVED that (1) the audited Statement of Accounts in respect of 2016/17 be approved,

(2) delegated powers be granted to the Chief Financial Officer in consultation with the Chair or Vice Chair of Audit Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors, KPMG, to ensure completion of the Statement of Accounts by 31st July 2017.

(Chief Financial Officer)

0136. MEDIUM TERM FINANCIAL PLAN – FINANCIAL OUTTURN 2016/17

Committee considered a report of the Assistant Director – Finance and Revenues & Benefits in relation to the Council's financial outturn for the 2016/17 financial year, which was considered by Executive on 26th June 2017.

The Council has closed its financial accounts for 2016/17 in line with the target date of 31st May 2017 which had been set to reflect the forthcoming change in the

AUDIT COMMITTEE

statutory deadline. The draft Statement of Accounts 2016/17 were now subject to the independent audit from the Council's external auditors, KPMG.

The report provided information on the outturn position in respect of the following:-

- General Fund Revenue Account
- Housing Revenue Account
- The Council's Capital Investment Programme
- Treasury Management Activities

The Assistant Director – Finance and Revenues & Benefits noted that there had been a £1.4m underspend in the financial year due to unforeseen events which should not be relied upon for future years. This money had been added to the Transformation Reserve.

Members discussed whether under-spends in relation to service area budgets had any impact on the performance of service levels or standards. The Assistant Director – Finance and Revenues & Benefits advised that service performance was measured against agreed service plans and was regularly monitored. Members also raised concerns regarding delays in recruitment.

Moved by Councillor D. McGregor and seconded by Councillor K. Reid
RESOLVED that the report be noted.

0137. QUARTER 1 – 2017/18 FINANCIAL MONITORING

This item was deferred to the next meeting of the Audit Committee.

0138. STRATEGIC RISK REGISTER AND PARTNERSHIP ARRANGEMENTS

Committee considered a report which updated Members on the Council's Strategic Risk Register and Partnership Working. The Strategic Risk Register would be considered by the Executive at its meeting on 11th September 2016.

One of the key purposes of the report was to set out the risks that had been identified and to encourage both Members and Officers to actively consider whether the Strategic Risk Register and supporting Service Risk Registers appropriately covered all of the issues facing the Council.

AUDIT COMMITTEE

The section of the report which related to Partnerships, served to highlight the extent of those working arrangements, together with the mechanisms which were in place for their successful management.

Moved by Councillor K. Reid and seconded by Councillor M. Dooley

RESOLVED that the report be noted.

0139. KEY ISSUES OF FINANCIAL GOVERNANCE

Committee considered a report which provided an update to Members concerning the key issues of financial governance where further progress or ongoing monitoring was required.

The Strategic Issues, which were outlined in the report, were consistent with the conclusions of the External Auditor's (KPMG) report on the outcome of the 2016/17 Audit

The key messages from KPMG's report were that they were in a position to issue an unqualified opinion on the Statement of Accounts by the 31st July 2017 due to the quality of the Accounts and also their conclusion that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Moved by Councillor D. McGregor and seconded by Councillor M. Dooley

RESOLVED that (1) the report be noted.

0140. COMMITTEE WORK PROGRAMME 2017/18

The Assistant Director – Finance and Revenues & Benefits presented the report which gave details of the proposed work programme for the Audit Committee in 2017/18.

Moved by Councillor S.W. Fritchley and seconded by Councillor D. McGregor

RESOLVED that the Audit Committee Work Programme be endorsed.

0141. THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Moved by Councillor D. McGregor and seconded by Councillor M.J. Dooley

RESOLVED that under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following

AUDIT COMMITTEE

items of business on the grounds that they involve the likely disclosure of exempt information as defined in the stated Paragraph 3 of Part 1 of Schedule 12A of the Act and it is not in the public interest for that to be revealed.

0142. IMPLEMENTATION SCHEDULES EXEMPT - PARAGRAPH 3

1. Health and Safety

The Assistant Director – HR and Payroll presented the implementation schedule and noted that the department was well on its way to achieving the actions. Progress would be monitored.

2. Licensing Service

The Assistant Director – Planning and Environmental Health presented the implementation schedule and noted that the recommendations had been taken very seriously and all the actions were now complete. Progress would be monitored.

The Environmental Health Manager explained that some of the problems had occurred when two separate systems had been migrated to a third and the situation had now been rectified.

A discussion took place regarding recruitment problems.

3. BDC Transport

The Assistant Director – Streetscene presented the implementation schedule and noted that most items were now complete. The recommendations had been disappointing, but had not resulted in a reduction of the quality of service. Progress would be monitored.

Moved by Councillor D. McGregor and seconded by Councillor M. Dooley

RESOLVED that progress against the implementation schedules be noted and monitored.

The meeting concluded at 1525 hours.

Bolsover District Council

Audit Committee

26th September 2017

<p>Summary of Progress on the 2017/18 Internal Audit Plan</p>
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This report is public

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium, in relation to the 2017/18 Internal Audit Plan. The report includes a summary of Internal Audit Reports issued to date and work in progress.

1 Report Details

- 1.1 The 2017/18 Consortium Internal Audit Plan for Bolsover District Council was approved by the Audit Committee on the 11th April 2017.
- 1.2 The Consortium Agreement in paragraph 9.3 requires that the Head of the Internal Audit Consortium (HIAC) or his or her nominee will report quarterly (or at such intervals as the HIAC may agree with the Committee) to the Audit Committee of each Council on progress made in relation to their Annual Audit Plan.
- 1.3 Attached, as Appendix 1, is a summary of reports issued to date in respect of the 2017/18 internal audit plan.
- 1.4 Internal Audit Reports are issued as drafts with five working days being allowed for the submission of any factual changes, after which time the report is designated as a Final Report. Fifteen working days are allowed for the return of the Implementation Plan.
- 1.5 The Appendix shows for each report a summary of the level of assurance that can be given in respect of the audit area examined and the number of recommendations made / agreed where a full response has been received.
- 1.6 The assurance provided column in Appendix 1 gives an overall assessment of the assurance that can be given in terms of the controls in place and the system's ability to meet its objectives and manage risk in accordance with the following classifications:

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

- 1.7 It can be confirmed that no fraud issues have been identified in respect of the areas reviewed.
- 1.8 As previously agreed, Members have been supplied with a copy of the audit report in respect of sheltered housing schemes that received a “Limited Assurance” opinion. It should be noted that this audit was not included as part of the 2017/18 internal audit plan. The audit was undertaken at the request of the Chief Executive following issues arising at one of the sheltered housing schemes.
- 1.9 The following audits are currently in progress:
- Clowne Leisure Centre
 - Non Domestic Rates
 - Cash and Bank
 - Treasury Management

2 Conclusions and Reasons for Recommendation

- 2.1 To inform Members of progress on the Internal Audit Plan for 2017/18 and the Audit Reports issued.
- 2.2 To comply with the requirements of the Public Sector Internal Audit Standards.

3 Consultation and Equality Impact

3.1 None

4 Alternative Options and Reasons for Rejection

4.1 Not Applicable

5 Implications

5.1 Finance and Risk Implications

5.1.1 Regular reports on progress against the internal audit plan ensure compliance with the Public Sector Internal Audit Standards and allow members to monitor progress against the plan.

