

Performance Scrutiny Committee ITEM 9

23 February 2010

General Fund & HRA Revenue Monitoring Report to December 2009

Report of the Chief Executive

Summary Position

This report covers Revenue Monitoring to the end of December 2009, and reflects comments received from services on variances etc.

The General Fund has a £2,348k (13.6%) underspend in the year to date which has decreased by £3k since November. Employment costs are now £558k under budget which is an increase of £90k on November. The controllable costs underspend has decreased to £2,446k (18.3% of the year to date budget) at the end of December whilst the income shortfall is now £656k, being 8.2% of the year to date budget and this represents a £91k improvement on the November position.

If one excludes the items shown in Corporate Managed Savings amounting to £1,523k then the differences to budget above are:

Employment Costs -	£187k, 1.6% under budget
Controllable Costs-	£1,214k, 10.0% under budget
Controllable Income-	£577k, 7.3% under budget.

Therefore we still have an income problem but part of this is due to late receipt of the Planning Delivery Grant and the Development Control income shortfall has now reversed, leaving Building Control and Land Charges as the problem areas.

The HRA Management and Repairs costs were under budget by £138k (1.9%).

General Fund – Revenue

The old style report showing directorate costs split by Employment Costs, Controllable Costs and Controllable Income has been dropped in favour of one showing directorate costs split into services. The overview of employment costs etc will continue in the introductory paragraph but the detailed figures will no longer be included. This reflects comments received in the recent Revenue Monitoring consultation and reduces the number of appendices.

Appendix I sets out the results to the end of December by service area and explanations are provided below for Services which have a year to date variance of £50k or more and this is more than 10% of their net budget, plus any over £100k.

Service	Under/ (Over) Spend £'000	Variance As % of Budget %	Comment
Change Management	100	16.9	This relates to current underspends on the introduction of outsourcing. There is expected to be a £18k saving on this for the year, which will go back to the Reinvestment Reserve.
Property	71	17.8	Underspends are across various services and are expected to balance out by the year end.
Community Safety	63	19.1	Allocation of grants received has been agreed and budget will be utilised by the year end.
Building Control	(58)	(79.5)	This is primarily due to an income shortfall on Building Control fees.
Development Control	(205)	(249.2)	£190k relates to Planning Delivery Grant which has yet to be received but has now been agreed at 36% higher than budget, a total increase of £98k across Development. There are budget pressures on Enforcement Costs which are currently £39k overspent but this will be covered by savings elsewhere.
Planning & Transport	247	18.6	Bus charges have only being received until September although they are now looking in line with budget for the year. Rail concessionary costs and voucher reimbursement are lower than budget.
Engineering Services	89	27.3	Savings in various areas in Engineering and Flood Prevention services which should produce a £33k saving for the year.
Green Spaces	146	16.1	Grounds Maintenance underspent by £96k with a saving of £48k on vehicle leasing and fuel expected for the year. Underspend of £43k on Parks Loughborough but expected to spend near to budget by the year end.

The recent performance of Land Charges, Planning Fees and Building Control fees is as follows:

	Shortfall to End of December £'000	Percentage Shortfall to End of December %	Percentage Shortfall to End of November %
Land Charges	30	16	19
Planning Fees	£16k above budget	3% above budget	9
Building Control	79	20	19
Total Shortfall	93	-	-

Land Charges showed a small percentage improvement in December whilst Building Control fees fell back. Planning Fees beat their budget for the year to date and are predicted to achieve budget for the year as some larger applications are expected. Land Charges are expected to shortfall the budget by £35k for the year and Building Control fees by £101k.

HRA (Appendix 2)

The overall underspend on the HRA Management and Repairs is £138k to the end of December, being 1.9% of the year to date budget. £52k of this relates to work on Choice Based Lettings and as the Council's application for matched funding has been successful the majority of this money will be utilised during the remainder of the year as the project develops. £37k is an underspend on Tenant Participation and some of this will be used for a temporary Housing Allocations post to improve the void situation. The remaining underspend of £26k is for Housing Management and covers various areas. However, there are charges still to come through which will absorb most of this.

