



Havering

L O N D O N B O R O U G H

AUDIT COMMITTEE AGENDA

7.00 pm	Wednesday 18 October 2023	Council Chamber - Town Hall
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Members 7: Quorum 3

COUNCILLORS:

Conservative Group (3)

Keith Prince
Damian White
David Taylor

Havering Residents' Group (3)

Julie Wilkes
(Chairman)
David Godwin
(Vice-Chair)
Sarah Edwards

Labour Group (1)

Jane Keane

East Havering Residents Group (1)

Darren Wise

**For information about the meeting please contact:
Taiwo Adeoye - 01708 433079
taiwo.adeoye@OneSource.co.uk**

Under the Committee Procedure Rules within the Council's Constitution the Chairman of the meeting may exercise the powers conferred upon the Mayor in relation to the conduct of full Council meetings. As such, should any member of the public interrupt proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room and may adjourn the meeting while this takes place.

Excessive noise and talking should also be kept to a minimum whilst the meeting is in progress in order that the scheduled business may proceed as planned.

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

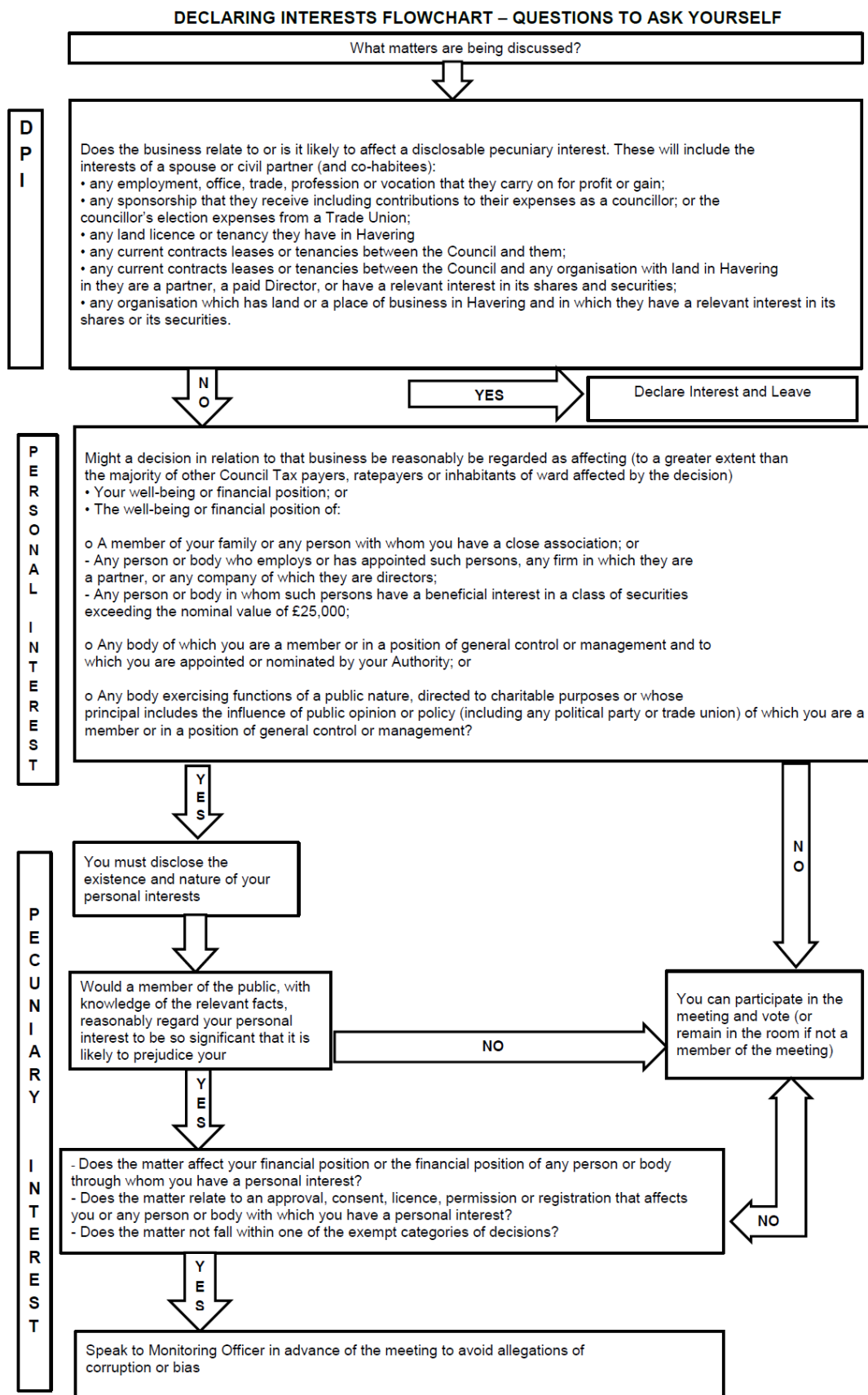
Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.



AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) – received.

3 DISCLOSURE OF INTERESTS

Members are invited to declare any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in any item at any time prior to the consideration of the matter.

4 MINUTES OF THE MEETING (Pages 5 - 8)

To approve as correct the minutes of the meeting held on 27 July 2023 and authorise the Chairman to sign them.

5 IMPACT OF IMPENDING ULEZ CHANGES TO THE COUNCIL'S FLEET ASSETS (Pages 9 - 22)

Report attached.

6 MID-YEAR TREASURY MANAGEMENT REPORT 2023/24 (Pages 23 - 46)

Report attached.

7 ASSURANCE PROGRESS REPORT (Pages 47 - 66)

Report attached.

Zena Smith
Head of Committee and
Election Services

**MINUTES OF A MEETING OF THE
AUDIT COMMITTEE
Appointment Centre Room 10 & 11, Town Hall, Romford
27 July 2023 (7.00 - 9.30 pm)**

Present:

COUNCILLORS:

Conservative Group	Damian White and David Taylor
Residents' Group	Julie Wilkes (Chair) and David Godwin (Vice-Chair)
Labour Group	Jane Keane
East Havering Residents Group	Darren Wise

Apologies were received for the absence of Councillors Keith Prince and Sarah Edwards.

Through the Chairman, announcements were made regarding emergency evacuation arrangements and the decision making process followed by the Committee.

110 MINUTES OF THE MEETING

The meeting minutes of the Committee held on 18 April 2023 were agreed as a correct record and would be signed by the Chairman.

111 ANNUAL TREASURY MANAGEMENT REPORT 2022/23

The Committee received a report on the Annual Treasury Management for 2022/23 that the council is required by regulations issued under the Local Government Act 2003 to produce. It was noted that the report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, ("the CIPFA TM code") and the CIPFA Prudential Code for Capital Finance in Local Authorities, ("the Prudential Code").

Members sought clarification from the following highlighted areas of the presentation:

It was noted that the council holds a £7 million (Lender Option, Borrowing Option) LOBO loan that has the option to propose an increase in the interest rate at set dates. It was clarified to Members that the council has the option to either accept the new rate or to repay the loan at no additional cost. The Treasury Manager stated there was a possibility that the lender may propose an increased rate in the foreseeable future. Officers would continue to monitor and liaise with the lender going forward.

Members enquired if the funding for the SLM/Everyone's Active was funded by the council. It was asked if the programme was planned for in the council's MTFS budget.

Member sought clarification on how the investment in Everyone Active impacted on the council's finances.

The Committee asked to receive further breakdown of the debt figures in the report along the line of HRA and GF split.

Members enquired about the Capital Investment programme, Members asked for a prediction of the extra cost to the Joint Venture programme following the requirement that every new development over 11 storeys should be fitted with two staircases.

Members sought clarification on the impact of the changes e.g. 2 staircases on the housing development may have on the council's finances. It was asked if the slippage will be covered in the capital programme. It was suggested to Members that a response was better addressed by the Regeneration Services.

Following discussion, it was agreed that Members would receive the list of the council's current borrowing.

The Committee **noted** the content of treasury management activities and performance against targets for the financial year 2022-23 as detailed in the report.

112 **HEAD OF ASSURANCE ANNUAL OPINION 2022 23 INCORPORATING INTERNAL AUDIT PLAN OUTTURN**

The Committee was presented a report that brought together all the aspects of audit, assurance and counter fraud work undertaken in the 2022/23 financial year. These included actions taken by management in response to audit and counter fraud activity, which supported the governance framework of the authority.

The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) and other guidance.

Questions were raised about the CCTV charges, Members sought clarification whether all refunds have been processed. It was suggested that the CCTV report be recirculated to Members. Further information on the refund will be provided to members.

The Committee sought assurance that the Taxi undertaking SEND pupil travel journey were licenced with TFL. It was stated that the services had no record to support this assurance but it was noted that DBS review checking was in progress. Officers assured the Members that all licences were in place and the issue that required action was the record keeping.

Member discussed the council's approach to prosecuting corporate and housing fraud. Figures for prosecution will be provided to the committee. There was a suggestion that the prosecution policy to be reviewed.

Officers were asked to look in to specific training for members of the committee.

The Committee **noted** the report and **agreed** the recommendations

Chairman

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AUDIT COMMITTEE 18 OCTOBER 2023

Subject Heading:	Impact of impending ULEZ changes to the Council's fleet assets
SLT Lead:	Neil Stubbings
Report Author and contact details:	Simon Blake , Head of Transport
Policy context:	To consider the financial impact of the ULEZ enforcement which was brought forward by the Mayor of London and comes into force on the 29 th August 2023, impacting across a wide range of council vehicles and departments.

SUMMARY

The report provides the Audit Committee with the current position of the council's vehicles and other assets.

RECOMMENDATIONS

Members to note the current position of the council vehicles.

REPORT DETAIL

1. Introduction

- 1.1 The Mayor of London has brought forward the introduction of a pan wide Ultra-Low Emission Zone across London, impacting on outer boroughs outside the north and south circular to the boundary of the M25. In effect all petrol cars & vans below 3500kg registered from January 2006 (Euro 4) and diesel cars registered after September 2015 and vans registered from Sept 2016 (Euro 6) will be compliant. Vehicles registered before these dates will be subject to a charge of £12.50 per day.

- 1.2 Large commercial trucks above 3500kg registered from January 2014 (Euro 6) will not be subject to any charges. Vehicles registered before this date will be subject to a charge £100 per day. Buses or van conversions manufactured from September 2015 under 5000kg are (Euro 6) and meet Euro 6 emission standards. Non-compliant small buses will be subject to a daily charge of £12.50 per day and large buses £100 per day.

2. Fleet profile and exposure to fines

The Council operates a fleet of c. 177 vehicles across its various functions and the ULEZ compliance status is summarised below, by service

- 2.1. **Highways** – operate vehicles 7500kg > 18,000kg and all are compliant for the up and coming ULEZ changes. The Highways vehicles are manufactured from 2014 > 2018 and the Highways contract is due for reprocurement in April 2024 at which point it is likely that the remaining in-house activities will be outsourced. As a consequence, there is a freeze on replacing these operational vehicles which all have an operating life of 7 years. As these vehicles are all Euro 6 they are not subject to daily ULEZ charges.
- 2.2 **Passenger Transport Services (PTS)** – operate 62 vehicles ranging from 3500kg > 12000kg (15 seats to 73 seats). PTS had intended to replace 27 'out of life', non-compliant buses last year and were at the award stage in November 2022 when they were asked to defer most of the replacements pending a review of Home to School Transport policy. As a consequence, PTS were given approval to replace only the 8 oldest vehicles and were asked to defer the remaining 19. It was agreed at the time that PTS would apply to TfL for Community Grace Period Certificates, which allow a temporary exemption period up to October 2025. This has now been completed. The current PTS fleet which is a mixture of Euro 5 and Euro 6 Vehicles are currently ALL exempt from ULEZ daily charges.
- 2.3 **Grounds Maintenance and Environment/Neighbourhoods** – both of these services have been the subject of deferred fleet replacement due to potential inclusion within procurement of larger contracts.

The Environment/Neighbourhoods function (mechanised sweepers) is now within scope of the new waste contract commencing with Urbaser in Autumn 2023.

However the decision was recently taken, when scoping the forthcoming Highways contract, to retain the grounds maintenance function in-house. A Non-Key ED has been submitted seeking permission to replace these vehicles and a procurement Gateway 1 has been completed with agreed route to tender. A mini competition is now currently active via the TPPL framework to replace these vehicles and once completed a Gateway 2 report seeking approval will be submitted along with a Key Decision to award. However, pending delivery of the new grounds maintenance fleet

assets, up to 32 vehicles will be subject to the ULEZ charge of £12.50 per day.

- 2.4 **Housing** – Most of the housing fleet is hired and ULEZ-compliant (Euro 6). However there are 8 x 3.5 tonne vehicles that are due for replacement and they will be subject to the daily ULEZ charge of £12.50 up to the point where replacement vehicles are available. Specifications are being agreed with the Housing service and a business case is being prepared to replace them.
- 2.5 **Bereavement Services** – There fleet are currently linked to the procurement of the grounds maintenance vehicles and all 4 vehicles are ULEZ non-complaint and are subject to the daily fine of £12.50. All are due to be replaced this financial year.
- 2.6 **Pool Cars** – Pool fleet usage is monitored over time relative to demand, as a result of which the number of pool cars has been reduced since its introduction from 20 to 10 remaining vehicles. It is proposed replace the remaining ‘owned’ fleet with electric vehicles once the charging infrastructure is in place. In the meantime, the current diesel vehicles are being sold and temporary (Euro 6) hired vehicles are replacing them.
- 2.7 **Car Parks and Parking Enforcement** – Both sections have been under review including their facilities operational base Angel Way car park. On-going discussions are taking place regarding their fleet requirements including the possible provision of e-bikes. Parking Services did have 6 vehicles subject to the ULEZ daily charge of £12.50 but have now released these vehicles to be sold off at auction. A hired compliant mini bus has temporary replaced these vehicles while the service is under review.