5.2 Legal Implications including Data Protection

5.2.1 None

5.3 Human Resources Implications

5.3.1 None

6 Recommendation

6.1 That the report be noted.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC:</i> <i>Revenue</i> £75,000 <input type="checkbox"/> <i>Capital</i> £150,000 <input type="checkbox"/> <i>NEDDC:</i> <i>Revenue</i> £100,000 <input type="checkbox"/> <i>Capital</i> £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
District Wards Affected	None

Links to Corporate Plan priorities or Policy Framework	The report is linked to Bolsover District Council's aims and objectives to provide customers with an excellent service.
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8 Document Information

Appendix No	Title
Appendix 1	Summary of Internal Audit Reports Issued in respect of the 2017/18 internal audit plan.
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
Report Author	Contact Number
Jenny Williams	01246 217547

JENNY WILLIAMS
INTERNAL AUDIT CONSORTIUM MANAGER

BOLSOVER DISTRICT COUNCIL

Appendix 1

Internal Audit Consortium - Report to Audit Committee

Summary of Internal Audit Reports Issued in respect of the 2017/18 Internal Audit Plan

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B001	Business Continuity and Emergency Planning Arrangements	To ensure that the council has appropriate arrangements in place that discharges its responsibilities	Reasonable	25/5/17	23/6/17	3 (1M 2L)	3
B002	Housing Allocations and Lettings	To ensure that there is an up to date policy in place that is applied correctly	Reasonable	7/6/17	28/6/17	3M	3
B003	Sickness Absence Management	To ensure that sickness absence management is appropriately monitored and managed	Reasonable	15/6/17	6/7/17	4 (2M 2L)	4

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B004	Land Charges	To ensure that the fees charged are correct and that searches are conducted in a timely manner	Substantial	28/6/17	19/7/17	2L	2
B005	Sheltered Housing Scheme Review	To ensure that systems and procedures are clearly defined and communicated to staff and monitored for adherence	Limited	18/7/17	8/8/17	8 (7M 1L)	4
B006	Asset Management	To ensure that there is an asset management strategy in place that is adhered to	Substantial	26/7/17	16/8/17	4 (2M 2L)	4
B007	Corporate Plan Targets	To ensure that targets link to the Council's objectives and that they are monitored and calculated correctly	Substantial	8/8/17	30/8/17	2L	2
B008	Contract Accounts and Procedures	To ensure that contracts are appropriately monitored and controlled and that final accounts are passed for audit in a timely manner	Reasonable	8/8/17	30/8/17	3 (2M 1L)	Response not due at time of writing report

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B009	Disabled Facilities Grants	To ensure that grants are properly awarded in line with procedures and that works are appropriately carried out	Substantial	6/9/17	22/9/17	3 (1M 2L)	Response not due at time of writing report
B010	Procurement	To ensure that procurements are undertaken in line with Financial Regulations and Procedures and EU rules	Substantial	14/8/17	5/9/17	0	0
B011	Pleasley Mills Rent Collection	To ensure that lettings and terminations are carried out properly and that rent is collected promptly and accurately	Substantial	22/8/17	13/9/17	0	0

Notes: For recommendations, H = High priority, M = Medium priority and L = Low Priority.

Bolsover District Council

Audit Committee

26 September 2017

Budget Monitoring – Quarter 1 : April to June 2017

Report of the Assistant Director – Finance, Revenues and Benefits

This report is public

Purpose of the Report

- The purpose of this report is to present to Members of the Audit Committee a summary of the Budget Monitoring for the first quarter of 2017/18 i.e. April to June 2017 which was presented to Executive at its meeting on 11 September 2017.

1 Report Details

- 1.1 To update Members of the Audit Committee concerning the current position in respect of quarter one April to June 2017 Budget Monitoring.
- 1.2 The report that was taken to the Council's Executive on 11 September 2017 is accordingly brought to the Audit Committee for its consideration.

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that the Audit Committee are kept informed of the latest position concerning Budget Monitoring.

3 Consultation and Equality Impact

- 3.1 These are detailed in the attached report as **Appendix 1**.

4 Alternative Options and Reasons for Rejection

- 4.1 These are detailed in the attached report.

5 Implications

5.1 Finance and Risk Implications

These are detailed in the attached report.

5.2 Legal Implications including Data Protection

These are detailed in the attached report.

5.3 **Human Resources Implications**

These are detailed in the attached report.

6 **Recommendations**

- 6.1 That the Audit Committee note the report concerning the Council's Budget Monitoring for Quarter 1 2016/17 and make any comments that they believe to be appropriate concerning these matters which was reported to Executive on the 11 September 2017.

7 **Decision Information**

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

Document Information

Appendix No	Title				
1	Executive Report 11 September 2017 Budget Monitoring – Quarter 1 : April to June 2017				
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)					
<table border="1"> <thead> <tr> <th>Report Author</th> <th>Contact Number</th> </tr> </thead> <tbody> <tr> <td>Dawn Clarke Assistant Director – Finance, Revenues and Benefits</td> <td>01246 242414</td> </tr> </tbody> </table>		Report Author	Contact Number	Dawn Clarke Assistant Director – Finance, Revenues and Benefits	01246 242414
Report Author	Contact Number				
Dawn Clarke Assistant Director – Finance, Revenues and Benefits	01246 242414				

The following report was presented to the Executive on 11th September 2017.

Bolsover District Council

Executive

11th SEPTEMBER 2017

**Medium Term Financial Plan - Budget Monitoring Report, Quarter 1 –
April to June 2017**

Report of Leader and Portfolio Holder – Strategic Planning & Regeneration

This report is public

Purpose of the Report

- To update Executive on the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity.

1 Report Details

- 1.1 Officers have continued the integrated approach to budget monitoring in the first quarter with Performance, Risk and Finance being considered together at the combined Directorate meeting held during July 2017. The scope of this report is therefore to report the current financial position following the 2017/18 quarter one monitoring exercise.

General Fund Revenue Account

- 1.2 The General Fund Revenue Account summary is shown in **Appendix 1**. The original budget for 2017/18 showed a funding gap of £0.170m. The current budget now shows that this is reduced to £0.103m after the Council tax increase and other movements are included. As savings are identified and secured they are moved into the relevant cost centres within the main General Fund Directorates. Officers have reviewed the opportunities to reduce the salary budgets where savings arose in the first quarter and a further amount of £0.058m can be removed from budgets. **Appendix 5** to this report gives a detailed break-down of the General Fund directorate budgets.
- 1.3 Within the Directorates there is the following to report:
- The Growth Directorate shows a favourable variance of £0.264m. This relates mainly to:
 1. Under spends due to invoices not yet paid and vacancies at the end of the quarter (£0.376m) – favourable.

2. Income received in advance of any expenditure (£0.629m) – favourable.
 3. Annual invoices were paid in quarter 1 which makes the profiled budget look overspent (£0.412m) – adverse.
 4. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (£0.316m) – adverse.
 5. Over spends against quarter 1 budget due to less income received, new pressures or where expenditure is seasonal and not profiled over 4 quarters (£0.031) – adverse.
- The Operations Directorate shows an adverse variance of £0.060m. This relates mainly to:
 1. Under spends due to invoices not yet being paid and vacancies at the end of the quarter (£0.186m) – favourable.
 2. Income received in advance of any expenditure (£0.123m) – favourable.
 3. Annual invoices were paid in quarter 1 which makes the profiled budget look overspent (£0.166m) – adverse.
 4. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (£0.220m) – adverse.
 - The Transformation Directorate has an adverse variance of £0.353m. Again, this relates mainly to:
 1. Under spends due to invoices not yet being paid and vacancies at the end of the quarter (£0.030m) – favourable.
 2. Annual invoices were paid in quarter 1 which makes the profiled budget look overspent (£0.275m) – adverse.
 3. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (£0.032m) – adverse.
 4. Over spends against quarter 1 budget due to less income received, new pressures or where expenditure is seasonal and not profiled over 4 quarters (£0.067) – adverse.
- 1.4 In order to improve the monitoring and control of Section 106 monies received by the Council, the sums due to be utilised in a financial year are now recorded within the General Fund directorate budgets with the expenditure recorded against these sums. The amount budgeted to be spent in 2017/18 is £1.877m. There are no deadlines during 2017/18 by which these schemes need to be spent, the earliest deadline is 20/09/18. Officers are working to ensure that all of this spending is undertaken in line with the S106 legal requirements.
- 1.5 The overall position at the end of quarter 1 shows that there is an adverse variance of £0.148m. This is mainly due to £0.853m invoices or commitments being paid or placed on the E-purchasing system for the full year. This compares to £0.963m in 2016/17. This is an indication that the system is being used correctly as orders are being placed as soon as the Council is committed to the expenditure. There are no real budget pressures identified in quarter 1 but officers will continue to monitor the position during the next quarter.

