

Performance & Audit Scrutiny Committee – 3 March 2009

General Fund & HRA Revenue Monitoring Report – Period 9, December 2008

Report of the Section 151 Officer

Summary Position

This report covers Revenue Monitoring to the end of December 2008 and reflects comments received from services on variances etc. In addition, the report includes quarterly reports on the Loughborough Special Expenses and Treasury Management.

The General Fund had a £1,271k (7.8%) underspend for the year to date primarily due to a large underspend on Controllable Costs.

The HRA was under budget by £120k (1.6%) although Appendix 2 shows £20k as £100k relates to an advance to CNH Ltd.

General Fund – Revenue (Appendix 1)

Employment costs are £109k below budget which is 0.9% of the year to date budget, with the salaries underspend being £104k.

The only major item in the current underspend, taking into account agency costs, is:

	Underspend £'000	Comment
Legal Services	46	There is an anticipated £21k underspend on salaries which it is planned to use for Voluntary Registration of all the Council's unregistered land, as Legal wish to obtain a discount on the work. £30k has been vired from Agency costs to Consultancy in January.

Major differences on Controllable Costs, which are £1,386k, 11.4%, below budget, are shown below. In addition to these there are numerous smaller differences in each directorate with no discernable pattern for the underspend.

Directorate	Under Spend £'000	Comment
Programmes & Resources	258	This relates to CPA costs (£57k) – unlikely to spend budget with possible £10k saving. Shared Services (£123k) – costs will come through over coming months. Consultancy (£93k) relating to these items and the Environmental Services contract where work will continue in 2009 plus some invoices still to come through, potential return of £60k to the Reinvestment Reserve.

Directorate	Under Spend	Comment
	£'000	
Development	500	This is primarily in respect of Concessionary Travel where there is an underspend of £370k on Bus company invoices. Invoices have only been received for the first 5 months of the year. In addition, Rail & taxi concessionary travel is underspent by £68k with no rail invoices received for 2008/09.
Loughborough Regeneration	261	This mainly relates to expenditure on consultants for the Town Centre Partnership and Windmill Road project. The former will be paid in one amount and work on the latter will continue to March 2009, when the budget will be utilised.
Leisure & Environment	161	Grounds Maintenance £46k underspend but has £35k of commitments. Sports Development (£33k) and Leisure Development (£19k) should be spent by the year end although some of the expenditure shortfall in Leisure Development is matched by lower income. Engineering Services costs are £29k lower over various areas. Arts Policy underspent by £49k with £24k due to Charnwood Arts Council and invoices awaited for other agreed work.
Housing & Health	153	Bed & Breakfast and associated costs are £98k below budget, with a £35k saving but other costs are still to come through. £14k relates to repairs and maintenance of Environmental Equipment and the Air Quality Plan, most of which will be used before the year end.

Income at controllable level is £223k, 2.8%, below budget. Major issues are:

Directorate	Income - Over/ (Under)	Comment
	£'000	
PACS	103	£89k is due to extra grants for Community Safety which is matched by higher grants paid out.
Development	(118)	Income for both Planning Fees (£80k) and Building Control Fees (£44k) are under the Revised budget levels. Two large schemes may reduce the Planning fees shortfall to £40k at the year end but the Building Control fees are expected to be £70k under budget at the year end.
Loughborough Regeneration	(92)	This is in respect of contributions from partners for the Windmill Road scheme and these are being pursued.
Leisure & Environment	(88)	Sales of various Recyclates (£155k) have only been invoiced to the end of August. In addition, recharges to Veolia are £67k behind budget but will be caught up by the end of March as will a £42k grant to Recreational Services. Town Hall sales under various headings are up by £77k, though associated costs have risen by £31k. There are many smaller variations to income budgets in this directorate which make up the difference.

HRA (Appendix 2)

The underspend in the HRA is £20k to the end of December, being 0.3% of the year to date budget. The level of voids has shown a marginal improvement in December but it is probable that the HRA will only have a minimal balance at the year end.