3. **Projected Cost of replacing non-compliant vehicles**

- 3.1 The two attached appendix’s identify the fleet and the following costs:
 - The daily, monthly and yearly costs of ULEZ fines per vehicle.
 - The ULEZ cost for this current year from 1st September 2023
 - The estimated cost of replacing non-compliant fleet assets in 2023/24
 - The estimated cost of replacing all vehicles including the buses with TFL community grace period application certificates from 2024/25 & 2025/26
 - Identifies 204 vehicles with 40 ULEZ non-compliant.
- 3.2 The schedule identifies a worst-case scenario, that in the unlikely event of no further fleet replacements being achieved during the current financial year, and all non-compliant vehicles being used daily, the Council’s potential exposure to ULEZ fines would be approximately £75k in 2023/4.

4. Residual Values, Covid and Manufacturing.

- 4.1 **Manufacturing & Covid 19** caused the complete shutdown of vehicle manufacturing from 2020 and 2021 with incidents affecting semi-conductors throughout including 2022 due to the continuous outbreaks in China. This caused major disruptions to the car, van, bus, truck and plant industries.

Most dealers, due to the last financial crisis, stopped holding stock, as dealers are subject to interest charges once a vehicle has been held in stock more than 60 days.

This has now created a back log with demand for vehicles outstripping supply chains. Currently it can take up to 12 -15 months to procure vehicles with specialist bodies (Tippers, Cage Tippers, Tipper Tail Lift, Coach Built Buses) etc.

- 4.2 **Residual Values** – Due to the shortage of vehicle supplies the second hand market outside London is buoyant with vehicle auction houses seeing CAP (Clean Cap, Cap Average - meaning the vehicle is in reasonable condition) exceeding reserves between 7 & 9%. There is no knock on effect on residual values from ULEZ outside of London.

IMPLICATIONS AND RISKS

Financial implications and risks:

The council's fleet currently includes a mixture of compliant and non-compliant vehicles as well as some non-compliant vehicles which are covered by a community grace period certificate.

For the period covering 1st September 2023 to 31st of March 2024, in the event of no further fleet replacements taking place during that period, it was originally estimated that the council could incur fines of up to £103k due to those vehicles which are non-compliant (and not covered by the grace period) rising to £177k in a full financial year. However the fines have now been reduced to £75k due to departments disposing of vehicles, whilst preparations to replace them are underway. The revised figures for a full financial year is now £129k, a reduction of £48k.

Replacement of non-compliant vehicles is in progress with service managers which should reduce exposure to ULEZ fines, however, it should be noted that these replacements are subject to potential delay in terms of supply chains and procurement complexities.

Havering now has a TFL account to cover automatic charges for all non compliant fleet vehicles, reducing the risk of heavy non complaint fines.

Legal implications and risks:

There was a legal challenge to the imposition of the ULEZ expansion brought by a group of Local Authorities not including Havering. However this was unsuccessful at the courts. Currently complaints from the public and the constant media coverage are applying pressure to the current government linked to the cost of living crisis. This constant growing pressure could possibly cause the current government to have a full review and potentially suspend or defer the ULEZ.

Otherwise there are no apparent legal implications of noting the content of this report

Human Resources implications and risks:

There are no HR implications resulting from this report

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- i. The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- ii. The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- iii. Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a current or planned service/policy/activity is likely to affect staff, service users, or other residents.

There are no equality implications arising with this report

Environmental and Climate Change implications and risks:

There are no specific environmental implications arising from the recommendations within this report.

Following an earlier trial, the Council's fleet has run for the past 3 years on a Gas to Liquid (GTL) fuel product that reduces nitrogen oxide by 37% and particulate matter by 38% in comparison with conventional fuels. The fuel aids cleaner air and

helps reduces lung disease and respiratory illnesses, such as asthma, for borough residents.

BACKGROUND PAPERS

None

Fleet No.	V Or P	Pool Vehicle	Vehicle Class	Vehicle Class	Fuel Type	ULEZ Compliant	Operator	Operator	Fine per day	Fine Per Month	Fine Per Start of ULEZ 29th August (financial year)	Fines Per Full Financial Year	Total	Current Status	Council Owned Y/N
CFF0115	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		REPLACED - CRV0123	Y
CFF0215	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		REPLACED - CRV0223	Y
CFF0315	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		REPLACED - CRV0323	Y
CFF0415	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		REPLACED - CRV0423	Y
CFF0515	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		REPLACED - CRV0423	Y
CFF0615	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		REPLACED - CRV0523	Y
CFF0715	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		REPLACED - CRV0623	Y
CFF0716	VEHICLE	Y	CFF	FORD FIESTA	D	Compliant	AMM	ASSET MANAGEMENT	£0	£0	£0	£0		IN SERVICE	Y
CFF0815	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		REPLACED -CRV0723	Y
CFF0816	VEHICLE	Y	CFF	FORD FIESTA	D	Compliant	ES	EXCHEQUER SERVICES	£0	£0	£0	£0		IN SERVICE	Y
CFF0915	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		SOLD	Y
CFF1015	VEHICLE	Y	CFF	FORD FIESTA	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		SOLD	Y
COR0120	VEHICLE	Y	COR	VOLVO XC90 EST	D	Compliant	AMM	ASSET MANAGEMENT	£0	£0	£0	£0		IN SERVICE	
SJB0218	VEHICLE	N	SJB	JOHNSTON CN101 SWEEP	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		Written off Acc.	Y
BAA0115	VEHICLE	N	BAA	MAN NUTRACK PULSE 34	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BAA0215	VEHICLE	N	BAA	MAN NUTRACK PULSE 34	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BAA0315	VEHICLE	N	BAA	MAN NUTRACK PULSE 34	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BBA0120	VEHICLE	N	BBA	LEOPARD 59s Coach TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BBA0122	VEHICLE	N	BBA	LEOPARD 59s Coach TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	N
BBA0220	VEHICLE	N	BBA	LEOPARD 59s Coach TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BBA0320	VEHICLE	N	BBA	LEOPARD 59s Coach TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BBB0121	VEHICLE	N	BBB	E200MMC 39 SEAT BUS	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BBB0122	VEHICLE	N	BBB	E200MMC 39 SEAT BUS	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	N
BBB0221	VEHICLE	N	BBB	E200MMC 39 SEAT BUS	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BBB0321	VEHICLE	N	BBB	E200MMC 39 SEAT BUS	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BBB0322	VEHICLE	N	BBB	E200MMC 39 SEAT BUS	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	N
BBB0421	VEHICLE	N	BBB	E200MMC 39 SEAT BUS	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BCT0119	VEHICLE	N	BCT	TRIDENT DOUBLE DECK	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BCT0121	VEHICLE	N	BCT	TRIDENT DOUBLE DECK	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BCT0219	VEHICLE	N	BCT	TRIDENT DOUBLE DECK	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BCT0221	VEHICLE	N	BCT	TRIDENT DOUBLE DECK	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BEA0110	VEHICLE	N	BEA	FIAT DUCATO M/BUS 17	D	Compliant	ZZZ	MISCELLANEOUS	£0	£0	£0	£0		IN SERVICE	N
BIA0120	VEHICLE	N	BIA	MELLOR 24/30 SEAT TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BIA0121	VEHICLE	N	BIA	MELLOR 24/30 SEAT TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	N
BIA0220	VEHICLE	N	BIA	MELLOR 24/30 SEAT TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BIA0221	VEHICLE	N	BIA	MELLOR 24/30 SEAT TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	N
BIA0320	VEHICLE	N	BIA	MELLOR 24/30 SEAT TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BIA0420	VEHICLE	N	BIA	MELLOR 24/30 SEAT TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BIA0520	VEHICLE	N	BIA	MELLOR 24/30 SEAT TL	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0115	VEHICLE	N	BMD	MERC SPNTR 515 16sTL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0215	VEHICLE	N	BMD	MERC SPNTR 515 16sTL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0315	VEHICLE	N	BMD	MERC SPNTR 515 16sTL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0415	VEHICLE	N	BMD	MERC SPNTR 515 16sTL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMS0120	VEHICLE	N	BMS	SPRINTER 514 18s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMS0220	VEHICLE	N	BMS	SPRINTER 514 18s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMS0320	VEHICLE	N	BMS	SPRINTER 514 18s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMS0420	VEHICLE	N	BMS	SPRINTER 514 18s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMS0520	VEHICLE	N	BMS	SPRINTER 514 18s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMS0620	VEHICLE	N	BMS	SPRINTER 514 18s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMT0115	VEHICLE	N	BMT	TREKKA 15 SEAT VC TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMT0215	VEHICLE	N	BMT	TREKKA 15 SEAT VC TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
CDA0121	VEHICLE	N	CDA	DACIA DUSTER EST 4X4	D	Compliant	PPS	PARKS PROTECTION SER	£0	£0	£0	£0		IN SERVICE	N
CDA0221	VEHICLE	N	CDA	DACIA DUSTER EST 4X4	D	Compliant	PPS	PARKS PROTECTION SER	£0	£0	£0	£0		IN SERVICE	
CFF0616	VEHICLE	N	CFF	FORD FIESTA	D	Compliant	ES	EXCHEQUER SERVICES	£0	£0	£0	£0		IN SERVICE	Y
CFH0216	VEHICLE	N	CFH	FORD FOCUS HATCHBACK	D	Compliant	ES	EXCHEQUER SERVICES	£0	£0	£0	£0		IN SERVICE	Y
CFM0121	VEHICLE	N	CFM	MUSTANG MACH E AWD	E	Compliant	LDE	EXPENSES OF COUNCIL	£0	£0	£0	£0		IN SERVICE	N
CFS0114	VEHICLE	N	CFS	FORD S-MAX	D	SOLD	SAP	PASSENGER TRAVEL SRV	£0	£0	-	-		SOLD	Y
CLB0115	VEHICLE	N	CLB	L/ROVER DEFENDER 110	D	Non Compliant	DEA	HORNCHURCH COUNTRY P	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
CLC0115	VEHICLE	N	CLC	L/ROVER DEFENDER	D	Non Compliant	DEA	HORNCHURCH COUNTRY P	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
CQA0123	VEHICLE	N	CQA	KIA CEED	U	Compliant	PPS	PARKS PROTECTION SER	£0	£0	£0	£0		IN SERVICE	N
CQA0223	VEHICLE	N	CQA	KIA CEED	U	Compliant	PPS	PARKS PROTECTION SER	£0	£0	£0	£0		IN SERVICE	N
CQA0323	VEHICLE	N	CQA	KIA CEED	U	Compliant	PPS	PARKS PROTECTION SER	£0	£0	£0	£0		IN SERVICE	N
HDD0118	VEHICLE	N	HDD	DAF LF55 GUL/TANK	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y
HDG0114	VEHICLE	N	HDG	DAF LF55 16/18FASSI	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y
HDL0114	VEHICLE	N	HDL	DAF45 10t FLATBED	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y
HDM0114	VEHICLE	N	HDM	DAF 45LF 7.5t TIPPER	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y
HDM0214	VEHICLE	N	HDM	DAF 45LF 7.5t TIPPER	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y
HDM0314	VEHICLE	N	HDM	DAF 45LF 7.5t TIPPER	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y
HDM0414	VEHICLE	N	HDM	DAF 45LF 7.5t TIPPER	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y

HDN0114	VEHICLE	N	HDN	DAF 45LF 10t TIPPER	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y
HDN0214	VEHICLE	N	HDN	DAF 45LF 10t TIPPER	D	Compliant	PSB	HIGHWAYS & SEWERS	£0	£0	£0	£0		IN SERVICE	Y
HMB0121	VEHICLE	N	HMB	Merc Actros 26t Grab	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	N
LFH0117	VEHICLE	N	LFH	FORD RANGER PICK UP	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	
LFH0217	VEHICLE	N	LFH	FORD RANGER PICK UP	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	Y
LFH0317	VEHICLE	N	LFH	FORD RANGER PICK UP	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	Y
OJM0120	VEHICLE	N	OJM	JOHN DEERESM TRACTOR	D	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	N
OJM0220	VEHICLE	N	OJM	JOHN DEERESM TRACTOR	D	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	N
OJM0320	VEHICLE	N	OJM	JOHN DEERESM TRACTOR	D	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	N
OJM0420	VEHICLE	N	OJM	JOHN DEERESM TRACTOR	D	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	N
RTB0119	VEHICLE	N	RTB	TORO FLAIL MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTB0121	VEHICLE	N	RTB	TORO FLAIL MOWER	D	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTB0123	VEHICLE	N	RTB	TORO FLAIL MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTB0219	VEHICLE	N	RTB	TORO FLAIL MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTB0223	VEHICLE	N	RTB	TORO FLAIL MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTB0319	VEHICLE	N	RTB	TORO FLAIL MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTB0323	VEHICLE	N	RTB	TORO FLAIL MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTC0119	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTC0219	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	
RTC0319	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTC0419	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	
RTC0519	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTC0619	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	Compliant	PSE	GROUNDS MTCE	£0	£0	£0	£0		IN SERVICE	Y
SDA0115	VEHICLE	N	SDA	Dulevo 850	D	SOLD	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	Y
SDA0215	VEHICLE	N	SDA	Dulevo 850	D	SOLD	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	Y
SJB0118	VEHICLE	N	SJB	JOHNSTON CN101 SWEEP	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	Y
SJB0318	VEHICLE	N	SJB	JOHNSTON CN101 SWEEP	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	Y
SSA0117	VEHICLE	N	SSA	SCARAB MINOR	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	Y
SSC0117	VEHICLE	N	SSC	DAF45 SCARAB MERLIN	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	Y
VCB0117	VEHICLE	N	VCB	CITREON RELAY EXHIB.	D	Compliant	SHO	HOUSING	£0	£0	£0	£0		IN SERVICE	Y
VFP0214	VEHICLE	N	VFP	FORD COURIER VAN	D	SOLD	SAP	PASSENGER TRAVEL SRV	£0	£0	-	-		SOLD	Y
CFG0112	VEHICLE	N	CFG	FORD GALAXY TDCI	D	SOLD	SAP	PASSENGER TRAVEL SRV	£0	£0	-	-		SOLD	Y
VFA0514	VEHICLE	N	VFA	FORD CONNECT	D	SOLD	AMM	ASSET MANAGEMENT	£0	£0	-	-		SOLD	Y
VFP0114	VEHICLE	N	VFP	FORD COURIER VAN	D	SOLD	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		SOLD	Y
BBB0222	VEHICLE		BBB	E200MMC 39 SEAT BUS	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	N
BFA0112	VEHICLE		BFA	TRANSIT M/BUS D 175	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BFA0113	VEHICLE		BFA	TRANSIT M/BUS D 175	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0111	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0211	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0311	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0411	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0511	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0611	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0711	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0811	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD0911	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD1011	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD1111	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD9407	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD9417	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD9427	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD9437	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD9447	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMD9457	VEHICLE		BMD	MERC SPNTR 515 166TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMI0110	VEHICLE		BMI	MERC SPTR 513 15s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMI0111	VEHICLE		BMI	MERC SPTR 513 15s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMI0210	VEHICLE		BMI	MERC SPTR 513 15s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMI0211	VEHICLE		BMI	MERC SPTR 513 15s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMI9378	VEHICLE		BMI	MERC SPTR 513 15s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
BMI9398	VEHICLE		BMI	MERC SPTR 513 15s TL	D	ULEZ CERT	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		IN SERVICE	Y
CF00112	VEHICLE		CF0	FORD FOCUS ESTATE	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		SOLD	
CF00111	VEHICLE		CF0	FORD FIESTA	D	SOLD	PTP	PARKING ENFORCEMENT	£0	£0	-	-		IN SERVICE	
CFG0117	VEHICLE		CFG	FORD GALAXY TDCI	D	Compliant	SAP	PASSENGER TRAVEL SRV	£0	£0	£0	£0		SOLD	Y
CFK0112	VEHICLE		CFK	FORD KUGA TDCI 4X4	D	SOLD	ATC	TRANSFORMATION TEAM	£0	£0	-	-		SOLD	
HDM0120	VEHICLE		HDM	DAF 45LF 7.5t TIPPER	D	Compliant	HIH	HOMES & HOUSING	£0	£0	£0	£0		IN SERVICE	N
LFA0111	VEHICLE		LFA	TRANSIT TIPPER	D	SOLD	PSB	HIGHWAYS & SEWERS	£0	£0	-	-		SOLD	
LFB0111	VEHICLE		LFB	TRANSIT TL TIPPER	D	Non Compliant	PSE	GROUNDS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LFC0111	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	Non Compliant	PSE	GROUNDS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LFC0113	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		SOLD	Y
LFC0211	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	Non Compliant	PSX	GROUNDS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LFC0311	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	Non Compliant	PSE	GROUNDS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	