Housing Revenue Account (HRA)

- 1.6 The Housing Revenue Account summary for the first quarter of 2017/18 is set out in **Appendix 2** to this report. At the end of quarter 1 the HRA is showing a net surplus of £0.107m.

Income

- 1.7 The quarter 1 income figures show a small adverse variance of £0.010m. This is purely timing of invoices raised and is not a concern at this time in the year.

Expenditure

- 1.8 Expenditure within most of the operating areas of the HRA shows under spends in the first quarter. There are therefore no budget pressures to report at this stage of the year. It is currently anticipated that expenditure will be in line with approved budgets at the year end.

HRA – Overall Summary

- 1.9 In light of the above and the expenditure patterns to date, there are no significant issues to report regarding the overall position for the HRA at the end of the first quarter.

Capital Programme

Capital Expenditure

- 1.10 The capital programme summary for the first quarter of 2017/18 is provided in **Appendix 3** to this report. The programme has been updated with carried forward budgets from 2016/17 previously approved by Executive.

- 1.11 In headline terms, the capital programme profiled budget for quarter 1 is £6.052m and the actual spend and known commitments total £3.551m, which is £2.501m behind the planned spend position. The main areas to highlight are listed below:

1. Group dwelling boiler replacement has only just started and is likely to be re-profiled at half year £0.652m.
2. New Bolsover HLF scheme is behind due to the unique nature of the scheme £0.734m.
3. Hilltop – HRA new build scheme is in the very early stages £0.498m.
4. The Tangent – Phase 2 is underway but currently £0.212m under spent.
5. JVC/Growth Agenda land purchase is £0.124m under spent as no opportunities to purchase have arisen.

- 1.12 Whilst there are no significant financial issues to report regarding capital expenditure at the end of the first quarter, it must be noted that the delivery of the approved capital programme is behind the profiled position as at quarter 1. Officers will continue to closely monitor the delivery of the Programme.

Capital Resources

- 1.13 HRA – The Council has sufficient capital resources in place to finance the HRA actual expenditure and commitments at the end of the first quarter.
General Fund – The financing of the General Fund part of the capital programme is in line with the approved financing arrangements.

Treasury Management

- 1.14 The treasury management function covers the borrowing and investment of Council money. This includes both the management of the Council's day to day cash balances and the management of its long term debt. All transactions are conducted in accordance with the Council's approved strategy and the CIPFA Code of Practice. Good treasury management plays an important role in the sound financial management of the Council's resources.
- 1.15 The Council approved the 2017/18 Treasury Management Strategy at its meeting in February 2017. **Appendix 4** identifies the Treasury Management activity undertaken during the first quarter of 2017/18 and demonstrates that this is in line with the plans agreed as part of the strategy. The income received from investments is currently higher than budgeted and we anticipate that this will continue during the remainder of the financial year. A full assessment of this will be done during the next quarter with a view to amend the budgets accordingly.

2 Conclusions and Reasons for Recommendation

- 2.1 The report summarises the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity.

3 Consultation and Equality Impact

- 3.1 There are no equalities issues arising directly out of this report.

4 Alternative Options and Reasons for Rejection

- 4.1 The Budget Monitoring report for 2017/18 is primarily a factual report which details progress against previously approved budgets. Accordingly there are no alternative options to consider.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 Financial implications are covered throughout this report.
- 5.1.2 The issue of Financial Risks is covered throughout the report. In addition, however, it should be noted that the risk of not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register. While officers are of the view that these risks are being appropriately managed it needs to be recognised that there may be pressures on all of the Council's main budgets as these have been or are being reduced to minimum levels. These will need to be managed carefully during the course of this financial year if we are to protect the existing levels of financial balances.

5.2 Legal Implications including Data Protection

There are no legal issues arising directly from this report.

5.3 Human Resources Implications

There are no human resource issues arising directly out of this report

6 Recommendations

- 6.1 That Executive notes the monitoring position of the General Fund at the end of the first quarter as detailed on Appendix 1 and 5 (A net adverse variance of £0.148m against the profiled budget) and the key issues highlighted within this report:
- 6.2 That Executive notes the position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the first quarter (Appendices 2, 3 and 4).

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	Yes
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	Yes
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	Providing Excellent customer focussed services. Continually improving our organisation

8 Document Information

Appendix No	Title
1	General Fund Summary
2	HRA Summary
3	Capital Programme
4	Treasury Management Update
5	General Fund Detail
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the</p>	

section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)

Report Author	Contact Number
Chief Accountant	2458
Assistant Director – Finance, Revenues and Benefits	2414

Report Reference –

GENERAL FUND

APPENDIX 1

Description	Per Exec 20/2/17		Movement	Per FMS		
	Original	Since	Current	3 months	3 months	3 months
	Budget	Original	Budget	Budget	Actual	Variance
	2017/18	Budget	2017/18	2017/18	2017/18	2017/18
	£	£	£	£	£	£
Growth Directorate	3,347,867	262,855	3,610,722	902,681	477,698	(424,983)
Operations Directorate	6,551,876	561,901	7,113,777	1,778,444	1,837,968	59,523
Transformation Directorate	2,838,694	56,064	2,894,758	723,690	990,993	267,304
Support Recharges to HRA and Capital	(3,439,642)		(3,439,642)	(859,911)	(859,910)	0
Net transfer payments from Operations		(378,565)	(378,565)	(94,641)	(94,641)	0
Superannuation rate increase	68,605	(68,605)	0	0	0	0
<u>S106 Expenditure due in year</u>						
Growth	879,000	507,329	1,386,329	346,582	507,329	160,747
Transformation	7,829	482,526	490,355	122,589	207,850	85,262
Total Net Expenditure	10,254,229	1,423,505	11,677,734	2,919,434	3,067,287	147,853
Interest Paid including Minimum Revenue Provision (MRP)	877,532	3,747	881,279	220,320	220,320	0
Investment Interest	(81,429)	0	(81,429)	(20,357)	(20,357)	0
	11,050,332	1,427,252	12,477,584	3,119,396	3,267,250	147,853
Contributions to Reserves	871,544		871,544	217,886	217,886	0
Contribution from Earmarked Reserves	(177,609)	(395,196)	(572,805)	(143,201)	(143,201)	0
Contribution from NNDR Growth Protection Reserve	987,907		987,907	246,977	246,977	0
Contribution (from)/to Unapplied Grants/Holding Accounts	(194,946)	2,012	(192,934)	(48,234)	(48,234)	0
Contribution from S106 Holding A/cs	(886,829)	(989,855)	(1,876,684)	(469,171)	(469,171)	0
	11,650,399	44,213	11,694,612	2,923,653	3,071,507	147,853
Parish Precepts	2,387,172	207,668	2,594,840	648,710	648,710	0
Council Tax Support Grant	277,851	0	277,851	69,463	69,463	0
TOTAL NET EXPENDITURE	14,315,422	251,881	14,567,303	3,641,826	3,789,680	147,853
Revenue Support Grant (RSG)	(1,905,813)	0	(1,905,813)	(476,453)	(476,453)	0
<u>Business Rates Retention</u>						
Proportionate share	(9,905,744)	0	(9,905,744)	(2,476,436)	(2,476,436)	0
Tariff payable	5,354,356	0	5,354,356	1,338,589	1,338,589	0
Net levy payment	1,075,883	0	1,075,883	268,971	268,971	0
Section 31 grants received	(401,627)	0	(401,627)	(100,407)	(100,407)	0
Pooling - Levy share	(200,000)	0	(200,000)	(50,000)	(50,000)	0
New Homes Bonus Grant 13/14	(169,639)	0	(169,639)	(42,410)	(42,410)	0
New Homes Bonus Grant 14/15	(292,058)	0	(292,058)	(73,015)	(73,015)	0
New Homes Bonus Grant 15/16	(277,154)	0	(277,154)	(69,289)	(69,289)	0
New Homes Bonus Grant 16/17	(265,993)	(6,496)	(272,489)	(68,122)	(68,122)	0
New Homes Bonus Grant 17/18	(191,202)	0	(191,202)	(47,801)	(47,801)	0
COUNCIL TAX - BDC precept	(3,392,355)	(104,639)	(3,496,994)	(874,249)	(874,249)	0
Council tax - Parish element from above	(2,387,172)	(207,668)	(2,594,840)	(648,710)	(648,710)	0
Council Tax collection fund surplus	(32,775)	0	(32,775)	(8,194)	(8,194)	0
NNDR collection fund surplus	(1,154,359)	0	(1,154,359)	(288,590)	(288,590)	0
TOTAL FUNDING	(14,145,652)	(318,803)	(14,464,455)	(3,616,114)	(3,616,116)	0
Funding gap/ (surplus)	169,770	(66,922)	102,848	25,712	173,564	147,853