Expenditure on Choice Based Lettings, within Allocations & Lettings has now commenced, though an underspend of £17k at the year end is expected. The apparent overspend of £100k in Housing Strategy is due to a partial advance of the CNH January management fee and is corrected in January. Management & Administration includes various small underspends, some of which should run through to the year end.

Appendix 3 shows the Income receivable up to the end of December. Rent loss due to voids for the nine months, as shown in Table A, was £360k being 2.81% of the total rent chargeable. Rent arrears at the end of December were £753k which is £89k lower than at the end of November 2008, due to a £97k reduction in Current Tenant arrears. This is because there has been further action on recovering housing arrears, including rent paying incentives. In addition, those tenants in arrears do not participate in the two week rent free period enjoyed by other tenants so those two weeks of payment are used to offset their arrears. (Please note that the total annual rent is collected on a 48 week basis with two rent free periods of two weeks each in December and March).

Other Issues

- Payment of Invoices

The result for December was 98% with the year to date figure improving to 96.5% from 96.6%.

- Loughborough Special Expenses

Appendix 4 shows the make-up of these expenses for the nine months to the end of December 2008. There is not expected to be any material difference to the predicted outturn position as at the end of March 2009.

- Treasury Report

This is a new report and will be produced quarterly in future.

- Attachments

Appendix 1 – General Fund Summary at Period 8

Appendix 2 – HRA Summary at Period 8

Appendix 3 – Housing Income Report at Period 8

Appendix 4 – Loughborough Special Expenses

Appendix 5 – Treasury Management Report

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22 January 2009

Charnwood Borough Council Revenue Monitoring Report as at December 2008 Period 9 Based on Revised Budget		Period			Year-to-Date (YTD)			YTD Variance as % of YTD Budget	Full Year Revised Budget £000's
		Amount	Current Budget	Variance Under/ (Over)	Amount	Current Budget	Variance Under/ (Over)		
		£000's	£000's	£000's	£000's	£000's	£000's		
Deputy Chief Executive Directorate									
	Employee Related Costs	353	349	(5)	3,228	3,208	(20)	-0.6%	4,299
	All Other Controllable Costs	82	84	1	1,000	1,057	57	5.4%	1,532
	Controllable Income	(64)	(69)	(5)	(624)	(646)	(21)	3.3%	(2,112)
		372	363	(8)	3,604	3,620	16	0.4%	3,719
Programmes & Resources Directorate									
	Employee Related Costs	108	101	(7)	929	948	19	2.0%	1,290
	All Other Controllable Costs	80	151	71	850	1,109	258	23.3%	1,261
	Controllable Income	(14)	(10)	4	(159)	(189)	(30)	15.7%	(245)
		174	243	68	1,620	1,868	247	13.2%	2,306
Governance & Procurement Directorate									
	Employee Related Costs	132	123	(9)	1,059	1,144	85	7.4%	1,455
	All Other Controllable Costs	107	109	2	1,301	1,356	55	4.1%	1,639
	Controllable Income	(207)	(146)	61	(917)	(876)	41	-4.7%	(1,095)
		33	87	54	1,443	1,624	181	11.2%	1,999
Partnerships & Customer Services Directorate									
	Employee Related Costs	159	156	(3)	1,421	1,401	(20)	-1.5%	1,869
	All Other Controllable Costs	91	31	(60)	364	305	(59)	-19.4%	559
	Controllable Income	(74)	(50)	25	(616)	(513)	103	-20.1%	(804)
		175	137	(38)	1,169	1,193	23	2.0%	1,624
Development Directorate									
	Employee Related Costs	175	173	(2)	1,567	1,556	(11)	-0.7%	2,075
	All Other Controllable Costs	46	75	29	748	1,248	500	40.1%	2,066
	Controllable Income	(46)	(102)	(56)	(1,189)	(1,307)	(118)	9.1%	(1,597)
		174	146	(28)	1,126	1,496	371	24.8%	2,544
Loughborough Regeneration Directorate									
	Employee Related Costs	9	7	(1)	66	66	0	0.4%	88
	All Other Controllable Costs	27	4	(22)	112	373	261	69.9%	387
	Controllable Income	0	(14)	(14)	(36)	(127)	(92)	72.1%	(170)
		35	(2)	(38)	143	312	169	54.3%	305
Leisure & Environment Directorate									
	Employee Related Costs	321	330	9	2,850	2,876	26	0.9%	3,868
	All Other Controllable Costs	982	781	(200)	5,976	6,136	161	2.6%	9,454
	Controllable Income	(811)	(567)	244	(3,914)	(4,002)	(88)	2.2%	(5,914)
		492	544	52	4,912	5,010	98	2.0%	7,408
Housing & Health Directorate									
	Employee Related Costs	96	81	(15)	808	838	30	3.5%	1,154
	All Other Controllable Costs	40	56	16	464	617	153	24.7%	821
	Controllable Income	(23)	(27)	(4)	(260)	(277)	(18)	6.4%	(389)
		112	110	(2)	1,013	1,177	165	14.0%	1,586
		1,567	1,628	60	15,030	16,301	1,271	7.8%	21,490
Summarised Totals									
	Employee Related Costs	1,353	1,321	(33)	11,928	12,037	109	0.9%	16,098
	All Other Controllable Costs	1,454	1,292	(162)	10,815	12,201	1,386	11.4%	17,719
	Controllable Income	(1,240)	(985)	255	(7,714)	(7,937)	(223)	2.8%	(12,326)
	Grand Total	1,567	1,628	60	15,030	16,301	1,271	7.8%	21,490