LF00411	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00511	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00611	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00711	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00211	VEHICLE		LFD	TRANSIT C/CAB TIPPER	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00111	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00112	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	SOLD	PSX	GROUPS : HIH	£0	£0	-	-		SOLD	Y
LF00113	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	SOLD	PSE	GROUPS MTCE	£0	£0	-	-		SOLD	Y
LF00211	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00213	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LF00411	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00511	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00113	VEHICLE		LFG	TRANSIT CC CA/TL TIP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LF00111	VEHICLE		LFH	FORD RANGER PICK UP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00116	VEHICLE		LFH	FORD RANGER PICK UP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LF00211	VEHICLE		LFH	FORD RANGER PICK UP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00216	VEHICLE		LFH	FORD RANGER PICK UP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LF00311	VEHICLE		LFH	FORD RANGER PICK UP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00316	VEHICLE		LFH	FORD RANGER PICK UP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LF00411	VEHICLE		LFH	FORD RANGER PICK UP	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00111	VEHICLE		LFJ	FORD TRANSIT DS TL	D	Non Compliant	PSE	GROUPS MTCE	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
LF00113	VEHICLE		LFL	TRANSIT BINLIFT	D	Non Compliant	BER	BEREAVEMENT SERVICES	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LIB0114	VEHICLE		LIB	ISUZU NKR TL TIPPER	D	Non Compliant	BER	BEREAVEMENT SERVICES	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LIB0214	VEHICLE		LIB	ISUZU NKR TL TIPPER	D	Non Compliant	BER	BEREAVEMENT SERVICES	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
MKA00111	VEHICLE		MKA	KAWASAKI MOTOR CYCLE	U	SOLD	PPS	PARKS PROTECTION SER	£0	£0	-	-		IN SERVICE	
MKA0211	VEHICLE		MKA	KAWASAKI MOTOR CYCLE	U	SOLD	PPS	PARKS PROTECTION SER	£0	£0	-	-		IN SERVICE	
OJB0110	VEHICLE		OJB	J DEERE GATOR HPX4x4	G	Compliant	DEH	HAVING COUNTRY PK	£0	£0	£0	£0		IN SERVICE	
OD9164	VEHICLE		OJD	J DEERE 5820 TRACTOR	D	Compliant	DEA	HORNCHURCH COUNTRY P	£0	£0	-	-		IN SERVICE	
OJE0111	VEHICLE		OJE	John Deere Gator TE	N	Compliant	PSE	GROUPS MTCE	£0	£0	£0	£0		IN SERVICE	
OJE0311	VEHICLE		OJE	John Deere Gator TE	N	Compliant	PSE	GROUPS MTCE	£0	£0	£0	£0		IN SERVICE	
OMA7870	VEHICLE		OMA	MF 4245 4WD TRACTOR	D	Compliant	PSE	GROUPS MTCE	£0	£0	-	-		IN SERVICE	
RTA00119	VEHICLE		RTA	TORO FRONT MOWER	G	Compliant	PSE	GROUPS MTCE	£0	£0	£0	£0		IN SERVICE	Y
RTA00219	VEHICLE		RTA	TORO FRONT MOWER	G	Compliant	PSE	GROUPS MTCE	£0	£0	£0	£0		IN SERVICE	
RTA0319	VEHICLE		RTA	TORO FRONT MOWER	G	Compliant	PSE	GROUPS MTCE	£0	£0	£0	£0		IN SERVICE	Y
SSC0120	VEHICLE		SSC	DAF45 SCARAB MERLIN	D	Compliant	PSS	STREET CLEANSING	£0	£0	£0	£0		IN SERVICE	N
VFA0112	VEHICLE		VFA	FORD CONNECT	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
VFA0114	VEHICLE		VFA	FORD CONNECT	D	SOLD	PTD	CAR PARKS	£0	£0	-	-		SOLD	Y
VFA0211	VEHICLE		VFA	FORD CONNECT	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
VFA0214	VEHICLE		VFA	FORD CONNECT	D	SOLD	PTD	CAR PARKS	£0	£0	-	-		SOLD	Y
VFA0308	VEHICLE		VFA	FORD CONNECT	D	SOLD	PTD	CAR PARKS	£0	£0	-	-		SOLD	
VFA0311	VEHICLE		VFA	FORD CONNECT	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
VFA0411	VEHICLE		VFA	FORD CONNECT	D	SOLD	PSB	HIGHWAYS & SEWERS	£0	£0	-	-		SOLD	
VFA0611	VEHICLE		VFA	FORD CONNECT	D	SOLD	PTD	CAR PARKS	£0	£0	-	-		SOLD	
VFB0113	VEHICLE		VFB	FORD TRANSIT FWD	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		IN SERVICE	Y
VFB0213	VEHICLE		VFB	FORD TRANSIT FWD	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		IN SERVICE	Y
VFB0313	VEHICLE		VFB	FORD TRANSIT FWD	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		SOLD	Y
VFB0413	VEHICLE		VFB	FORD TRANSIT FWD	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		SOLD	Y
VFD0112	VEHICLE		VFD	FORD TRANSIT LWB HR	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
VFD0113	VEHICLE		VFD	FORD TRANSIT LWB HR	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
VFD0211	VEHICLE		VFD	FORD TRANSIT LWB HR	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
VFD0213	VEHICLE		VFD	FORD TRANSIT LWB HR	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
VFE0113	VEHICLE		VFE	Ford Transit RWD	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		SOLD	Y
VFE0213	VEHICLE		VFE	Ford Transit RWD	D	SOLD	HIH	HOMES & HOUSING	£0	£0.0	-	-		IN SERVICE	Y
VFF0112	VEHICLE		VFF	FORD FIESTA VAN	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		SOLD	
VFF0212	VEHICLE		VFF	FORD FIESTA VAN	D	SOLD	HIH	HOMES & HOUSING	£0	£0	-	-		SOLD	
VFG0113	VEHICLE		VFG	TRANSIT CUSTOM VAN	D	Non Compliant	PSX	GROUPS : HIH	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
VFI0114	VEHICLE		VFI	TRANSIT CUSTOM HI R	D	Non Compliant	SAT	TRANSPORT WORKSHOP	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
VFI0214	VEHICLE		VFI	TRANSIT CUSTOM HI R	D	Non Compliant	SAT	TRANSPORT WORKSHOP	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
VFL0111	VEHICLE		VFL	FORD TRANSIT LUTON	D	Non Compliant	SAT	TRANSPORT WORKSHOP	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	
VFP0116	VEHICLE		VFP	FORD COURIER VAN	D	Non Compliant	DEH	HAVING COUNTRY PK	£12.5	£268.75	1,881.25	3,225.00		IN SERVICE	Y
LFJ0111	VEHICLE		LFJ	TRANSIT CAGE TIPPER	D	SOLD	PSS	STREET CLEANSING	£0	£0	-	-		SOLD	
LFJ0112	VEHICLE		LFJ	TRANSIT CAGE TIPPER	D	SOLD	PSS	STREET CLEANSING	£0	£0	-	-		SOLD	
LFJ0212	VEHICLE		LFJ	TRANSIT CAGE TIPPER	D	SOLD	PSS	STREET CLEANSING	£0	£0	-	-		SOLD	
LFJ0312	VEHICLE		LFJ	TRANSIT CAGE TIPPER	D	SOLD	PSS	STREET CLEANSING	£0	£0	-	-		SOLD	
204									£500	£10,750	£75,250	£129,000			

40 Non Compliant

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Fleet No.	V Or P	Pool Vehicle	Vehicle Class	Vehicle Class	Fuel Type	Operator	Operator	ULEZ	Capital Replacement Purchase Cost or Contract Hire	New Replacement vehicle	Fuel Type	Council Owned Y/N
LFH0117	VEHICLE	N	LFH	FORD RANGER PICK UP	D	SAT	Tree Gang	Compliant	35,000.00	New Ranger	T	Y
LFH0217	VEHICLE	N	LFH	FORD RANGER PICK UP	D	PSS	Tree Gang	Compliant	35,000.00	New Ranger	T	Y
LFH0317	VEHICLE	N	LFH	FORD RANGER PICK UP	D	PSS	TRANSPORT WORKSHOP	Compliant	35,000.00	New Ranger	T	Y
RTA0119	VEHICLE		RTA	TORO FRONT MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTA0219	VEHICLE		RTA	TORO FRONT MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTA0319	VEHICLE		RTA	TORO FRONT MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTB0119	VEHICLE	N	RTB	TORO FLAIL MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTB0219	VEHICLE	N	RTB	TORO FLAIL MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTB0319	VEHICLE	N	RTB	TORO FLAIL MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTC0119	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTC0219	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTC0319	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTC0419	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTC0519	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
RTC0619	VEHICLE	N	RTC	TORO TRIPLE MOWER	G	PSE	GROUND'S MTCE	Compliant	54,000.00	TORO TRIPLE FLAIL MOWER	T	Y
15									753,000.00			