APPENDIX 2

Housing Revenue Account

Description	Full Years Budget £	3 months Budget £	3 months Actuals £	3 months Variance £
Expenditure				
Repairs and Maintenance	4,826,028	1,206,507	1,110,119	(96,388)
Supervision and Management	4,879,371	1,219,843	1,216,591	(3,252)
Special Services	636,085	159,021	124,789	(34,232)
Supporting People - Wardens	605,108	151,277	145,991	(5,286)
Supporting People - Central Control	209,103	52,276	76,586	24,310
Tenants Participation	88,113	22,028	18,415	(3,614)
Provision for Doubtful Debts	150,000	37,500	37,500	0
Debt Management Expenses	8,438	2,110	3,760	1,651
Total Expenditure	11,402,246	2,850,562	2,733,752	(116,810)
Income				
Rents	(20,371,860)	(5,092,965)	(5,090,135)	2,830
Garage Rents	(105,749)	(26,437)	(26,646)	(208)
Garage Site Rents	(34,702)	(8,676)	(32,754)	(24,078)
Repairs and Maintenance	(10,345)	(2,586)	11,275	13,862
Supervision and Management	(380)	(95)	(76)	19
Special Services	(338,412)	(84,603)	(51,156)	33,447
Supporting People - Wardens	(461,545)	(115,386)	(112,398)	2,988
Supporting People - Central Control	(202,402)	(50,601)	(74,954)	(24,354)
Leasehold Flats and Shops Income	(24,220)	(6,055)	(1,995)	4,060
Other Income	(6,060)	(1,515)	(97)	1,418
Total Income	(21,555,675)	(5,388,919)	(5,378,934)	9,985
Net Cost of Services	(10,153,429)	(2,538,357)	(2,645,182)	(106,825)
Appropriations				
Debt Repayment	1,067,708	266,927	266,927	0
Interest Costs	3,520,572	880,143	880,143	0
Depreciation	2,529,218	632,305	632,305	0
Transfer to Major Repairs Reserve	2,847,051	711,763	711,763	0
Contribution to/(from) HRA Reserves	180,000	45,000	45,000	0
Net Operating (Surplus) / Deficit	(8,880)	(2,220)	(109,045)	(106,825)

APPENDIX 3

CAPITAL PROGRAMME MONITORING REPORT - 2017/18

Code	Description	Full Years	3 months	3 months	3 months
		Budget	Budget	Actuals	Variance
		£	£	£	£
C007	ICT Infrastructure	110,150	27,538	5,496	(22,042)
C020	Disabled Facility Grants	400,000	100,000	36,398	(63,602)
C080	8 Hedge cutters	4,000	1,000	0	(1,000)
C081	10 Strimmers	5,000	1,250	0	(1,250)
C092	WA Capital	15,275	3,819	11,497	7,678
C095	AMP - Riverside Depot	1,638	410	1,635	1,225
C098	External Wall Insulation	462,636	115,659	59,212	(56,447)
C100	Electrical Upgrades	200,000	50,000	29,912	(20,088)
C107	Cavity Wall + Loft Insulation	5,000	1,250	0	(1,250)
C113	External Door Replacements	40,000	10,000	2,679	(7,321)
C114	Heating Upgrades	1,200,000	300,000	254,662	(45,338)
C115	Environmental Works	50,000	12,500	0	(12,500)
C117	Decent Homes - External	141,949	35,487	21,299	(14,188)
C118	Kitchen Replacements - Decent Homes	800,000	200,000	23,254	(176,746)
C138	P Vale Outdoor Education Centre Ph 2	41,134	10,284	7,981	(2,302)
C148	AMP - The Arc	44,300	11,075	28,214	17,139
C149	AMP - PV Lodges	101,546	25,387	60,717	35,331
C176	AMP - Leisure Buildings	33,941	8,485	29,270	20,785
C183	Regeneration Mgmt & Admin	69,320	17,330	17,330	0
C198	Van (R+M DY56 OFB)	20,000	5,000	0	(5,000)
C218	Soffit and Fascia	246,351	61,588	53,219	(8,369)
C232	Powerwash Trailer & Fram	16,000	4,000	0	(4,000)
C258	Van (R&M YS10 OUL)	20,000	5,000	0	(5,000)
C262	Ford Ranger (Leisure PV)	20,500	5,125	0	(5,125)
C270	Ranger XL 4x4 Cab 2.5	21,000	5,250	0	(5,250)
C272	Transit 280 2.2 115PS	20,000	5,000	18,720	13,720
C273	Transit 280 SWB 2.2 115P	20,000	5,000	14,640	9,640
C274	Transit 280 SWB 2.2 115P	20,000	5,000	14,640	9,640
C278	Transit 350 LWB 2.4 100P	21,000	5,250	0	(5,250)