Please Note: the above report is General Fund Only, excluding the Benefits Servgrp (D210 to D250).

Charnwood Borough Council Revenue Monitoring Report as at Period 9 - December 2008 Based on Revised Budget	Period			Year-to-Date (YTD)			YTD Variance as % of YTD Budget	Full Year Budget £000's
	Amount	Current Budget	Variance Under/ (Over)	Amount	Current Budget	Variance Under/ (Over)		
	£000's	£000's	£000's	£000's	£000's	£000's		
<u>General Management</u>								
Allocations & Lettings (J009)								
Employee Related Costs	24	23	(2)	188	205	17	8.3%	273
All Other Controllable Costs	1	7	6	12	58	47	80.1%	78
Total Allocations & Lettings (J009)	26	29	4	199	263	64	24.2%	350
Housing Strategy (J200)								
Employee Related Costs	3	3	0	26	26	(0)	-0.9%	35
All Other Controllable Costs	315	217	(99)	2,044	1,944	(100)	-5.2%	2,592
Controllable Income	1	0	(1)	0	0	0	0.0%	0
Total Housing Strategy (J200)	319	219	(100)	2,070	1,970	(100)	-5.1%	2,627
Management & Administration (E020,L020,J220,J225)								
Employee Related Costs	1	12	11	72	104	32	30.7%	139
All Other Controllable Costs	(2)	9	11	61	86	26	29.8%	131
Controllable Income	0	0	(0)	0	0	0	0.0%	0
Total Management & Administration (E020,L020,J220,J225)	(1)	21	22	133	191	58	30.3%	270
<u>Total General Management</u>	344	270	(74)	2,402	2,423	21	0.9%	3,248
<u>Special Services</u>								
Hostel Management (J012)								
All Other Controllable Costs	121	121	(0)	1,085	1,085	(0)	0.0%	1,447
Controllable Income	(0)	0	0	(2)	0	2	0.0%	0
Total Hostel Management (J012)	120	121	0	1,084	1,085	1	0.1%	1,447
<u>Total Special Services</u>	120	121	0	1,084	1,085	1	0.1%	1,447
<u>Management of Repairs & Maintenance</u>								
Management of Repairs & Maint (J005,L055,J900)								
All Other Controllable Costs	130	130	(0)	1,172	1,172	(0)	0.0%	1,563
Total Management of Repairs & Maint (J005,L055,J900)	130	130	(0)	1,172	1,172	(0)	0.0%	1,563
<u>Total Management of Repairs & Maintenance</u>	130	130	(0)	1,172	1,172	(0)	0.0%	1,563
<u>Repairs & Maintenance</u>								
Repairs & Maintenance (J001,J000,J905)								
All Other Controllable Costs	310	310	(0)	2,791	2,790	(1)	0.0%	3,722
Total Repairs & Maintenance (J001,J000,J905)	310	310	(0)	2,791	2,790	(1)	0.0%	3,722
<u>Total Repairs & Maintenance</u>	310	310	(0)	2,791	2,790	(1)	0.0%	3,722
Grand Total	904	831	(74)	7,450	7,470	20	0.3%	9,980