Fleet No.	V Or P	Pool Vehicle	Vehicle Class	Vehicle Class	Fuel Type	Operator	Operator	ULEZ	Capital Replacement Purchase Cost	NEW Replacement vehicle	Fuel Type	Council Owned Y/N
LFC0111	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	PSE	GROUND'S MTCE	Non Compliant	66,000.00	E Transit Single Cab Tip/TL	E	Y
LFC0211	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	PSX	GROUND'S : HIH	Non Compliant	66,000.00	E Transit Single Cab Tip/TL	E	Y
LFC0311	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	PSE	GROUND'S MTCE	Non Compliant	61,000.00	E Transit Single Cab Tipper	E	Y
LFC0411	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	PSE	GROUND'S MTCE	Non Compliant	69,000.00	Diesel Transit Crew Cab Tip/TL with built in body	T	Y
LFC0511	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	PSE	GROUND'S MTCE	Non Compliant	66,000.00	E Transit Single Cab Tip/TL	E	Y
LFC0611	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	PSE	GROUND'S MTCE	Non Compliant	69,000.00	Diesel Transit Crew Cab Tip/TL with built in body	T	Y
LFC0711	VEHICLE		LFC	TRANSIT TL CAGE TIPP	D	PSE	GROUND'S MTCE	Non Compliant	61,000.00	E Transit Single Cab Tipper	E	Y
LFD0211	VEHICLE		LFD	TRANSIT C/CAB TIPPER	D	PSX	GROUND'S : HIH	Non Compliant	69,000.00	Diesel Transit Crew Cab Tip/TL with built in body	T	Y
LFF0111	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	PSE	GROUND'S MTCE	Non Compliant	61,000.00	E Transit Single Cab Tipper	E	Y
LFF0112	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	PSX	GROUND'S : HIH	Non Compliant	69,000.00	Diesel Transit Crew Cab Tip/TL with built in body	T	Y
LFF0113	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	PSE	GROUND'S MTCE	Non Compliant	69,000.00	Diesel Transit Crew Cab Tip/TL with built in body	T	Y
LFF0211	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	PSE	GROUND'S MTCE	Non Compliant	61,000.00	E Transit Single Cab Tipper	E	Y
LFF0213	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	PSE	GROUND'S MTCE	Non Compliant	61,000.00	E Transit Single Cab Tipper	E	Y
LFF0411	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	PSE	GROUND'S MTCE	Non Compliant	66,000.00	E Transit Single Cab Tip/TL	E	Y
LFF0511	VEHICLE		LFF	TRANSIT C/CAB CAGE T	D	PSE	GROUND'S MTCE	Non Compliant	61,000.00	E Transit Single Cab Tipper	E	Y
LFG0113	VEHICLE		LFG	TRANSIT CC CA/TL TIP	D	PSE	GROUND'S MTCE	Non Compliant	61,000.00	E Transit Single Cab Tipper	E	Y
LFH0111	VEHICLE		LFH	FORD RANGER PICK UP	D	PSE	GROUND'S MTCE	Non Compliant	38,000.00	Diesel Custom Van	T	Y
LFH0116	VEHICLE		LFH	FORD RANGER PICK UP	D	PSE	GROUND'S MTCE	Non Compliant	33,000.00	New Ranger	T	Y
LFH0211	VEHICLE		LFH	FORD RANGER PICK UP	D	PSE	GROUND'S MTCE	Non Compliant	33,000.00	New Ranger	T	Y
LFH0216	VEHICLE		LFH	FORD RANGER PICK UP	D	PSE	GROUND'S MTCE	Non Compliant	38,000.00	Diesel Custom Van	T	Y
LFH0311	VEHICLE		LFH	FORD RANGER PICK UP	D	PSE	GROUND'S MTCE	Non Compliant	38,000.00	Diesel Custom Van	T	Y
LFH0316	VEHICLE		LFH	FORD RANGER PICK UP	D	PSE	GROUND'S MTCE	Non Compliant	33,000.00	New Ranger	T	Y
LFH0411	VEHICLE		LFH	FORD RANGER PICK UP	D	PSE	GROUND'S MTCE	Non Compliant	38,000.00	Diesel Custom Van	T	Y
LFJ0111	VEHICLE		LFJ	FORD TRANSIT DS TL	D	PSE	GROUND'S MTCE	Non Compliant	66,000.00	E Transit Single Cab Tip/TL	E	Y
LFL0113	VEHICLE		LFL	TRANSIT BINLIFT	D	BER	BEREAVEMENT SERVICES	Non Compliant	71,000.00	Diesel Transit Bin Lifter	T	Y
LIB0114	VEHICLE		LIB	ISUZU NKR TL TIPPER	D	BER	BEREAVEMENT SERVICES	Non Compliant	45,000.00	Diesel ISUZU NKR TIPPER	T	Y
LIB0214	VEHICLE		LIB	ISUZU NKR TL TIPPER	D	BER	BEREAVEMENT SERVICES	Non Compliant	45,000.00	Diesel ISUZU NKR TIPPER	T	Y
VFA0112	VEHICLE		VFA	FORD CONNECT	D	PSX	GROUND'S : HIH	Non Compliant	58,000.00	E Transit Van	E	Y
VFA0211	VEHICLE		VFA	FORD CONNECT	D	PSX	GROUND'S : HIH	Non Compliant	38,000.00	Diesel Custom Van	T	Y
VFA0311	VEHICLE		VFA	FORD CONNECT	D	PSX	GROUND'S : HIH	Non Compliant	38,000.00	Diesel Custom Van	T	Y
VFD0112	VEHICLE		VFD	FORD TRANSIT LWB HR	D	PSX	GROUND'S : HIH	Non Compliant	58,000.00	E Transit Van	E	Y
VFD0113	VEHICLE		VFD	FORD TRANSIT LWB HR	D	PSX	GROUND'S : HIH	Non Compliant	58,000.00	E Transit Van	E	Y
VFD0211	VEHICLE		VFD	FORD TRANSIT LWB HR	D	PSX	GROUND'S : HIH	Non Compliant	58,000.00	E Transit Van	E	Y
VFD0213	VEHICLE		VFD	FORD TRANSIT LWB HR	D	PSX	GROUND'S : HIH	Non Compliant	58,000.00	E Transit Van	E	Y
VFG0113	VEHICLE		VFG	TRANSIT CUSTOM VAN	D	PSX	GROUND'S : HIH	Non Compliant	38,000.00	Diesel Custom Van	T	Y
VFH0114	VEHICLE		VFH	TRANSIT C/CAB CAGE T	D	BER	BEREAVEMENT SERVICES	Non Compliant	66,000.00	Diesel Transit Crew Cab Van	T	Y
36									1,984,000.00			

Note: A mini tender is currently running via a vehicle framework to replace the above non compliant vehicles.

Fleet No.	V Or P	Pool Vehicle	Vehicle Class	Vehicle Class	Fuel Type	Operator	Operator	ULEZ	Capital Replacement Purchase Cost	NEW Replacement vehicle	Fuel Type	Council Owned Y/N
BAA0115	VEHICLE	N	BAA	MAN NUTRACK PULSE 34	T	SAP	PASSENGER TRAVEL SRV	COMPLIANT	210,000.00	Enviro 200	T	Y
BAA0215	VEHICLE	N	BAA	MAN NUTRACK PULSE 34	T	SAP	PASSENGER TRAVEL SRV	COMPLIANT	210,000.00	Enviro 200	T	Y
BAA0315	VEHICLE	N	BAA	MAN NUTRACK PULSE 34	T	SAP	PASSENGER TRAVEL SRV	COMPLIANT	210,000.00	Enviro 200	T	Y
BFA0112	VEHICLE		BFA	TRANSIT M/BUS D 175	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BFA0113	VEHICLE		BFA	TRANSIT M/BUS D 175	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMD0111	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMD0115	VEHICLE	N	BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0211	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0215	VEHICLE	N	BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0311	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0315	VEHICLE	N	BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0411	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0415	VEHICLE	N	BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0511	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0611	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0711	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0811	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	100,000.00	Treka 16 Coachbuilt	T	Y
BMD0911	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMD1011	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMD1111	VEHICLE		BMD	MERC SPNTR 515 16sTL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMI0110	VEHICLE		BMI	MERC SPTR 513 15s TL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMI0111	VEHICLE		BMI	MERC SPTR 513 15s TL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMI0210	VEHICLE		BMI	MERC SPTR 513 15s TL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMI0211	VEHICLE		BMI	MERC SPTR 513 15s TL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMT0115	VEHICLE	N	BMT	TREKKA 15 SEAT VC TL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
BMT0215	VEHICLE	N	BMT	TREKKA 15 SEAT VC TL	T	SAP	PASSENGER TRAVEL SRV	ULEZ CERT	84,000.00	Treka 16 Van Conversion	T	Y
CFG0117	VEHICLE		CFG	FORD GALAXY TDCI	T	SAP	PASSENGER TRAVEL SRV	COMPLIANT	70,000.00	Ford Custom Mini Bus	T	Y
CLB0115	VEHICLE	N	CLB	L/ROVER DEFENDER 110	D	DEA	HORNCHURCH COUNTRY P	Non Compliant	33,000.00	Ford ranger	T	Y
CLC0115	VEHICLE	N	CLC	L/ROVER DEFENDER	D	DEA	HORNCHURCH COUNTRY P	Non Compliant	33,000.00	Ford ranger	T	Y
HDM0120	VEHICLE		HDM	DAF 45LF 7.5t TIPPER	T	HIH	HOMES & HOUSING	COMPLIANT	82,000.00	DAF LF 190 Cage Tipper Tail Lift	T	N
VFA0114	VEHICLE		VFA	FORD CONNECT	D	PTD	CAR PARKS	Non Compliant	40,000.00	7 Seater Estate Car	T	Y
VFB0113	VEHICLE		VFB	FORD TRANSIT FWD	D	HIH	HOMES & HOUSING	Non Compliant	50,000.00	Diesel MWB Panel Van	T	Y
VFB0213	VEHICLE		VFB	FORD TRANSIT FWD	D	HIH	HOMES & HOUSING	Non Compliant	50,000.00	Diesel MWB Panel Van	T	Y
VFB0313	VEHICLE		VFB	FORD TRANSIT FWD	D	HIH	HOMES & HOUSING	Non Compliant	50,000.00	Diesel MWB Panel Van	T	Y
VFB0413	VEHICLE		VFB	FORD TRANSIT FWD	D	HIH	HOMES & HOUSING	Non Compliant	50,000.00	Diesel MWB Panel Van	T	Y
VFF0212	VEHICLE		VFF	FORD FIESTA VAN	D	HIH	HOMES & HOUSING	Non Compliant	69,000.00	Diesel Transit Single Cab Cage Tip/TL	T	Y
VFI0114	VEHICLE		VFI	TRANSIT CUSTOM HI R	D	SAT	TRANSPORT WORKSHOP	Non Compliant	70,000.00	Custom High Roof MWKS	T	Y
VFI0214	VEHICLE		VFI	TRANSIT CUSTOM HI R	D	SAT	TRANSPORT WORKSHOP	Non Compliant	70,000.00	Custom High Roof MWKS	T	Y
VFP0116	VEHICLE		VFP	FORD COURIER VAN	D	DEH	HAVERING COUNTRY PK	Non Compliant	33,000.00	Transit Connect Van	T	Y
45									3,438,000.00			

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AUDIT COMMITTEE 18 OCTOBER 2023

Subject Heading:

**2023/24 Treasury Management
Mid-Year Report.**

SLT Lead:

Kathy Freeman, Strategic Director of
Resources
(Section 151 officer)

Report Author and contact details:

Tony Piggott
Tony.Piggott@onesource.co.uk
01708 434 368

Policy context:

The code of practice on treasury
management 2021 requires that the
Authority be provided with a Mid-year
report on treasury activities

Financial summary:

There are no direct Financial implications
from the report.

The subject matter of this report deals with the following Council Objectives

People making Havering	[X]
Places making	[X]
Resources making Havering	[X]

SUMMARY

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code ("TM Code") require authorities to produce a mid-year report on their treasury management activities.

The Authority's Treasury Management Strategy Statement (TMSS) for 2023/24 was approved at the Cabinet meeting on 8th February 2023 and at Full Council on the 1st March 2023. The TMSS aims to bring together the Council's capital programme and its Budget to ensure borrowing decisions are affordable and sustainable in line with regulation.

This report covers activity on treasury managed investments and borrowings and the associated monitoring and control of risk.

The key highlights of the Mid-Year report are as follows:

- At the end of August 2023 the investment portfolio yield was **5.18%** - this was achieved by keeping investments on very short maturities thereby tracking successive increases in bank rate over this period.
- The Authority weighted average rate of return was 4.65% compared to Link's benchmarking club return of 4.38% for the last published quarter to the end of June – this was virtually risk free as all investments were placed with the Government Debt Management Office and a number of Local Authorities.
- Net interest outturn, expense is expected to be within budget.
- According to the Office for Local Government this Authority has one of the lowest debt servicing cost at 4.6% of core spending power, compared to other authorities in 2021/22.
- The Authority fully complied with the prudential and treasury indicators set out in the (TMSS) for 2023/24.

RECOMMENDATIONS

To note the treasury management activities to August 2023 as detailed in the report.

REPORT DETAIL

Background

1.0 Treasury management

- 1.1 The authority operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operation is to ensure this cash flow is adequately planned, with

surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

- 1.2 The other main function of authority's treasury management operation is to help fund its capital plans. These capital plans provide a guide to the borrowing need of the authority, essentially the longer term cash flow planning required to meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet the Authority's risk or cost objectives.

2.0 Introduction

- 2.1 This report has been written in accordance with the requirements of the TM Code.

- 2.2 This is the Mid-Year Review Report required by the TM Code and covers the following:

- Economic update for the first part of the 2023/24 financial year
- Treasury Management Summary to the end of August 2023
- Review of the authority's borrowing strategy for 2023/24
- Review of the authority's investment portfolio for 2023/24; and
- Compliance with Treasury and Prudential Limits for 2023/24.

3.0 Interest rate outlook

3.1 *Economics update*

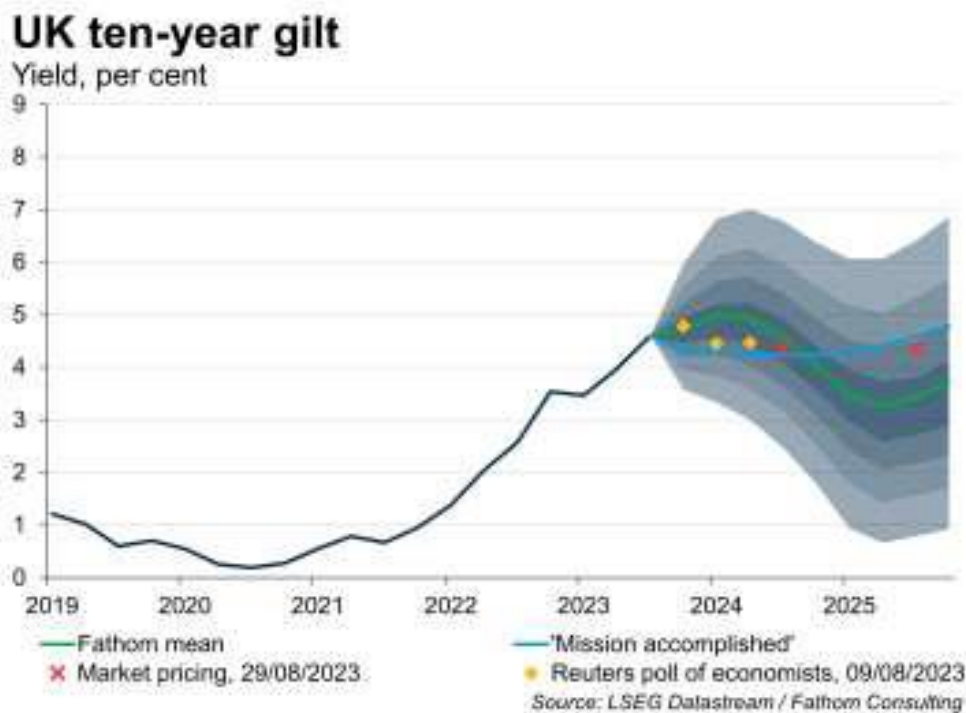
The outlook on interest rates is heavily influenced by the outlook on inflation. Since April 2023 the bank rate increased from 4.25% to currently 5.25%, the latest Bank of England MPC meeting on the 21st September 2023 kept the rate on hold following a 5-4 split decision. This was helped by the August year on year CPI inflation rate announcement the previous day that showed a fall in the rate to 6.7% when most pundits and the market were expecting it to rise.

The MPC meeting on the 20 September stated that CPI inflation is expected to fall significantly further in the near term (six months), reflecting lower annual energy inflation, despite the renewed upward pressure from oil prices, and further declines in food and core goods price inflation. Services price inflation, however, is projected to remain elevated in the near term, with some potential month-to-month volatility. The MPC expect CPI inflation to reach its 2% target rate in Q2 2025.

3.2 Interest rate forecasts

The authority's treasury advisor, Link Group (Link), latest interest rate forecast for the bank rate and PWLB issuance is shown in **Appendix A**. This forecast closely resembles that produced by Capital Economics that have a strong record of making accurate predictions.