APPENDIX 3

CAPITAL PROGRAMME MONITORING REPORT - 2017/18

Code	Description	Full Years	3 months	3 months	3 months
		Budget	Budget	Actuals	Variance
		£	£	£	£
C279	Transit 350 LWB 2.4 115P	21,000	5,250	13,077	7,827
C280	Transit 350 LWB 2.4 100P	21,000	5,250	0	(5,250)
C281	Ramsomes Ride on Mower	10,501	2,625	0	(2,625)
C282	Ramsomes Ride on Mower	27,000	6,750	16,499	9,749
C283	Ramsomes Ride on Mower	10,501	2,625	0	(2,625)
C293	GD Boiler Replacement / Heat Meters	2,952,809	738,202	87,000	(651,202)
C294	New Bolsover	317,315	79,329	11,394	(67,935)
C295	Re Roofing	756,710	189,178	229,291	40,113
C297	AMP - The Tangent	3,416	854	3,416	2,562
C298	2nd Extreme Wheels RS Ve	90,000	22,500	0	(22,500)
C299	Transit 350LWB Utility D/Cab Tipper 125PS (YT12 UMS)	32,000	8,000	0	(8,000)
C300	Transit 350LWB Utility D/Cab Tipper 100PS (YT12 MMU)	32,000	8,000	0	(8,000)
C301	CAR (Wardens FN12 RUC)	12,000	3,000	0	(3,000)
C302	CAR (Wardens FN12 PYX)	12,000	3,000	0	(3,000)
C303	CAR (Wardens FN12 RXA)	12,000	3,000	0	(3,000)
C304	CAR (Wardens YM12 FTT)	12,000	3,000	0	(3,000)
C305	CAR (Wardens FN12 RVV)	12,000	3,000	0	(3,000)
C306	CAR (Wardens FN12 PPF)	12,000	3,000	0	(3,000)
C307	CAR (Wardens FN12 RVX)	12,000	3,000	0	(3,000)
C308	Luton Van (Leisure)	40,000	10,000	0	(10,000)
C309	Go Carts x 2	17,000	4,250	0	(4,250)
C311	B@home Phase 2	840,750	210,188	0	(210,188)
C312	Flat Roofing	50,000	12,500	3,981	(8,519)
C314	Asset Management Plan (Refurbishment Work)	92,091	23,023	0	(23,023)
C315	Clowne Leisure Facility	13,213	3,303	(18,734)	(22,037)
C318	Refurbishment - 3 Cotton St Bolsover	8,921	2,230	2,742	512
C319	Shirebrook Contact Centre	128,453	32,113	4,900	(27,213)
C322	Blackwell Hotel Site - HRA New Build	140,313	35,078	136,028	100,949

APPENDIX 3

CAPITAL PROGRAMME MONITORING REPORT - 2017/18

Code	Description	Full Years	3 months	3 months	3 months
		Budget	Budget	Actuals	Variance
		£	£	£	£
C326	Refurbishment of Oxcroft House	27,500	6,875	0	(6,875)
C330	Go-Active Equipment	4,886	1,222	4,735	3,514
C332	Fir Close Shirebrook - HRA New Build	1,311,715	327,929	629,449	301,520
C333	Derwent Drive Tibshelf - HRA New Build	1,511,650	377,913	509,703	131,791
C334	Recreation Close Clowne	170,000	42,500	0	(42,500)
C337	Chipper (Medium)	5,905	1,476	0	(1,476)
C338	Chipper (Medium)	5,905	1,476	0	(1,476)
C339	5/7 Gang Mower	25,000	6,250	0	(6,250)
C340	Van Can (TR06 HXP)	12,500	3,125	12,262	9,137
C341	Van Can (YR06 HXK)	12,500	3,125	12,262	9,137
C342	Rear Flail	10,000	2,500	4,910	2,410
C343	Van Can	12,500	3,125	0	(3,125)
C344	Chipper Large	18,000	4,500	0	(4,500)
C345	Quad Bike (FJ57 KVE)	12,000	3,000	0	(3,000)
C350	New Bolsover-Repair&Conservation BDC	3,277,115	819,279	239,715	(579,563)
C351	New Bolsover-Repair&Conservation Private	616,627	154,157	0	(154,157)
C352	New Bolsover-Other Cap Works-Landscaping	150,000	37,500	0	(37,500)
C353	New Bolsover-Comp&Fac (Prelims)BDC	280,568	70,142	0	(70,142)
C354	New Bolsover-Comp&Fac (Prelims)Private	24,179	6,045	0	(6,045)
C355	New Bolsover-Decants BDC	250,000	62,500	0	(62,500)
C356	New Bolsover-Fees(HLP, PD CDM)-BDC	51,165	12,791	10,531	(2,260)
C357	New Bolsover-Fees(HLP, PD CDM)-Private	20,524	5,131	0	(5,131)
C360	New Bolsover - Staff Cos/Basic Salary	55,564	13,891	10,881	(3,010)
C362	Pleasley Vale Mill 1 - Dam Wall	126,617	31,654	3,364	(28,290)
C363	Car Parking at Clowne	150,000	37,500	65,000	27,500
C364	Revenues & Benefits Software	61,797	15,449	58,990	43,541

APPENDIX 3

CAPITAL PROGRAMME MONITORING REPORT - 2017/18

Code	Description	Full Years Budget	3 months Budget	3 months Actuals	3 months Variance
		£	£	£	£
C365	Security and CCTV at Pleasley Vale	197,550	49,388	57,922	8,535
C366	The Tangent - Phase 2	1,371,697	342,924	130,662	(212,262)
C372	JVC / Growth Agenda Land Purchase	494,000	123,500	0	(123,500)
C373	Hilltop - HRA New Build	3,567,749	891,937	394,329	(497,608)
C375	Shirebrook Forward	25,000	6,250	25,000	18,750
C376	PV Lightning Protection	15,326	3,832	15,326	11,495
C377	PV Mansafe System	140,076	35,019	111,532	76,513
C378	PV Mill 2 Unit 12 roofing	14,826	3,707	13,998	10,292
C380	Telephony & Contract Management Software	70,000	17,500	59,733	42,233
C382	Vehicle Lift for Garage	40,000	10,000	0	(10,000)
C383	PV Fire Compartmentation & Fire Doors	76,030	19,008	0	(19,008)
C423	Can Rangers Expansion	100,000	25,000	0	(25,000)
C424	Enforcement Fund	50,000	12,500	0	(12,500)
TOTAL CAPITAL EXPENDITURE		24,206,204	6,051,551	3,550,675	(2,500,876)

Capital Financing

Specified Capital Grant	400,000	100,000	36,398	(63,602)
Private Sector Contributions	0	0	0	0
Prudential Borrowing	8,031,088	2,007,772	1,762,520	(245,252)
Reserves	3,899,647	974,912	352,523	(622,388)
Capital Receipts	727,362	181,841	333,376	151,535
Major Repairs Allowance	10,431,213	2,607,803	1,054,976	(1,552,828)
Direct Revenue Financing	0	0	0	0
External Grant	716,894	179,224	10,881	(168,342)
TOTAL CAPITAL FINANCING	24,206,204	6,051,551	3,550,675	(2,500,876)

General Fund - Cost centres

APPENDIX 5

	1/4/17 - 30/6/17	Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G005	Joint Chief Executive Officer	81,963	20,491	20,126	(365)	
G006	CEPT	368,123	92,031	123,313	31,282	Payments made for the year - can't be 1/4ly profiled.
G010	Neighbourhood Management	87,730	21,933	21,933	1	
G017	Private Sector Housing Renewal	58,182	14,546	10,088	(4,458)	
G020	Public Health	(28,000)	(7,000)	192,070	199,070	Joint crematorium income not yet received from CBC.
G021	Pollution Reduction	178,524	44,631	47,483	2,852	
G022	Health + Safety	0	0	(215)	(215)	
G023	Pest Control	50,379	12,595	13,056	461	
G025	Food Safety	143,607	35,902	35,902	0	
G026	Animal Welfare	101,370	25,343	27,893	2,551	
G030	Street Trading	(452)	(113)	0	113	
G036	Environmental Health Mgmt + Admin	168,756	42,189	42,189	(0)	
G053	Licensing	(41,407)	(10,352)	4,642	14,993	
G054	Electoral Registration	151,877	37,969	69,383	31,414	Redundancy costs which will be charged to reserves.
G055	Democratic Representation + Management	533,394	133,349	141,822	8,474	
G056	Land Charges	(6,620)	(1,655)	(7,831)	(6,176)	
G057	District Council Elections	5,000	1,250	(160)	(1,410)	
G058	Democratic Services	173,738	43,435	45,510	2,076	
G060	Legal Services	188,403	47,101	43,397	(3,703)	
G073	Planning Policy	378,134	94,534	84,418	(10,115)	