Housing Revenue Account - Income from Rents and Service Charges - December 2008 - Period 09**Table A**

	Total (potential) rent collectable	Income due	Void loss	Void loss as a percentage of income due
	£000s	£000s	£000s	£000s
Dwelling Rents	12,496	12,170	326	2.61%
Service Charges				
Landlord Warden Charge	82	77	5	6.10%
Central Heating	123	109	14	11.38%
Communal Facilities	44	40	4	9.09%
Hostel	50	41	9	18.00%
Council Tax	13	11	2	15.38%
	12,808	12,448	360	2.81%

Table B

Rent and Service Charge Arrears	2007/08 £000	2008/09 £000
Arrears at the beginning of the year	640	640
Arrears at the end of the period 9	646	753
Amount written off in the year to date	10	5

Dwelling arrears - includes service charges and excludes court costs and private sector leased properties

Table C

	Number	£000
Current Tenants	1,284	396
Former Tenants	646	357
Total	1,930	753

Current Tenant Arrears - Dwellings only**Table D**

Position on	Number	£000
Less than £150	503	26
£150 - £300	289	48
£300 - 450	155	49
£450 - £600	100	45
£600 - 750	55	31
£750 - 900	47	31
£900 - £1,200	64	59
£1,200 - £2,000	58	79
£2,000 +	13	28
Total	1,284	396

Former Tenant Arrears - Dwellings only**Table E**

Position on	Number	£000
Less than £150	202	11
£150 - £300	105	19
£300 - £450	67	23
£450 - £600	41	19
£600 - £750	31	18
£750 - £900	33	25
£900 +	167	242
Total	646	357