The TM Code requires that treasury officers obtain intelligence from a number of sources and not to rely solely on the adviser's advice. To that end, the graph below shows the outlook for the UK 10 year gilt (PWLB fixed rates are based on a margin over gilt) based on a poll of economists and on market pricing. Both show a slight dip over next 2 years on their central forecast. The fan chart shows a distinct downward trajectory, the darker the shade the higher the confidence in the prediction.



4.0 Treasury Management Summary

4.1 The mid-year treasury management position is shown in table 1 below.

Table 1: Treasury Management Summary as at 31st August 2023

	01.04.23	Movement	31.08.23	Weighted Average Rate
Investments	£m	£m	£m	%
Fixed Deposit	30.2	11.0	41.2	4.54
Total investments	30.2	11.0	41.2	4.54
Loans				
PWLB	307.1	0	307.1	2.89
Banks (LOBO)	7.0	0	7.0	3.60
Temporary Borrowing	13.0	5.0	18.0	4.28
Other L/T borrowings	0.8	-0.1	0.7	4.50
Total Loans	327.9	4.9	332.8	2.98

4.2 There has been no new long term borrowing in the financial year 2023/24 to 31 August 2023. Capital expenditure has been slower than expected in the first 5 months of the year and so the amount met from borrowing has been funded by the Council's cash reserves and temporary borrowing. Furthermore the Council's cash balances at this time of year are generally at their highest buoyed by early Council tax and business rate receipts and Government capital grants paid at the start of the year.

4.3 It is expected that capital activity will be concentrated in the second half of the year when demands on cash balances will become more intense and in the absence of new long term borrowing the strain will be borne by temporary borrowing. The Council's cash deposits are already at their liquidity allowance level so there is no further scope for that source to fund further capital borrowing demand.

4.2 The Authority's treasury investments as at 31st August 2023 totalled **£41.2m** yielding **5.18%** and comprised of **£31.2m** deposited with local authorities and **£10m** with banks. The interest earned up to the 31st August 2023 was **£1.4m**. Borrowings totalled **£332.8m** at a fixed rate of **2.98%** comprising of temporary borrowing from local authorities **£18m** and long term fixed interest rate debt of **£314.8m**, with an average duration of **23.7 years**. Interest cost up to 31st August 2023 was **£4.18m**, giving a net interest expense for the period of **£2.77m**

4.3 **Appendix B** shows the breakdown of the authority's investments & borrowings by counterparty.

5.0 Borrowing Strategy

5.1 *Detail*

- 5.1.1 The Council's 2023/24 TMSS assumed there would be new borrowing of £211m in 2023/24. The capital programme has undergone a review and the General Fund- Regeneration Programme element has been scaled back/re-profiled in to later years so that the capital programme new borrowing amount in 2023/24 is forecast at £129m. The TMSS assumed a new long term (more than 1 year) borrowing rate of 4.30% but culmination of 14 successive bank rate increases has meant the long term borrowing rate is now around 5.5%.
- 5.1.2 The cost of this borrowing was anticipated in the budget and the reduced level of borrowing will result in a budget saving partly offset by the borrowing rate increasing more than expected. The net borrowing cost in 2023/24 would depend on the borrowing rate achieved and the exact date of the borrowing. A reasonable rule of thumb might be to assume an interest cost in 2023/24 of c. £45,833 per month per £10m borrowed. Some of this increase in borrowing will be offset by the additional income generated.
- 5.1.3 In the longer-term the Council will of course follow the statutory prescriptions for the repayment of debt, known as minimum revenue provision or MRP. Again as a rule of thumb this is payable at 2% or 2.5% per year, thus enabling debt to be repaid over 40 or 50 years, or more quickly where appropriate (e.g. for shorter life assets). In accordance with provisions in the guidance, MRP will be first charged in the year following the date that an asset becomes operational.
- 5.1.4 The Council's retained adviser, Link, projects that by 2025 the 50 year PWLB rate will fall to 4.0%. It is therefore reasonable to push back projects in the capital programme where possible until new borrowing rates fall below the budgeted rate.
- 5.1.5 Link's forecast could reasonably be described as part of a broader economic consensus: for example, Capital Economics published a paper on 25 August 2023 forecasting roughly similar long-term rates as far as 10 years (limit of their forecasting) by 2025. If these projections turn out to be correct then it would not be sensible to enter into a 50-year contract at 5.24% interest (the rate as at 21 September 2023) when the expectation would be to be able to execute the same long-term borrowing at around 4% or lower by 2025.

- 5.1.6 However, the obvious risk in this approach is that the consensus forecasts on which the Council relies may turn out to be incorrect and that interest rates actually rise. If so, the Council will eventually be forced to undertake its longer-term borrowing at a higher rate than could have been obtained.
- 5.1.7 So far in 2023/24 the council has borrowed £5m short-term (i.e. for less than one year) at an average interest rate of 4.24%. This interest rate is expected to rise once these loans mature and the impact of increased borrowing from this source means the average rate will converge with the prevailing rate of around 5.3%. The expectation is that within the next two years this could be borrowed at an average rate of around 4%, saving £13,000 per £1m in a full year. If interest rates instead rise, against the consensus forecast, then for every 10 “basis points (bps)” (i.e. by 0.1%) then the extra cost of delaying the decision on borrowing would be £1,000 per £1m borrowed.
- 5.1.8 Clearly this is a difficult balance to strike, but at present given the prevailing economic consensus maintaining the position on using temporary borrowing makes sense. Last June, the PWLB introduced a concessionary rate for HRA borrowing which is 40bps (0.4%) below the rate at which the General Fund can borrow at. Officers may use this source to help fund the HRA borrowing requirement, estimated at £93m in 2023/24, albeit between 2 and 5 year in duration and then refinance with PWLB debt over a much longer duration when interest rates are expected to be cheaper. The same approach may be applied on the estimated £36m new borrowing for the General Fund element of the capital programme in 2023/24 should liquidity on the money markets tighten and temporary debt costs increase relatively. However, should the interest rate outlook change, officers will have the flexibility to draw down new debt on longer durations to secure the capital programme.
- 5.1.9 PWLB debt remains the most economical source of long term capital finance, but over shorter durations up to three to five years the money markets can be a cheaper source of capital finance. Officers constantly evaluate other sources of finance.

5.2 *Debt Rescheduling*

The possibility of debt rescheduling is regularly discussed with our treasury adviser. However opportunities have been almost non-existent in the current economic climate. The current PWLB rules on redemption are prohibitive and costly.

5.3 LOBO's

The Authority holds a **£7m** LOBO loan with Danske Bank at **3.60%** who have the option to propose an increase in the interest rate at set dates, while the Authority has the option to either accept the new rate or to repay the loan at no additional cost. Link stated there is a significant probability that the lender may propose an increase in the rate in November 2023. If called, this will be financed from current cash balances, officers will continue to monitor and discuss with Danske Bank going forward.

6.0 Budgeted Income and Return

6.1 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 2 below:

Table 2: 2023-24 Treasury Investment Performance to 31st August 2023

Period	Benchmark Average 3 month SONIA compounded, looking back	Budget Rate %	Actual Rate %
01/04/23 to 31/08/23	4.63	3.12%	4.54

6.2 The authority slightly underperformed its benchmark during the period. This was due in part to the rapid successive increases in the Bank Rate by the BoE MPC, this has been mitigated by keeping the majority of our funds in near dated liquid investments to meet cash calls as they fall due.

6.3 It is expected that the average 3 month SONIA rate will stabilise at current levels as the bank rate nears its peak. Accordingly investments will be kept in shorter maturities (less than 3 months) for the remainder of the financial year.

6.4 The continued delays to capital expenditure has meant investment balances are running higher than planned. Investment income is expected to exceed budget, whilst borrowing costs are expected to be held below the budget forecast.

6.5 The Authority is a member of the Link treasury investment benchmarking club consisting of 13 London Boroughs, one County Council and one unitary authority, Results are published on a quarterly basis, the latest being quarter ending, June 2023. This Authority posted a weighted average rate of return in the first quarter of 4.65% compared to the club average of 4.38%. As this

Authority had placed its investments in the Government Debt Management Office the investments are considered to be virtually risk free.

- 6.6 The Authority's excess cash is being steadily used to fund capital expenditure subject to a liquidity allowance of £40m. By definition this cash is invested on very short durations and as a result the return on these investments has been able to increase almost at the same pace as successive increases in the Bank rate over this period.

7.0 Regulation and Government Consultations

- 7.1 The DLUHC has issued the Consultation on Local Government capital risk mitigation measures in the Levelling Up and Regeneration Bill (LUR Bill): capital risk metrics on the 13th July 2023 which closed on 23 September 2023. The LUR Bill was introduced in May 2022 and sets out four risk metrics for local authorities in England, which, if breached would mean the Authority comes into scope of the new powers which provide the government with the flexibility to intercede where it is appropriate to do so. The detailed methods of calculation are to be included in regulations, reflecting the fact that specific risks evolve and emerge, and the consultation sought views on **appropriate calculations** which give a reasonable reflection of a Council's level of risk for that metric. In addition to the four risk metrics there are other measures which seek to provide contextual information about an Authority. The table below produced by London Councils provides a useful summary:

Metrics		Initial Assessment
Financial Performance / Risk Metrics		
1	Reserves as a percentage of Net Revenue Expenditure	Provides a relative assessment of reserve levels compared to annual spending
2	Reserves as a percentage of service spend	Provides an alternative assessment of reserve levels compared to annual spending; results are very similar under both reserve metrics.
6	Social care spend as % of Core Spending Power	Provides an indicator regarding budget flexibility, and the amount of funding currently directed towards statutory services
7	Debt servicing as % of Core Spending Power	Provides a relative assessment of the impact of debt on the revenue budget
8	Total debt as % of Core Spending Power	Provides a relative assessment of the level of indebtedness on an authority.
Contextual Metrics		
3	Total Core Spending Power per dwelling	Provides a relative assessment of the total revenue available to a local authority
4	Level of Band D council tax rates	Straight comparison of council tax levels - given central restrictions on annual CT increases does not provide a true sense of local revenue raising ability.
5	Council Tax revenue per dwelling	Comparison of current CT levels per dwelling, provides context regarding local revenue raised per local dwelling (see above)

- 7.2 The metrics are intended to be broadly consistent with existing metrics such as those the prudential indicators in the CIPFA Prudential Code, but will not necessarily be exactly the same given the different purpose.

- 7.3 The data for these indicators has been benchmarked across London using year- end figures from the 2021/22 Statement of Accounts. This shows that Havering scored well in terms of debt servicing costs at 4.6% of core spending power (In the lowest 30 of England on this particular metric, median for English Authorities was 9%. In terms of Total debt as a percentage of core spending power Havering scored 234% compared to England median of 226%, while in Havering's CIPFA nearest neighbours the median figure was 249%. This will need to be monitored and considered as part of planning the capital programme. Based on the Council increasing its planned borrowing by £129m in 2023/24 then the debt servicing cost ratio would be expected to increase to 5.8% and the total debt ratio would rise to around 315% (TBC).
- 7.4 Officers feel the debt figures they published do not accurately account for the level of 'Core Spending Power' in Havering. This is the core revenue funding available for local authority services, including Council Tax and locally retained business rates. This is recorded as £186.7m for 2021/22, some way below our actual General Fund budget which accounts for other additional grants and income sources. Local authorities have for years told government that core spending power isn't a good measure as it understates our budget and hence makes a debt ratio like this look higher than it really is. In comparing authorities in this league table approach, there are fundamental flaws that makes the comparison meaningless as there is no like to like comparison. Few examples of such flaws are, comparing authorities which have ring fenced HRA with those who don't have their own stock; there are other aspects of our funding that this process does not include, which make the debt ratio comparison problematic.

8.0 Compliance with Prudential and Treasury Indicators

- 8.1 It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. The Authority's approved 2023/24 Treasury and Prudential Indicators (affordability limits) were included and approved by Full Council as part of the TMSS 1st March 2023.
- 8.2 During the period, the Authority has operated within the treasury limits and Prudential Indicators set out in the authority TMSS and in compliance with the authority's Treasury Management Practices. An update on indicators and limits are reported in **Appendix C** of this report.

IMPLICATIONS AND RISKS

Financial implications and risks:

Year to date treasury activity is in accordance with the Authority's approved TMSS. There have been no breach in the Authority's treasury indicators and prudential indicators set out in the TMSS.

It is expected that the authority's net interest costs will be below budget in 2023/24 and any new borrowing undertaken for the capital programme for remainder of 2023/24 will be in accordance with the Authority's treasury limits and prudential indicators.

The key risks include:

Inflation – Inflation drives direct costs within project business cases on which the borrowing requirement is based and also drives Monetary Policy affecting the Bank of England Bank Rate impacting the cost of borrowing available to the Council.

Exposure to Interest rate fluctuation is a key risk and the council must weigh this risk in determining the source and length of borrowing, balancing the certainty of long term fixed rates with risk of locking in rates that may prove more expensive vs the potential benefits of short term fixed rates with risk that rates at point of maturity and re-financing prove more expensive.

Government policy - can impact the availability and cost of PWLB borrowing with examples including uncertain availability of limited concessionary rates such as the HRA concession noted in this report and the increases in PWLB rates initiated between 2019 and 2021. Mention of a likely regulation change is set out in section 7 above.

Legal implications and risks:

Cabinet is required to have a full understanding of all financial risks and be satisfied that they are propitiate to its overall budget and that the Council is not exposed to any unacceptable, unnecessary or disproportional risk in the management of its financial affairs.

Members also need to feel assured that there has been no breach of the Authority's prudential indicators and treasury indicators.

Human Resources implications and risks:

There are no HR implications from this report.

Equalities Implications and Risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.

Health and Wellbeing Implications and Risks:

The Council is committed to improving the quality of life and wellbeing for all Havering employees and residents in respect of socio-economics and health determinants. There are no direct implications to the Council's workforce and resident's health and wellbeing as a result of this report.