General Fund - Cost centres

APPENDIX 5

	1/4/17 - 30/6/17	Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G074	Planning Development Control	4,551	1,138	(43,941)	(45,079)	Income for fees is already £60k more than budget.
G076	Planning Enforcement	77,979	19,495	19,560	65	
G079	Senior Urban Design Officer	21,085	5,271	12,530	7,259	
G085	Economic Development	39,192	9,798	24,626	14,828	
G086	Alliance	7,250	1,813	36	(1,777)	
G088	Derbyshire Economic Partnership	15,000	3,750	0	(3,750)	
G116	Parish Council Elections	0	0	1,484	1,484	
G122	County Council Elections	0	0	37,153	37,153	Income not yet received - should be reimbursed by County.
G130	Parliamentary Elections	0	0	(12,030)	(12,030)	
G132	Planning Conservation	105,194	26,299	7,158	(19,140)	
G134	Referendum	0	0	25,189	25,189	Income not yet received - should be reimbursed.
G143	Housing Strategy	43,556	10,889	9,889	(1,000)	
G144	Enabling (Housing)	36,555	9,139	9,139	0	
G157	Controlling Migration Fund	(44,503)	(11,126)	(676,745)	(665,620)	Income received in advance £509k and no expenditure incurred in Q1.
G158	Police Commissioners Elections	0	0	23,352	23,352	Income not yet received - should be reimbursed.
G171	S106 Education	507,329	126,832	507,329	380,497	Payment made to DCC - can't be 1/4ly profiled. Earliest deadline 1/3/19 - reported to S106 group 11/7/17.
G176	Affordable Warmth	30,572	7,643	7,643	0	
G192	Scrutiny	20,720	5,180	4,833	(347)	
G193	Economic Development Management + Admin	226,854	56,714	66,418	9,705	
G194	Assist Dir - Economic Growth	36,799	9,200	9,198	(1)	

General Fund - Cost centres

APPENDIX 5

	1/4/17 - 30/6/17	Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G195	Assist Dir - Governance + Monitoring	36,330	9,083	8,891	(192)	
G196	Assist Dir - Planning + Env Health	35,927	8,982	8,891	(91)	
G204	CEPT - BIG Lottery Talent Match	0	0	(3,298)	(3,298)	
G212	Budget Buddies	9,799	2,450	4,000	1,550	
G216	Raising Aspirations	52,300	13,075	(46,493)	(59,568)	Income received in advance.
G218	Namibia Bound	2,400	600	0	(600)	
G220	Locality Funding	7,500	1,875	7,500	5,625	
G225	Eats and Treats Events	14,984	3,746	(915)	(4,661)	
G226	S106 - Highways	879,000	219,750	0	(219,750)	Payment not yet made - can't be profiled 1/4ly. Earliest deadline is 5 yrs from completion - reported to S106 group 11/7/17.
G240	Affordable Warmth Buddies	26,535	6,634	250	(6,384)	
G241	Working Together for Older People	24,851	6,213	0	(6,213)	
G242	New Bolsover MV - CVP Worker	12,425	3,106	34,418	31,312	Income not yet received from HLF.
G244	Bolsover Business Growth Fund	174,166	43,542	23,942	(19,599)	
	Total for: Growth Directorate	4,997,051	1,249,263	985,027	(264,236)	
G001	Audit Services	124,600	31,150	29,162	(1,988)	
G007	Community Safety - Crime Reduction	52,753	13,188	7,059	(6,130)	
G008	Safer Stronger Communities	0	0	504	504	
G013	Community Action Network	241,960	60,490	40,098	(20,392)	Grant income received in advance.
G024	Street Cleansing	368,151	92,038	77,518	(14,520)	
G028	Waste Collection	940,176	235,044	204,397	(30,647)	Vacancies to fund G032.

General Fund - Cost centres

APPENDIX 5

	1/4/17 - 30/6/17	Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G032	Grounds Maintenance	528,459	132,115	170,440	38,326	Being funded by G028, plus s/debtor to DCC not yet raised for Q1 £17k.
G033	Vehicle Fleet	747,484	186,871	238,512	51,641	S/debtor for Q1 not yet raised £23k plus order for more than Q1 for diesel on the FMS.
G038	Concessionary Fares + TV Licenses	(9,424)	(2,356)	1,025	3,381	
G040	Corporate Management	141,733	35,433	37,267	1,833	
G041	Non Distributed Costs	681,457	170,364	154,251	(16,113)	
G044	Financial Services	322,906	80,727	75,071	(5,656)	
G046	Homelessness	162,182	40,546	22,043	(18,502)	
G048	Town Centre Housing	(10,700)	(2,675)	0	2,675	
G080	Engineering Services	83,766	20,942	55,339	34,397	NNDR paid for full year £35k.
G081	Drainage Services	3,300	825	0	(825)	
G083	Building Control Consortium	55,000	13,750	4,822	(8,928)	
G089	Premises Development	(72,354)	(18,089)	(12,570)	5,518	
G090	Pleasley Vale Mills	(176,041)	(44,010)	(59,675)	(15,665)	
G091	CISWO Duke St Building	20,000	5,000	1,674	(3,326)	
G092	Pleasley Vale Electricity Trading	(78,000)	(19,500)	7,383	26,883	S/debtor invoices only raised for 2 months £25k under acheived.
G095	Estates + Property	651,916	162,979	144,849	(18,130)	
G096	Building Cleaning (General)	82,478	20,620	21,512	892	
G097	Groundwork + Drainage Operations	46,730	11,683	10,363	(1,320)	
G099	Catering	6,000	1,500	1,197	(303)	
G100	Benefits	747,043	186,761	129,843	(56,917)	Grant income received in advance £52k.

General Fund - Cost centres

APPENDIX 5

	1/4/17 - 30/6/17	Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G103	Council Tax / NNDR	286,184	71,546	159,684	88,138	Income not posted until year end £65k. Enforcement and appeals budget committed for full year £19k.
G104	Sundry Debtors	91,497	22,874	29,949	7,075	
G106	Housing Anti Social Behaviour	73,596	18,399	18,686	287	
G111	Shared Procurement Unit	34,860	8,715	9,464	749	
G113	Parenting Practitioner	46,809	11,702	11,599	(103)	
G123	Riverside Depot	168,935	42,234	82,640	40,406	NNDR paid for full year £34k.
G124	Street Servs Mgmt + Admin	70,514	17,629	16,674	(954)	
G133	The Tangent Business Hub	(19,984)	(4,996)	11,768	16,764	
G135	Domestic Violence Worker	40,117	10,029	11,040	1,010	
G142	Community Safety - CCTV	31,860	7,965	3,133	(4,832)	
G148	Trade Waste	(57,385)	(14,346)	(108,210)	(93,864)	S/debtors raised for more than 1/4 £47k. Q1 invoice to DCC not paid or committed £46k.
G149	Recycling	209,066	52,267	92,192	39,925	S/debtor for Q1 not yet raised £90k and invoices not paid to DCC yet.
G151	Street Lighting	26,021	6,505	0	(6,505)	
G153	Housing Advice	12,407	3,102	3,055	(47)	
G156	The Arc	204,340	51,085	86,769	35,684	NNDR paid for full year £49k.
G161	Rent Rebates	0	0	0	0	year end entries only
G162	Rent Allowances	0	0	0	0	year end entries only
G164	Support Recharges	(3,439,642)	(859,911)	(859,911)	(0)	
G167	Facilities Management	23,541	5,885	2,297	(3,589)	
G169	Closed Churchyards	10,000	2,500	0	(2,500)	