LOUGHBOROUGH SPECIAL EXPENSES 2008/09											
Service	Period 9 Actuals 2007/08	Full Year Revised Budget			Year to Date - 9 Months to End of December 2008 (Period 9)			Potential Variance at Outturn			Period 9 monitoring comments
		Total	Capital Charges	Loughborough Special Rate	Period 9 - Profiled Budget	Period 9 - Actuals	Variance	Saving	Overspend	Expected Outturn	
	£	£	£	£	£	£	£	£	£	£	
November Fair E410	- 37,832	4,400	0	4,400	-44,125	-31,594	-12,531	0	0	4,400	No Change to Revised Budget expected at this stage
<u>Parks:</u>											
Loughborough L480 (i)	204,208	625,200	135,900	489,300	329,480	308,562	20,918	0	0	489,300	No Change to Revised Budget expected at this stage
Gorse Covert and Booth Wood L600	1,070	12,500	0	12,500	8,100	4,566	3,534	0	0	12,500	No Change to Revised Budget expected at this stage
<u>Sports Grounds:</u>											
Derby Road L500	44,559	69,200	10,300	58,900	43,310	44,965	-1,655	0	0	58,900	No Change to Revised Budget expected at this stage
Lodge Farm L510	14,609	26,200	0	26,200	16,254	15,856	398	0	0	26,200	No Change to Revised Budget expected at this stage
Nanpantan L530 (ii)	51,762	50,000	200	49,800	24,330	38,436	-14,106	0	0	49,800	No Change to Revised Budget expected at this stage
Park Road L540	8,189	25,000	100	24,900	13,864	11,902	1,962	0	0	24,900	No Change to Revised Budget expected at this stage
Shelthorpe Golf Course L550 (iii)	11,754	37,300	100	37,200	17,201	21,012	-3,811	0	0	37,200	No Change to Revised Budget expected at this stage
Loughborough Cemetery L710 (iv)	34,633	95,300	0	95,300	42,621	42,992	-371	0	0	95,300	No Change to Revised Budget expected at this stage
Allotments - Loughborough L800	17,149	26,900	0	26,900	14,156	16,780	-2,624	0	0	26,900	No Change to Revised Budget expected at this stage
Carillon Tower L930	13,544	32,900	19,900	13,000	17,591	16,168	1,423	0	0	13,000	No Change to Revised Budget expected at this stage
Festive Decorations and Illuminations N310	19,852	84,900	23,700	61,200	18,149	18,798	-649	0	0	61,200	No Change to Revised Budget expected at this stage
Town Centre Management P150 (v)	66,396	66,800	0	66,800	23,618	6,635	16,983	0	0	66,800	No Change to Revised Budget expected at this stage
	449,893	1,156,600	190,200	966,400	524,549	515,078	9,471	-	-	966,400	
								-	-		

TREASURY MANAGEMENT - QUARTERLY REPORT
QUARTER ENDED 31 DECEMBER 2008

Appendix 5

This brief report summarises the position for the results of investments in the quarter shown

The results of internally managed funds are shown at A, and the results of the Fund Manger Investec at B

INTEREST

A

INVESTMENTS/RETURNS

Fixed Term Deposits (Up to 3 Months)	82,017
Overnight	23,608
7 Day Notice	43,024
Total	<u>£148,649</u>

TOP 5 INTERNAL INVESTMENTS IN QUARTER

INVESTMENT DATE	BORROWER	PRINCIPAL INVESTED	% RATE	NUMBER OF DAYS	INTEREST RECEIVED	REPAYMENT DATE
11-Nov-08	Anglo Irish Bank	2,000,000	4.00000	41	£8,986	22-Dec-08
17-Nov-08	Nationwide Building Society	2,000,000	3.46000	49	£9,290	05-Jan-09
15-Sep-08	Anglo Irish Bank	2,000,000	5.53000	31	£9,393	16-Oct-08
14-Oct-08	Bank of Ireland	2,000,000	5.85000	30	£9,616	13-Nov-08
26-Aug-08	EBS Building Society	2,500,000	5.56000	51	£19,422	16-Oct-08

Total Principal Invested at December 31st £18,835,000

B Investec

	£
	INTEREST
October	£113,030
November	£252,337
December	£161,130
Total	<u>£526,497</u>

Total Principal Invested at December 31st inc interest £15,969,241

Total Interest for the Quarter £675,146

Revised Budget - Interest forecast for 2008/09 £1,352,000

OUTLOOK - NEXT QUARTER

The interest rates have continued to fall and with the restricted lending is list in operation the return from internal investments is expected to reduce from the last quarter. The rates that were received above have been, typically, replaced with 1.9% for 3 month deposits and 0.65% for Government security. The return from Investec , however, will continue to be in the range up to 6% for the final quarter of the current financial year, due to their invetsment decisions taken earlier. But the return for the following year will fall dramaitcally to much nearer the market rates. The market is expecting the interest rates to fall further during 2009/10 and remain near 0% for the remainder of that financial year. However, the Revised budget 2008/09 should be achieved.