BACKGROUND PAPERS

None

Appendix A

Interest Rate Forecast

Table 1: Link interest rate outlook*

	Type	Now	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Bank Rate		5.25	5.25	5.25	5.25	5.00	4.50	4.00	3.50
5yr PWLB	GF	5.04	5.10	5.00	4.90	4.70	4.40	4.20	4.00
	HRA	4.64	4.70	4.60	4.50	4.30	4.00	3.80	3.60
10yr PWLB	GF	5.30	5.00	4.90	4.80	4.60	4.40	4.20	4.00
	HRA	4.90	4.60	4.50	4.40	4.20	4.00	3.80	3.60
25yr PWLB	GF	5.76	5.40	5.20	5.10	4.90	4.70	4.40	4.30
	HRA	5.36	5.00	4.80	4.70	4.50	4.30	4.00	3.90
50yr PWLB	GF	5.52	5.20	5.00	4.90	4.70	4.50	4.20	4.10
	HRA	5.12	4.80	4.60	4.50	4.30	4.10	3.80	3.70

* Source Link publication 25th September 2023,

Appendix B

Table 1 breakdown of Investments as at 31st August 2023

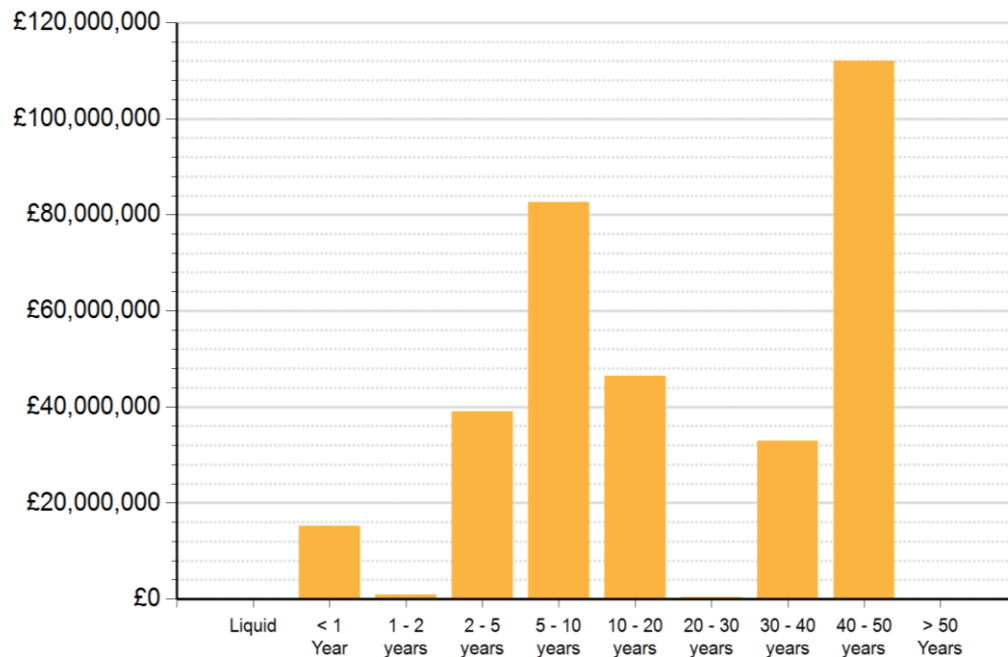
Class	Type	Start / Purchase Date	Maturity Date	Counterparty	Rate	Principal O/S (£)
Deposit	Fixed	24/08/23	04/09/23	Bournemouth, Christchurch & Poole	5.2000%	4,700,000.00
Deposit	Fixed	15/06/23	05/09/23	Worcestershire County Council	4.8500%	5,000,000.00
Deposit	Fixed	23/08/23	05/09/23	Calderdale Metropolitan Borough Council	5.2000%	1,500,000.00
Deposit	Fixed	30/08/23	06/09/23	Hertfordshire County Council	5.3000%	5,000,000.00
Deposit	Fixed	07/08/23	07/09/23	National Westminster Bank plc	5.1900%	10,000,000.00
Deposit	Fixed	25/08/23	08/09/23	Leeds City Council	5.2300%	5,000,000.00
Deposit	Fixed	31/08/23	29/09/23	Liverpool City Council	5.2500%	5,000,000.00
Deposit	Fixed	30/08/23	06/10/23	Cheltenham Borough Council	5.2000%	5,000,000.00
Deposit Total					5.1769%	-41,200,000.00

Table 2 breakdown of Borrowings as at 31st August 2023

Class	Start / Purchase Date	Maturity Date	Counterparty	Rate	Principal O/S (£)
Loan	06/04/00	04/04/25	PWLB	4.8750%	478,411.83
Loan	06/04/00	04/04/25	PWLB	4.8750%	500,694.11
Loan	28/03/12	28/03/26	PWLB	2.9200%	2,801,126.17
Loan	28/03/12	28/03/26	PWLB	2.9200%	248,473.83
Loan	28/03/12	28/03/27	PWLB	3.0100%	15,178,400.38
Loan	28/03/12	28/03/27	PWLB	3.0100%	1,346,399.62
Loan	14/07/99	27/06/27	PWLB	4.7500%	478,411.83
Loan	14/07/99	27/06/27	PWLB	4.7500%	500,694.11
Loan	28/03/12	28/03/28	PWLB	3.0800%	15,178,400.38
Loan	28/03/12	28/03/28	PWLB	3.0800%	1,346,399.62
Loan	23/07/98	04/04/28	PWLB	5.5000%	956,823.67
Loan	23/07/98	04/04/28	PWLB	5.5000%	1,001,388.21
Loan	28/03/12	28/03/29	PWLB	3.1500%	15,178,400.38
Loan	28/03/12	28/03/29	PWLB	3.1500%	1,346,399.62
Loan	28/03/12	28/03/30	PWLB	3.2100%	15,178,400.38
Loan	28/03/12	28/03/30	PWLB	3.2100%	1,346,399.62
Loan	28/03/12	28/03/31	PWLB	3.2600%	15,178,400.38
Loan	28/03/12	28/03/31	PWLB	3.2600%	1,346,399.62
Loan	28/03/12	28/03/32	PWLB	3.3000%	15,178,400.38
Loan	28/03/12	28/03/32	PWLB	3.3000%	1,346,399.62
Loan	28/03/12	28/03/33	PWLB	3.3400%	15,178,400.38
Loan	28/03/12	28/03/33	PWLB	3.3400%	1,346,399.62
Loan	28/03/12	28/03/34	PWLB	3.3700%	15,178,400.38
Loan	28/03/12	28/03/34	PWLB	3.3700%	1,346,399.62
Loan	28/03/12	28/03/42	PWLB	3.5000%	27,555,674.58
Loan	28/03/12	28/03/42	PWLB	3.5000%	2,444,325.42
Loan	01/04/94	01/04/44	Richard Beard	4.5000%	6,500.00
Loan	01/04/94	01/04/44	Lucas Play site	4.5000%	146,214.51
Loan	01/04/96	01/04/46	Havering Theatre Trust	4.5000%	500,443.60
Loan	23/01/06	23/01/56	PWLB	3.7000%	956,823.67
Loan	23/01/06	23/01/56	PWLB	3.7000%	1,001,388.21
Loan	27/01/06	23/01/56	PWLB	3.7000%	956,823.67
Loan	27/01/06	23/01/56	PWLB	3.7000%	1,001,388.21
Loan	31/01/06	23/01/56	PWLB	3.9000%	956,823.67
Loan	31/01/06	23/01/56	PWLB	3.9000%	1,001,388.21
Loan	14/03/06	14/03/56	PWLB	4.1000%	2,818,135.14
Loan	14/03/06	14/03/56	PWLB	4.1000%	2,949,391.21
Loan	06/04/06	04/04/56	PWLB	4.2000%	642,028.68
Loan	06/04/06	04/04/56	PWLB	4.2000%	671,931.49
Loan	16/06/06	16/06/56	PWLB	4.2500%	1,210,674.25
Loan	16/06/06	16/06/56	PWLB	4.2500%	1,267,062.01
Loan	31/08/06	28/08/56	PWLB	4.2000%	478,411.83
Loan	31/08/06	28/08/56	PWLB	4.2000%	500,694.11

Loan	08/03/07	28/02/57	PWLB	4.2500%	2,392,059.17
Loan	08/03/07	28/02/57	PWLB	4.2500%	2,503,470.53
Loan	07/08/97	01/08/57	PWLB	6.8750%	1,435,235.50
Loan	07/08/97	01/08/57	PWLB	6.8750%	1,502,082.32
Loan	22/12/97	01/08/57	PWLB	6.2500%	334,888.28
Loan	22/12/97	01/08/57	PWLB	6.2500%	350,485.88
Loan	05/08/97	05/08/57	PWLB	6.8750%	3,588,088.75
Loan	05/08/97	05/08/57	PWLB	6.8750%	3,755,205.80
Loan	04/03/98	01/02/58	PWLB	6.0000%	334,888.28
Loan	04/03/98	01/02/58	PWLB	6.0000%	350,485.88
Loan	18/11/05	18/11/65	Danske Bank	3.6000%	3,420,347.79
Loan	18/11/05	18/11/65	Danske Bank	3.6000%	3,579,652.21
Loan	01/12/20	01/12/69	PWLB	1.5300%	30,000,000.00
Loan	24/03/20	24/03/70	PWLB	1.4800%	25,000,000.00
Loan	08/11/21	08/11/71	PWLB	1.7000%	25,000,000.00
Loan	29/12/21	29/12/71	PWLB	1.4300%	25,000,000.00
Fixed Total				2.9043%	314,777,436.62
Loan	15/03/23	15/09/23	Tendering District Council	4.3000%	3,000,000.00
Loan	04/04/23	04/12/23	West Yorkshire Combined Authority	4.2800%	15,000,000.00
Temporary Borrowing - Fixed Total				4.2833%	18,000,000.00
Loan Total				2.9789%	332,777,436.62

Fixed rate debt Maturity profile



Prudential Indicators Estimate 2023/2024

All treasury management activities undertaken during the period complied fully with the CIPFA Code of Practice and the authority's approved Treasury Management Strategy. Compliance with specific treasury limits is demonstrated in tables below.

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Table 1: Capital expenditure forecast 2023/24

Capital expenditure £m	2023/24 TMSS Estimate	2023/24 (P3) Forecast
Non HRA	75.3	66.1
HRA	143.2	134.7
Regeneration Program *	170.6	19.8
Total **	389.1	220.6

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Table 2: Financing of Capital expenditure forecast 2023/24

Financing of capital expenditure £m	2023/24 TMSS Estimate	2023/24 (P3) Forecast
Capital receipts	88.1	43.7
Capital grants	71.0	35.2
Revenue and Reserves	10.4	5.2
Net financing need for the year ***	219.6	136.5

The net financing need for regeneration programme activities included in the above table against expenditure is shown below:

Table 3: Regeneration Programme forecast 2023/24

Regeneration Programme £m	2023/24 TMSS Estimate	2023/24 (P3) Forecast
Capital Expenditure	170.6	19.8
Other Sources of Financing	64.4	0.8
Net financing need for the year	106.2	19.0
Percentage of total net financing need	48.4%	13.9

The Authority's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for (e.g. by capital grants), through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (OLTL) which relates to PFI schemes and finance leases. The Authority currently has no such liabilities within its CFR.

Table 4: Capital financing requirement forecast 2023/24

Capital Financing Requirement £m	2023/24 TMSS Estimate	2023/24 (P3) Forecast
Non HRA Service	168.5	160.8
Regeneration	190.3	87.6
Housing	456.2	440.1
Total CFR	815.0	688.5
Movement in CFR	210.7	129.1

Net financing need for the year	219.6	136.5
Less MRP	7.7	6.2
Less receipts set aside	1.2	1.2
Movement in CFR	210.7	129.1

The Authority's forward projections for borrowing are summarised below in Table 5 below, the Authority must ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes. The expected change in debt will be influenced by changes in the CFR and long term interest rates.

However it should be noted that this change in debt is due to external factors set out in the covering report and capital slippage. Table 5 shows internal borrowing of £231.6m but this is dependent on the changes to the Authority's cash backed reserves and net working capital. External cash balances of £40m are maintained over the medium term to mitigate liquidity risk.

Table 5: Capital Financing Requirement (CFR) and Borrowing

£m	2022/23 Actual	2023/24 TMSS Estimate	2023/24 Forecast	2024/25 TMSS Estimate	2025/26 TMSS Estimate
Debt at 1 April	315.0	345.0	327.8	555.7	665.4
Expected change in Debt	12.8	210.7	101.4	109.7	83.6
Actual gross debt at 31 March	327.8	555.7	429.2	665.4	749.0
The Capital Financing Requirement	559.4	815.0	688.5	924.7	988.3
Under / (over) borrowing	231.6	259.3	259.3	259.3	239.3

Within the above figures the level of debt relating to regeneration activities is detailed in table 6 below.

Table 6: Regeneration Programme debt

	2023/24 TMSS Estimate	2023/24 (P3) Forecast
CFR at 31 March £m	190.3	87.6
Percentage of total CFR %	23.34	12.72

Ratio of financing costs to net revenue stream

Table 7 identifies the trend in the cost of capital, (borrowing and other long term obligation costs), against service spending, HRA rents and the regeneration programme. The estimates of financing costs include current commitments and the proposals in this budget report.

Table 7: Ratio of financing costs to HRA rents 2023/24

%	2023/24 TMSS Estimate	2023/24 (P3) Forecast
Council housing (HRA)	27.95	24.24

Table 8 shows the trend in the Non-HRA cost of capital (borrowing and other long term obligation costs), regeneration finance costs are shown both gross and net of Mercury Land Holding (MLH) investment income, against net revenue stream.

Table 8: Ratio of Non HRA net financing costs to net revenue stream 2021/22 – 2025/26.

%	2023/24 TMSS Estimate	2023/24 (P3) Forecast
Main services	6.73	3.30
Regeneration programme	3.04	1.72

Operational Boundary for External Debt

The operational boundary is based on the authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. The Authority total debt as at 31.08.2023 was £332.8m and no limit has been exceeded.

Table 9: Operational Boundary

Operational Boundary	TMSS Limit 2023/24 £m	Forecast 2023/24 £m
Borrowing	699.7	429.2
Other long-term liabilities	10.0	0
Regeneration Programme	190.3	0
Total	900.0	429.2

Authorised Limit for External Debt

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Table 10: Authorised limit for external debt

Authorised Limit	TMSS Limit 2023/24 £m	Forecast 2023/24
Borrowing	749.7	429.2
Other long-term liabilities	10.0	0
Regeneration Programme	190.3	0
Total	950.0	429.2

TREASURY LIMITS

Treasury Management Limits on Activity There are two debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair opportunities to reduce costs/improve performance. The Code requires that for LOBO maturity date should be considered the most probable maturity date and not the next call date.