General Fund - Cost centres

APPENDIX 5

	1/4/17 - 30/6/17	Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G177	Discretionary Housing Payments	0	0	0	0	year end entries only
G190	Executive Director - Operations	52,168	13,042	13,042	0	
G197	Assist Dir - Finance, Revenues + Benefits	35,371	8,843	8,843	0	
G199	Assist Dir - Street Scene	34,956	8,739	8,739	0	
G208	Assist Dir - Estates and Property	36,066	9,017	7,622	(1,394)	
G219	Community Cohesion Officer	5,993	1,498	8,076	6,578	
G237	Joint Venture (LLP)	33,770	8,443	(92)	(8,535)	
G239	Housing + Comm Safety Fixed Pen Acc.	1,500	375	(1,085)	(1,460)	
	Total for Operations Directorate	3,674,135	918,534	978,057	59,524	
G002	I.C.T.	685,249	171,312	331,084	159,772	Maintenance contracts paid for the full year.
G003	Reprographics (printing)	124,908	31,227	32,801	1,574	
G014	Customer Contact Service	746,707	186,677	186,088	(588)	
G015	Strategy + Performance	125,328	31,332	32,108	776	
G027	Emergency Planning	16,292	4,073	0	(4,073)	
G052	Human Resources	183,662	45,916	43,030	(2,886)	
G061	Bolsover Wellness Programme	7,956	1,989	34,262	32,273	Income not yet received from CEPT.
G062	Extreme Wheels	(3,476)	(869)	4,677	5,546	
G063	Go Football	13,899	3,475	2,895	(580)	
G064	Bolsover Community Sports Coach Scheme	136,026	34,007	42,903	8,896	
G065	Parks, Playgrounds + Open Spaces	51,319	12,830	12,020	(809)	
G067	Culture + Heritage	3,670	918	4,053	3,136	
G069	Brass Festival	390	98	384	287	

General Fund - Cost centres

APPENDIX 5

	1/4/17 - 30/6/17	Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G070	Outdoor Sports & Recreation Facilities	28,165	7,041	8,660	1,619	
G072	Leisure Services Mgmt & Admin	212,945	53,236	55,911	2,675	
G117	Payroll	74,605	18,651	18,365	(286)	
G125	S106 Percent for Art	104,370	26,093	(4,172)	(30,265)	Payment not yet made - can't be profiled 1/4ly. Earliest deadline 1/5/19 - reported to S106 group 11/7/17.
G126	S106 Formal and Informal Recreation	165,908	41,477	122,855	81,378	Payment made - can't be 1/4ly profiled. Earliest deadline 20/9/18 - reported to S106 group 11/7/17.
G129	Bolsover Apprenticeship Programme	20,608	5,152	8,232	3,080	
G146	Pleasley Vale Outdoor Activity Centre	44,166	11,042	18,386	7,345	
G155	Customer Services	28,624	7,156	7,316	160	
G168	Multifunctional Printers	54,646	13,662	17,433	3,771	
G170	S106 Outdoor Sports	220,077	55,019	89,167	34,148	Payment made - can't be 1/4ly profiled. Earliest deadline 20/9/18 - reported to S106 group 11/7/17.
G175	Leisure Outdoor Activity Events	0	0	889	889	
G179	Streets Sports	750	188	0	(188)	
G180	Special Events	94	24	0	(24)	
G181	BLACA	0	0	14	14	
G183	Netball	1,080	270	694	424	
G185	Club Link Makers	0	0	(1,088)	(1,088)	
G186	PL4S Satellite Programme	0	0	(339)	(339)	
G188	Cotton Street Contact Centre	31,568	7,892	12,220	4,328	
G189	Executive Director - Transformation	52,403	13,101	13,101	0	

General Fund - Cost centres

APPENDIX 5

	1/4/17 - 30/6/17	Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G200	Assist Dir - Customer Services + Improvement	36,262	9,066	7,444	(1,622)	
G201	Assist Dir - HR + Payroll	36,087	9,022	8,825	(197)	
G202	Assist Dir - Leisure	36,282	9,071	8,890	(180)	
G205	Innovation	0	0	13	13	
G206	Street Games	1,500	375	(3,127)	(3,502)	
G207	Cycling	1,840	460	86	(374)	
G221	Physical Inactivity	0	0	(16,367)	(16,367)	
G228	Go Active Clowne Leisure Centre	70,601	17,650	84,182	66,532	This budget is being looked at now centre is operational. Income to cover extra expenditure.
G238	HR Health + Safety	70,602	17,651	15,359	(2,292)	
G243	Tibshelf Public Art - planning condition	0	0	(413)	(413)	
	Total for Transformation Directorate	3,385,113	846,278	1,198,843	352,565	

Bolsover District Council

Audit Committee

26 September 2017

KEY ISSUES OF FINANCIAL GOVERNANCE

Report of the Assistant Director – Finance, Revenues and Benefits

This report is public

Purpose of the Report

- The purpose of the Key Issues of Financial Governance report is to track progress concerning the implementation of previous recommendations from both External and Internal Audit and to inform the Audit Committee of progress in addressing those recommendations. It constitutes a standing item on all agendas of the Audit Committee.

1 Report Details

- 1.1 This report seeks to update Members of the Audit Committee concerning the main issues of financial governance where further progress or ongoing monitoring is required. In particular the report outlines issues raised by both External and Internal Audit in order to monitor progress in resolving these issues and to evaluate the overall position of the Council's financial governance arrangements. This report reflects both the ISA 260 report from KPMG and the work undertaken by Internal Audit. The outcome of those reports together with planned management action to address the issues identified is reflected within this report. The Key Issues of Financial Governance are set out in Appendix 1 which in the view of the Chief Financial Officer constitute the main strategic financial issues currently facing the Council.
- 1.2 The Strategic Issues which are outlined below are consistent with the conclusions of the External Auditors (KPMG) report on the outcome of the 2016/17 Audit. The key messages from that report concern firstly the quality of the Statement of Accounts where the external auditors issued both an unqualified opinion on the Statement of Accounts by the 31st July, while concluding that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The overall conclusion is a very satisfactory outcome for the Council and the detail of the report does not identify any areas where improvement is required.
- 1.3 With respect to the Council's accounting arrangements the ISA260 report of the External Auditor is a very positive one. Against the background of the assessment of the 2016/17 Statement of Accounts, the main objective appears to be that of maintaining current standards. Given the reputational impact of a critical External Audit report and the additional costs that may be incurred for

arrangements which do not meet the auditors requirements it is clearly important that the Council maintains its current high standards in this area. In addition the production of a high quality Statement of Accounts is usually a reliable indicator that the wider financial arrangements within an authority are operating effectively. On that basis it would seem appropriate that the Audit Committee continue to monitor the quality of the process for producing the Annual Accounts on a regular basis.

- 1.4 With regard to the value for money conclusion and the associated risk areas whilst current arrangements are operating well and are fit for purpose, they will need to continue to evolve in the light of changing circumstances if the Council is to continue to secure a positive assessment. The main issue identified relates to the financial resilience in the local and national economy and the Council's ability to deliver the required savings in order to achieve a balanced budget.
- 1.5. With regard to the work of Internal Audit, the position in respect of the last financial year 2016/17 was reported to the meeting of this Committee on 16th May 2017. The Council received a total of 1 unsatisfactory and 4 marginal report during 2016/17 of which copies have previously been distributed to this Committee and a further update is included in Appendix 1. An update on the Progress on the 2017/18 Internal Audit Plan is included elsewhere on this agenda.
- 1.6. The Strategic Issues of Financial Governance that have been previously identified are summarised in Appendix 1 which provides an outline of the issues together with an update of the current position. Given that these are Strategic Issues the responsibility for addressing them rests with the Chief Financial Officer together with the wider management team. Resolution of the issues is also dependent upon the active support of Elected Members. The role adopted by the Audit Committee has been one of monitoring and evaluating progress and where appropriate requiring and supporting further action from officers. While the Council's financial governance arrangements have improved over recent years and are now robust it continues to be important that the Audit Committee adopts a pro active role in order to ensure current standards are maintained.