1.1 Maturity Structure of Borrowing

1.2.1 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing are as follows:

Table 2: Loan maturity structure as at 31 August 2023

	Upper %	Lower %	Actual %
Under 12 months	40	0	5.44
12 months and within 24 months	60	0	0.29
24 months and within 5 years	80	0	11.73
5 years and within 10 years	100	0	24.83
10 years and above	100	0	57.71

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

The limits set in the 2023/24 treasury management strategy in comparison to the half year are set below. It is the authority's policy to classify available for sale investments with maturities exceeding one year as long term investments.

Table 3: Investments for periods longer than 365 days

	2023/24 Limit £m	2023/24 Actual 31.08.23 £m	2024/25 Limit £m
Limit on principal invested beyond year end	50	0	25

Glossary of Terms

A bond is a debt instrument in which an investor lends money for a specified period of time at a fixed rate of interest. The issuing entity could be corporate, financial or government.

A floating rate note (FRN) is a money market instrument with a Floating/variable rate of interest, which re-fixes over a reference rate, for example 3 month LIBOR.

Bail in is rescuing a financial institution on the brink of failure by making its creditors and depositors take a loss on their holdings. A bail-in is the opposite of a bail-out, which involves the rescue of a financial institution by external parties, typically governments using taxpayer's money.

Borrowing Requirements The principal amount the Council requires to borrow to finance capital expenditure and loan redemptions.

Capital Financing Requirement (CFR) Capital Financing Requirement- a measure of the Council's underlying need to borrow to fund capital expenditure

Certificates of deposit (CDs) are a negotiable form of fixed deposit, ranked pari passu with fixed deposits. The difference is that you are not obligated to hold the CD to maturity, you can realise the cash by selling in the secondary market.

Coupon is the total amount of interest a security will pay. The coupon period depends on the security. A CD will often pay interest at maturity, while a bond may pay semi-annually or annually and an FRN will most likely pay every 3 months.

Counterparties Organisations or Institutions the Council lends money to e.g. Banks; Local Authorities and MMFs.

Covered bond Covered bonds are conventional bonds (fixed or floating) issued by financial institutions, that are backed by a separate group of loans, usually prime residential mortgages. This lowers the creditor's exposure to default risk, enhancing the credit. This is why the issue is usually rated AAA, higher than the rating given to the issuer reduces exposure to bail-in risk.

CPI The Consumer Price Index (CPI) is the official measure of inflation in consumer prices in the United Kingdom

Credit rating A measure of the credit worthiness of a borrower. A credit rating can be assigned to country, organisation or specific debt issue/ financial obligation. There are a number of credit ratings agencies but the main 3 are Standard & Poor's, Fitch or Moody's.

GDP the monetary value of all finished goods and services made within a country during a specific period.

Interest Rate Exposures A measure of the proportion of money invested and what impact movements in the financial markets would have on them.

Market Loans Loans from banks available from the London Money Market including LOBOS (Lender Option, Borrowing Option) which enable the authority to take advantage of low fixed interest for a number of years before an agreed variable rate comes into force.

MIFID is the Markets in Financial Instruments Directive. A European Union Directive.

Minimum Revenue Provision (MRP) This is the amount which must be set aside from the revenue budget each year to cover future repayment of loans.

Money Market Fund (MMF) A 'pool' of different types of investments managed by a fund manager that invests in lightly liquid short term financial instruments with high credit rating.

Monetary Policy Committee (MPC) is a committee of the [Bank of England](#), which meets for three and a half days, eight times a year, to decide the official [interest rate](#) in the [United Kingdom](#) (the [Bank of England Base Rate](#)).

Principal is the total amount being borrowed or lent.

Spread is the difference between the buy and sell price of a security. It can also be the gap, usually in basis points, between the yield of a security and the benchmark security.

SONIA sterling overnight interest average rate, the average rate at which banks offer funds in the overnight sterling market.

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AUDIT COMMITTEE 18 OCTOBER 2023

Subject Heading:

Assurance Progress Report

SLT Lead:

Kathy Freeman, Strategic Director of Resources

Report Author and contact details:

Jeremy Welburn, Head of Assurance
Tel: 01708 432610 / 07976539248
Email: jeremy.welburn@onesource.co.uk

Policy context:

To inform the Committee of progress on assurance work during 2023/24.

Financial summary:

There are no financial implications or risks arising directly from this report which is for information only.

The subject matter of this report deals with the following Council Objectives

People making Havering	[X]
Places making	[X]
Resources making Havering	[X]

SUMMARY

This report advises the Committee on the work undertaken by the Assurance Service (internal audit and counter fraud) during the period from 1st April to 30th September 2023.

RECOMMENDATIONS

1. To note the contents of the report.

2. To raise any issues of concern and ask specific questions of officers where required.

REPORT DETAIL

1. Introduction

- 1.1 The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) and other guidance.
- 1.2 Audit Committees are a key source of assurance about an organisation's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance. Whilst the Council's Section 151 Officer has overarching responsibility for discharging the requirement for sound financial management, an effective Audit Committee providing support and challenge on the governance arrangements the Council has in place is required.
- 1.3 Internal audit is a key component of corporate governance within the Council. An independent internal audit function will, through its risk-based approach to work, provide assurance to the Council's Audit Committee and senior management on the higher risk and more complex areas of the Council's business.
- 1.4 The work of internal audit is critical to the evaluation of the Council's overall assessment of its governance, risk management and internal control systems, and forms the basis of the annual opinion provided by the Head of Assurance which contributes to the Annual Governance Statement. It can also perform a consultancy role to assist in identifying improvements to the organisation's practices.
- 1.5 The Annual Audit Plan was presented to Audit Committee in April 2023. The plan was developed in line with the three themes (People, Place and Resources) outlined in the Havering Vision and Corporate Plan. Members are reminded that the 2023/24 audit plan was presented as a flexible plan, subject to review through the year to ensure that emerging risks are covered. Adjustments to the plan are made to allow for changes in the risk and operational environment in which the Council operates. The status of the 2023/24 Internal Audit Plan is reported in Section 5 of this report.
- 1.6 This report brings together all aspects of internal audit and counter fraud work undertaken during quarter's one and two (the period from 1st April to 30th September), in support of the Audit Committee's role.
- 1.7 The report supports the Head of Assurance's ongoing assurance opinion on the internal control environment and highlights key outcomes from internal

audit and counter fraud work and provides information on wider issues of interest to the Council's Audit Committee.

2. Executive Summary of work undertaken by Internal Audit (1/4/23 – 30/9/23)

- 2.1 Current, cumulative progress toward delivery of the 2023/24 audit plan, as at the end of September 2023, is summarised in the table below, with further detail provided in Section 2.3. It should be noted that some of the work undertaken by internal audit does not result in an opinion being provided, such as advisory reviews and grant claims.

Audit Plan Status	Number of Audits / Tasks
Final reports issued / Reviews Completed	11
Draft reports issued	4

- 2.2 In giving an overall Audit opinion on the system control environment within the areas reviewed, there are two levels of assurance as follows:

Key to Assurance Levels	
Reasonable Assurance	The control framework is adequate to manage the risks in the areas reviewed. Controls are applied consistently or with minor lapses that do not result in significant risks to the achievement of system objectives.
Limited Assurance	There are fundamental weaknesses in the internal control environment within the areas reviewed, and further action is required to manage risks to an acceptable level.

- 2.3 The tables below detail the results of the work undertaken during quarter one and two of 2023/24. These recommendations are provided with the limited assurance summary reports to which they relate in section 3.

Audit Title – LBH Systems Audits	Assurance	Recommendations			
		H	M	Adv	Total
<u>Full System Reviews:</u>					
Service Charges Follow Up	Limited	2	0	0	2*
Duplicate Payments (Faster Payments)	Limited	3	3	1	7
DPIAs - CCTV (Follow up)	Reasonable	0	0	0	0
Responsive Repairs	Limited	1	1	2	4
<u>Advisory/ Grant Reviews:</u>					
Insurance Process Mapping (Phase One – Third Party Claims)	n/a	n/a	n/a	n/a	n/a
Mayors Appeal Fund	n/a	n/a	n/a	n/a	n/a
Supporting Families (Quarter One)	n/a	n/a	n/a	n/a	n/a
System Audits Total		6	4	3	13

*The recommendations here reference those raised in the original report that remain outstanding (or partly implemented) at the time of the follow up review. Revised implementation dates for the recommendations to be implemented have been assigned as part of the follow up review outcomes.

Audit Title – LBH Schools Audits	Assurance	Recommendations			
		H	M	Adv	Total
St Patricks Primary	Reasonable	0	3	0	3
Parklands Primary	Reasonable	0	2	0	2
Engayne Primary	Reasonable	0	1	0	1
Gidea Park Primary	Reasonable	0	5	2	7
School Audits Total		0	11	2	13

- 2.4 Internal Audit follows up all high and medium risk audit recommendations with relevant service management. There is a rolling programme of follow up work, with each auditor taking responsibility for tracking the implementation of recommendations made in their audit reports. The implementation of audit recommendations, in systems where limited assurance was provided, is verified through a follow up audit review.
- 2.5 This work is of high importance given that the Council's risk exposure remains unchanged if management fail to implement the recommendations raised in respect of areas of control weakness. Part of the Audit Committee's role is to monitor the extent to which recommendations are implemented as agreed and within a reasonable timescale, with particular focus applied to any high risk recommendations.
- 2.6 All high and medium risk recommendations due as at the end of September 2023 have been followed up and confirmed with management as implemented. Any recommendations that remain outstanding and are past agreed implementation dates, or where management have not responded to requests for progress updates, will be reported to Audit Committee.
- 2.7 Recommendations are classified into three potential categories according to the significance of the risk arising from the control weakness identified. The three categories comprise:

High	Fundamental control requirement needing implementation as soon as possible.
Medium	Important control that should be implemented.
Advisories	Pertaining to best practice.

3 Limited Assurance Report Summaries and Recommendations

3.1 Service Charges – Follow Up

3.1.1 Introduction

An audit of Service Charges was undertaken as part of the 2022/23 Internal Audit Plan and resulted in a **Limited Assurance** on the system of internal control being given. The opinion reflected that there were fundamental weaknesses in the internal control environment within the areas reviewed, further action was required to manage risks to an acceptable level. The audit made four high priority recommendations that aimed to mitigate the risks identified. All recommendations were accepted by management and were due to be implemented by March 2023. Limited Assurance reports are assigned a Follow-Up review to take place within six months of the original audit, intended to assess the status of implementation of the recommendations and provide an assurance opinion based on this progress.

3.1.2 Scope of Review

This review is to assess the implementation of the recommendations raised in the original report.

3.1.3 Summary of Findings

This review has found that two recommendations have been implemented, and two remain outstanding. Although progress has been made to address the weaknesses identified during the initial audit, there are still some outstanding issues. There is an action plan in place to address the weaknesses identified within the recommendation, and the service expect to implement them by October 2023. Therefore the audit assurance remains as **Limited Assurance**, as further follow up will therefore be undertaken during quarter three, 2023/24.

3.1.4 Recommendations and Management Action Plan

Recommendation 1		High
The Grounds Maintenance Services SLA between Housing and Public Realm should be annually reviewed, updated and formally agreed by both services.		
Original Management Response		
This is agreed and first formal review will take place in March 2023		
Original Implementation Date	March 2023	
Responsible Officer	AD Housing Operations	
Follow Up Response	<p>As at 13th June 2023 Internal Audit were made aware that the draft SLA had been finalised in April 2022 with a review period of three years (at the time of the original review the signed SLA could not be located).</p> <p>A copy of the signed version was provided to Internal Audit as part of this follow up, and the service plan to review this in three years (2024/2025).</p> <p>The recommendation is therefore considered to have been implemented.</p>	
Status of Recommendation	Implemented	

Recommendation 2		High
Review of the Schedule of Rates in relation to grounds maintenance services to ensure that the cost of service delivery is an accurate reflection of the costs passed on to the tenants/ leaseholders.		
Original Management Response		
This cost review has taken place and been reviewed by Finance.		
Original Implementation Date	December 2022	
Responsible Officer	Waste and External Contracts Manager	
Follow Up Response	<p>Deadlines for 23/24 Service Charges were not able to be met and so the Schedule of Rates has remained the same. Discussions are ongoing between the services involved to progress this as a priority and a process is being developed in regard to the pricing.</p>	
Status of Recommendation	Outstanding - Revised Date: October 2023	

Recommendation 3		High
In order to ensure that the charges and calculations in relations to grounds maintenance are correct, work should be undertaken to ensure that the Council has an accurate record of the current grounds maintenance requirements for Housing.		
Original Management Response		
This cost review has taken place and has been reviewed by Finance.		
Original Implementation Date	December 2022	
Responsible Officer	Waste and External Contracts Manager	
Follow Up Response	<p>Deadlines for 23/24 Service Charges were not able to be met and so the Schedule of Rates has remained the same. Discussions are ongoing between the services involved to progress this as a priority.</p> <p>Minutes were provided from a Grounds Maintenance meeting (held in April 2023), to evidence that work is ongoing to provide the information as to when areas are managed; such as date and times of work, with before and after pictures. The service are looking in to the use of tablets for staff to facilitate this and this is currently being agreed with IT.</p>	
Status of Recommendation	Outstanding - Revised Date: October 2023	

Recommendation 4		High
Management to consider the risk impacts of this increasingly failing CCTV service.		
Original Management Response		
The service charges for CCTV will be ended from April 2023/24 and paid from the general rent pool.		
Original Implementation Date	December 2022	
Responsible Officer	Director of Housing	
Follow Up Response	<p>Cabinet have approved the update of CCTV in March 2023, however charges related to CCTV are no longer included within annual service charges to tenants.</p> <p>CCTV is no longer charged within the Service Charges to tenants, evidence was supplied to show that these costs have been removed for 2023/24.</p>	
Status of Recommendation	Complete	

3.2 Duplicate Payments (Faster Payments)

3.2.1 Introduction

Following the identification of three duplicate payments by finance, totalling approximately £473,187 and made using faster payments; a review was included in the 2022/23 Internal Audit plan as an emerging risk.