2 Conclusions and Reasons for Recommendation

Conclusions

- 2.1 The report is intended to provide information to allow the Audit Committee to consider the progress that has been secured in maintaining and improving the Council's financial governance arrangements. While the evidence provided within the report indicates that the Council's financial governance arrangements are robust and on balance are continuing to improve it is important that this progress is maintained and outstanding issues are resolved.

Reasons for Recommendations

- 2.2 To support the Audit Committee in undertaking its function of providing an ongoing independent review of the Council's financial governance arrangements.

3 Consultation and Equality Impact

Consultation.

- 3.1 There are no issues arising from this report which necessitate a detailed consultation process.

Equalities.

- 3.2 This report does not have any direct implications for Equalities issues.

4 Alternative Options and Reasons for Rejection

- 4.1. Given that the Council has a clear commitment to maintaining the quality of and where possible improving its financial governance arrangements it is appropriate that a formal reporting mechanism is in place to the Audit Committee. This approach is in line with good professional practice and accordingly other options have not been actively considered. While there are other options as to the format of this report the current format has been used for a period in excess of three years and has been amended to reflect the views of the Audit Committee. Over this period there has been a systematic improvement in the Council's Financial Governance arrangements which indicate that the approach adopted has assisted in securing the required outcomes.

5 Implications

5.1 Finance and Risk Implications

Financial

There are no additional financial implications for the Council arising from this report.

Risk

This report is intended to assist in ensuring that the Council has robust financial governance arrangements in place. As such it is a key mitigation against any failure or weakening in these arrangements which would have a significant impact upon the Council's financial performance, its reputation and its service delivery arrangements.

5.2 Legal Implications including Data Protection

There are no Legal or Data Protection issues arising directly from this report.

5.3 Human Resources Implications

There are no Human Resources issues arising directly out of this report.

6 Recommendations

- 6.1. That the report be noted, and the Audit Committee raise any issues of concern with the updated Action Plan and the reported progress to date.

7 Decision Information

<p>Is the decision a Key Decision?</p> <p>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000</i> <input type="checkbox"/></p> <p><i>Capital - £150,000</i> <input type="checkbox"/></p> <p><i>NEDDC: Revenue - £100,000</i></p> <p><i>Capital - £250,000</i></p> <p><i>* Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In?</p> <p>(Only Key Decisions are subject to Call-In)</p>	No
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	Robust financial Governance arrangements underpin the effective operation of the Council and its ability to secure the full range of Corporate Plan Priorities.

8 Document Information

Appendix No	Title
1	Key Issues of Financial Governance Update
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC))</p>	

you must provide copies of the background papers)	
“Report to those Charged with Governance 2016/17 ISA 260”	
Report Author	Contact Number
Assistant Director – Finance, Revenues and Benefits	01246 217658

Issue Raised	Progress to date including target dates.
<p>1. Take effective steps to balance the Council's budget over the period of the Medium Term Financial Plan.</p>	<p>The Council has a good record in respect of achieving targeted levels of savings over the past few years. On the basis of the MTFP approved in February the shortfall of £0.171m in respect of the current financial year 2017/18 should be achievable, there still remains a further shortfall of £1.7m over the final three years of the MTFP which needs to be addressed at the earliest opportunity. Against this background, it is important that the Council continues to progress its growth and transformation strategies to secure financial sustainability and enable it to address the identified shortfall. The Council is currently working to update its efficiency and transformation plans which will contribute to addressing the financial shortfall.</p> <p>Elsewhere on this agenda is a report on the 1st quarter's budget monitoring, previously taken to Executive on 11th September. This report identifies that there are variances within directorates but nothing of concern and that a balanced budget should be achievable during the current year.</p> <p>In addition to the position in respect of the General Fund as outlined above, the Council in common with all social landlords have been required to implement a 1% p.a. rent reduction for the four years from April 2016. This policy together with changes in right to buy and the welfare system has a significant detrimental impact on the Council's HRA and the Council will need to continue to actively manage the position to ensure that the 30 year business plan remains robust.</p> <p>Progress in both these areas will continue to be reported as part of the Council's quarterly budget monitoring process.</p>
<p>2. To improve the Council's Internal Control arrangements.</p>	<p>This Key Issues of Financial Governance report, together with reports from Internal and External Audit should enable the Audit Committee to monitor the progress that is being made in respect of maintaining the quality of and securing improvements in our internal control arrangements. Internal Audit has undertaken a more prominent role in the Council's Performance Management arrangements since April 2013.</p> <p>Comprehensive training programme have been delivered to all cost centre managers during June 2017.</p> <p>Progress reports from the Head of Internal Audit to this Committee will continue to highlight areas of concern with respect of internal control. Details of the work done during the first quarter of this financial year is included elsewhere on this agenda.</p>
<p>3. A report in respect of Transport Administration was assessed as unsatisfactory. The main issues concerned system weaknesses which</p>	<p>Officers are now in the process of addressing the Internal Audit recommendations and are of the view that appropriate changes are being implemented to minimise risk. Weaknesses in internal control have facilitated a minor misappropriation of funds of limited value which has been reported by the Council to the Police.</p> <p>Officers have proactively undertaken works to resolve matters identified in the Action Plan resulting in 17 of 19 = 89% of actions</p>

<p>have surrounded the introduction of a new system.</p>	<p>now having been resolved.</p> <p>Internal Audit is currently reviewing this work and will feed back to the next meeting of this committee.</p>
<p>4. Reports in respect of the administration of both Licensing and Health and Safety concluded that arrangements were marginal. Both the services concerned are joint arrangements operating across Bolsover and North East Derbyshire District Council.</p>	<p>In both areas a comprehensive management review has been undertaken leading to the development of an Action Plan which is currently in the process of being implemented. Although it is a concern that Health and Safety - which was identified as a weakness in 2015/16 – remains marginal, significant improvement has been evidenced, although further work remains necessary. The Action Plans incorporate external support in order to secure improvement in a timely fashion. With respect to Licensing a reinstallation the current software to facilitate improved access to management information is taking place.</p> <p>In terms of the Health & Safety audit, progress on these recommendations are being monitored through the quarterly performance meeting.</p> <p>Progress is being made on implementing the recommendations of the Licensing audit. Internal Audit will be reviewing these during the next quarter and we will update this Committee on progress.</p>
<p>5. Marginal Internal Audit reports for Social Media and S106 Agreements.</p>	<p>In both areas management is in the process of implementing the Internal Audit recommendations. The implementation of the actions required are being monitored through the Council's Performance Management framework.</p>
<p>6. To maintain a high standard of external financial reporting particularly in respect of the published accounts, against a background of a reduction in the statutory timescale for the closure of accounts.</p>	<p>The Council has continued to improve the quality of its financial accounts with the External Audit Report for 2016/17 concluding that our arrangements are robust. That standard needs to be maintained against a background of the significant reputational impact of not securing an unqualified external audit conclusion and the reality that good financial reporting is generally a sign of wider robust financial management. Accordingly the position will continue to be monitored as part of the Key Issues of Financial Governance report.</p>