Internal Audit were notified that three duplicate payments had been identified (for the amounts of £470k, £1,485 and £1,702). In each instance, one payment was processed via the faster payments process and one via the standard Accounts Payable (AP) process – resulting in the duplicate payment. In all cases the duplicate payment wasn't identified through existing internal controls, but only after the supplier contacted the Council to advise that payments had been made twice.

Faster Payments are BACs/ CHAPs payments made directly on the day of request. The standard procedure for payments is via Accounts Payable where two payments runs are made per week. This process takes longer than a faster payment with a timescale of a maximum of five calendar days after the date of receipt of goods/services by service on Fusion (and completion of required steps by the supplier).

3.2.2 Scope of Review

- Determine the reasons that the duplicate payments occurred;
- Identify any weaknesses in the overall process (Faster Payments); and

- Identify controls to minimise the risk of duplicate payments.

3.2.3 Summary of Findings

Refunds for all of the duplicate payments above had been received prior to the conclusion of this Internal Audit investigation.

It is evident from the duplicate payments reviewed, that there are multiple weaknesses in the control environment that had led to these payments being duplicated. These are that:

- The process crosses multiple teams, resulting in no overall ownership of the process;
- There is a lack of information available to staff detailing when it would be appropriate to request a Faster Payment, as well as a lack of clear guidance as to what information should be provided as part of any request;
- Without ownership there is no driver for change. No work is being undertaken to analyse the data available, in order to understand which services are regularly raising faster payments and why, in an attempt to reduce the number of faster payments being processed;
- The findings of this review also show that faster payment requests that do not include the full original invoice details, such as the invoice number, prevent the system controls detecting the duplicate payment prior to processing. In the absence of any manual checks between the teams, there is a risk that there are further duplicate payments that remain undetected, and there is therefore a risk of financial loss to the council as a result; and
- The current approach to the processing of Faster Payments involves multiple teams which leaves the overall process being disjointed. Discussions held during this audit suggested that a request had previously been made to bring the process within one team, although this has not been implemented at the time of this review.

The overall audit opinion on the system reviewed provides **Limited Assurance**. This means that there are fundamental weaknesses in the internal control environment within the areas reviewed, and further action is required to manage risks to an acceptable level.

This audit makes **two high, three medium and one advisory** recommendations to mitigate the risks identified.

3.2.4 Recommendations and Management Action Plan

Duplicate Payments (Faster Payments) – Action Plan			
Expected Outcome	Owner	Management Response inc Planned Actions	Time-scale

R1	Ownership of the faster payments process should be determined.	Director of Finance / S151	The whole process of payments should be reviewed to understand what system functionality may exist to improve controls and simplify. This will include full process mapping of all methods of payments. Implementation of the recommendations will be reviewed once this is completed.	Dec' 2023
R2	In addition to the faster payment form, guidance should be produced and made available to all staff, outlining when it is acceptable to request a Faster Payment. Guidance should also set out the standard / expected level of detail to be provided within the request form.	Director of Finance / S151		Dec' 2023
R3	In order to minimise the risk of duplicate payments, the Faster Payment request form should be amended to include a declaration that, if the faster payment is being raised to replace a payment already submitted via the accounts payable process, that the person completing the form has instructed Accounts Payable to cancel the previous payment.	Director of Finance / S151	See management response to Recs 1 & 2.	Dec' 2023
R4	All required information should be recorded on the faster payment monitoring spreadsheet in full, to ensure that there is a complete and accurate record of Faster Payments.	Reconciliation Manager	All Faster Payments are now recorded on the Faster Payment Spreadsheet with sufficient details to allow appropriate tracing as required. We also keep copies of the Faster Payment forms for reference.	Complete

R5	In order to reduce the number of faster payments being raised unnecessarily, data analysis should be undertaken to identify why faster payments are being raised, whether the reason for the faster payment was justified.	Reconciliation Manager	See management response to Recs 1 & 2.	Dec' 2023
R6	Further work to identify duplicate payments that may have gone undetected should be carried out.	Reconciliation Manager	See management response to Recs 1 & 2.	n/a
Adv 2	Service to review the charge given the added administrative resource cost of this, the inconsistency in which it is applied and the lack of effectiveness as a deterrent.	Director of Finance / S151	See management response to Recs 1 & 2.	n/a

3.3 Responsive Repairs

3.3.1 Introduction

The Internal Audit Plan for 2023/24 agreed by Audit Committee, included a review of Responsive Repairs.

3.3.2 Scope of Review

The scope of this audit covered the management of the risks, as they relate to the delivery of the councils repairs process.

The review focussed on repairs carried out by the Councils largest contractor. The review covered the period, since the beginning of the contract with this contractor, whilst acknowledging that there was a mobilisation period between the end of the contract with previous provider and the commencement of the contract with current provider.

3.3.3 Summary of Findings

This review found that there is a reliance on Council officers, the provider and sub-contractors, to maintain the integrity of the data within Open Housing poses a risk as to the accuracy of the data within Open Housing. Whilst there are controls in place to review certain aspects of the data, such as the completion of jobs within target, there is no review of the completeness and accuracy of other data within the system.

This work highlighted the importance of ensuring that information is being accurately recorded and updated within the Open Housing system, particularly when this data is feeding into the contract management process and the assessment of the providers' performance against KPIs.

However more importantly, the review found that the service had failed to adequately execute the contract. Despite the contract commencing in April 2022, at the time of writing this report, the contract had not been signed and sealed.

As the Council is receiving and paying the service, it implies that both parties have agreed to the terms and conditions as it stands, however in the event of a dispute there would be a reliance on the contract signed and agreed by both parties. Not only would the lack of a signed contract be problematic in the event that the Council wanted to enforce on any aspects of the contract.

There is also a concern that this issue was only highlighted after enquiries by Internal Audit as part of this review, posing a significant risk that without this review, the lack of a contract, signed and sealed in accordance with the Council's Constitution would not have been identified and addressed.

There has been a significant improvement in the arrangements in place compared to those in place under the previous provider. Manual processes have been replaced with automated processes by integrating the Council's Open Housing system with the providers system.

These changes have provided improved management information, increased visibility and tighter control, not only in the Council's ability to monitor the quality of work and performance of the provider, but also within the billing process.

The move to a more collaborative working environment, with Council officers and those of the provider sharing an office, enables an efficient and effective working relationship, which was clearly observed by the auditor during the review. Moving the Contact Centre over to the provider has also transferred responsibility to the provider to reduce the number of errors being made.

Whilst the audit would have given reasonable assurance on the control framework in place for the Responsive Repairs process and contract management of the provider; due to the absence of a contract signed by all parties, and the risk that this would not have been addressed without this review, the overall audit opinion on the system reviewed provides **Limited Assurance**. This means that there are fundamental weaknesses in the internal control environment within the areas reviewed, and further action is required to manage risks to an acceptable level.

This audit makes one high, one medium and two advisory recommendation to mitigate the risks identified.

3.3.4 Recommendations and Management Action Plan

Responsive Repairs – Action Plan				
	Expected Outcome	Owner	Management Response inc Planned Actions	Time-scale
R1	Action should be taken to execute the contract immediately. This should include confirming with Legal Services that no amendments have been made to the contract that was originally awarded and whether any significant changes to the service, such as the transfer of the Contact Centre require a contract variation.	Director of Housing and Property	The Service and Legal are aware of the situation with this contract. Immediate action is being taken by the recently appointed Director of Housing and Property to address this issue.	Oct' 2023
Adv R2	Management are advised to take action if performance starts to drop below key performance indicator targets.	Repairs & Voids Manager	Agreed.	n/a
Adv R3	To improve the accuracy and timeliness of information within Open Housing, all operatives, including sub-contractors, should be using hand held devices in order to interface directly with the Open Housing system.	Repairs & Voids Manager	Agreed.	n/a
R3	<p>A review of Open Housing data should be undertaken. The review should:</p> <ul style="list-style-type: none"> • Determine the accuracy of the information being recorded; • The implications of inaccurate data and therefore whether any action needs to be taken; • Whether systematic reviews are needed to check on the accuracy of data, such as in the case of out of hours jobs; and • Whether any additional codes are needed to increase the accuracy of the records. 	Director of Housing and Property	Agreed.	Feb' 2024

4 Counter Fraud Audit Work

The counter fraud service are continuing to follow up, fraud referrals, desk based intelligence checks and investigations with door step visits and Interviews under Caution where necessary The Council take a zero tolerance approach to tenancy fraud and currently have 70 open investigations.

During the period 01/04/2023 to 25/09/2023, 14 non-housing referrals were also received; seven of which were Whistleblowing referrals. Ten cases have been investigated and concluded and four referrals are currently being investigated.

4.1 Proactive Counter Fraud Investigations

Proactive work undertaken during 01/04/2023 to 30/09/2022 below:

Description	No. Received
Advice to Directorates: General advice and support to Directors, Heads of Service etc. including short ad-hoc investigations, audits and compliance.	9
Advice to Other Local Authorities: All Data Protection Act requests via Local Authorities, Police etc.	17
National Fraud Initiative: The NFI is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and is conducted every two years.	Results are currently under review.

4.2 Reactive Investigation Cases

Five referrals were brought forward from the previous period.

- Four cases have been investigated and concluded; and
- The remaining case is still under investigation.

During 01/04/2023 to 25/09/2023 14 referrals were received; seven of which, information was provided by Whistle-blowers:

- Ten cases have been investigated and concluded; and
- Four referrals are currently being investigated.

4.3 Housing Cases

The following table illustrates the work undertaken in relation to housing fraud and right to buy (RTB) applications:

Description	2022/2023	2023/24 to date
Number of referrals for investigation	123	89
Properties recovered	10	10
Notional Saving *	£180,000	£420,000
RTB referred and reviewed	101	58
RTB stopped	5	3
Notional Saving	£581,000	£383,820
Total Notional Saving	£761,000	£803,820

* Notional saving revised from 2022/23 figures as recommended method uses a standard formula to arrive at an average national cost to the taxpayer per detected tenancy fraud of £42,000

The following table illustrates the breakdown of cases:

Description	2022/23 (to date)
Number of referrals brought forward	68
Number of new referrals retained for investigation *	22
Number of referrals currently under investigation	70
• Notice To Quit (NTQ) issued	3
• Pending bailiff action	2
• Passed to Legal Services for Criminal / Civil Proceedings	8
• Awaiting Court Hearing	3
• Open Investigations	54
Number of completed investigations	20
• Closed Properties Recovered	10

• Closed RTB stopped **	3
• Closed NFA	5
• Closed - Housing Action	2

Key: * Total number of referrals received and triaged was 82. However, only 22 are being investigated as the remaining referrals do not get investigated by the Counter Fraud Team, e.g. Housing Benefit, other LA's.

** Total number of RTB's referred and reviewed was 58.

Housing Services refer Mutual Exchanges to the Counter Fraud Team to review. A total of 21 Mutual exchanges have been referred and reviewed.

5 Status of Internal Audit Plan 2023/24

Audit Title – LBH Systems Audits	Opinion / Status as at end Q2	Recommendations			
		H	M	Adv	Total
Mayors Appeal Fund	n/a	n/a	n/a	n/a	n/a
Supporting Families (Quarter One)	n/a	n/a	n/a	n/a	n/a
Insurance Process Mapping (Phase One – Third Party Claims)	n/a	n/a	n/a	n/a	n/a
DPIAs - CCTV (Follow Up)	Reasonable	0	0	0	0
Service Charges Follow Up	Limited	2	0	0	2
Responsive Repairs	Limited	1	1	2	4
Duplicate Payments (Faster Payments)	Limited	3	2	2	7
Total to the end of Quarter 2					
Waivers	Draft Report				
Engagement of Consultants (Governance and Compliance Culture Phase One)	Draft Report				
IT Transition Procurement Support	Draft Report				
Procurement Thematic Review	Draft Report				
Schools Catering Services – Allergy Management	Underway				
Supplier Creation (Governance & Compliance Culture – Key Financial)	Underway				
Highways Services	Q3				
Reablement Contract	Q3				
Contracts Register	Q3				
Governance and Compliance Culture (Phase two)	Q3/Q4				

Voids (Tenant Rechargeable Repairs)	Q4				
Complaints	Q4				
Planning	Q4				
Public Realm	TBC				
Projects (risk based deep dive reviews)	TBC				
ICT (General)	TBC				
ICT – Service Desk	Moved to 2024/25				
Empty Properties (Council Tax Charges)	Moved to 2024/25				
Household Support Fund	Removed following risk assessment				
Continuing Healthcare	Removed following discussions with Director				
Audit Title – LBH Schools Audit Programme					
St Patricks Primary	Reasonable	0	3	0	3
Parklands Primary	Reasonable	0	2	0	2
Engayne Primary	Reasonable	0	1	0	1
Gidea Park Primary	Reasonable	0	5	2	7
Total to the end of Quarter 2		0	11	2	13
Langtons Infants	Q3				
Suttons Primary	Q3				
Whybridge Infants	Q3				
Learning Federation	Q3				
Brady Primary	Q4				
St Albans Primary	Q4				
James Oglethorpe Primary	Q4				
Academies					
Emerson Park	Underway				
Shaw	TBC				
Health Checks					
Health Checks (13)	3 Completed	4 underway			

IMPLICATIONS AND RISKS

Financial implications and risks:

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

By maintaining an adequate internal audit service, management are supported in the effective identification and efficient management of risks and ultimately good governance. Failure to maximise the performance of the service may lead to losses caused by insufficient or ineffective controls or even failure to achieve objectives where risks are not mitigated. In addition recommendations may arise from any audit work undertaken and managers have the opportunity of commenting on these before they are finalised. In accepting audit recommendations, the managers are obliged to consider financial risks and costs associated with the implications of the recommendations. Managers are also required to identify implementation dates and then put in place appropriate actions to ensure these are achieved. Failure to either implement at all or meet the target date may have control implications, although these would be highlighted by any subsequent audit work. Such failures may result in financial losses for the Council.

Climate Change implications and risks:

None arising directly from this report. Risks around this are reflected in the Corporate Risk Register and incorporated into the scope of audits where relevant.

Legal implications and risks:

None arising directly from this report.

Human Resources implications and risks:

None arising directly from this report.

Equalities implications and risks:

None arising directly from this report.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

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