Appendix 3 shows the position for HRA income. The Void loss percentage again reduced slightly in December to 3.40% from 3.43% and the loss so far amounts to £437k for the year. The full year void budget, for dwellings rents only, is £443k and we have reached £399k after nine months. If this level continues there will be a rent shortfall of £89k for the year which is £37k less than the predicted shortfall at the end of November.

Rent arrears are £38k lower than at the end of November 2009. Current tenant arrears have fallen by £34k and former tenant arrears have decreased by £4k.

Other Issues

- **Payment of Invoices**
The result for December was 98% which increased the year to date figure to 97.2% from 96.8% in November.
- **Managed Vacancy Programme**
The level of savings is on target.
- **Finance and Performance Data**
This section of the report considers other financial performance data, and direct links between significant financial variances and non-financial performance results.

Revenue Services: Performance re the collection of Council Tax was ahead of target for quarter 3, with 85.88% collected against a profiled target of 85%. Business Rates collection was slightly behind target, with 88.64% collected against a profiled target of 88.9%.

Planning Services: Planning fee income has recovered to above budgeted levels in December. However, the earlier reduced workload has had the effect of allowing for an improvement in the turn around times for dealing with planning applications, which are measured by National Indicator 157. Overall at the end of quarter 3, 93.44% of planning applications had been processed within specified timescales, compared to a target of 80%.

Building Control: Building control fee income is lower than budget due to the economic downturn. This has contributed to non-financial performance so that at the half year stage (quarter 3 results were not available at the time of writing this report) 100% of full plans building regulation applications were determined within statutory timeframes compared to a target of 99%, and 65.73% of building sites had been inspected within the previous 90 days compared to a target of 60%.

- **Loughborough Special Report**
An updated report is attached at Appendix 4 and it is expected that the Loughborough Special Expenses will be in line with budget for the full year.
- **Treasury Management Report**
A Treasury Management Report is attached at Appendix 5 and this shows a predicted budget shortfall on Income Receivable of £211k for the year.
- **Attachments**
Appendix 1 – General Fund Summary, by service area, at Period 9
Appendix 2 – HRA Summary at Period 9
Appendix 3 – Housing Income Report at Period 9
Appendix 4 – Loughborough Special Expenses Report
Appendix 5 – Treasury Management Report

Officer to contact: John Casey, 01509 63810, john.casey@charnwood.gov.uk
2 February 2010

Charnwood Borough Council Revenue Monitoring Report as at 31 December 2009 Based on Original Budget		Period			Year-to-Date (YTD)			YTD Variance as % of YTD Budget	Full Year Budget £000's	YTD as % of Full Year Budget
		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										
	Benefits	81	94	13	866	810	(56)	-6.9%	287	301.6%
	Corporate Managed Savings	0	0	0	0	1,523	1,523	100.0%	1,523	0.0%
	Deputy Chief Executive	0	(2)	(2)	23	33	9	28.5%	28	84.5%
	Finance	73	79	7	840	894	53	6.0%	1,322	63.6%
	Human Resources	24	36	13	186	210	24	11.6%	287	64.6%
	Information Services	53	48	(4)	779	813	34	4.2%	1,051	74.1%
	Revenues	91	84	(7)	801	771	(30)	-3.9%	776	103.2%
		321	340	19	3,496	5,054	1,558	30.8%	5,274	66.3%
Programmes & Resources Directorate										
	Change Management	47	42	(5)	493	594	100	16.9%	743	66.4%
	Chief Executive's Team	32	21	(11)	190	190	0	0.3%	249	76.3%
	Democratic Services	34	63	29	578	569	(10)	-1.7%	769	75.2%
		114	126	12	1,261	1,352	91	6.7%	1,761	71.6%
Governance & Procurement Directorate										
	Performance & Audit	18	36	18	527	562	35	6.3%	635	82.9%
	Community Grants	39	11	(29)	266	223	(43)	-19.5%	326	81.7%
	Deputy Monitoring Officer	4	5	2	38	44	6	12.7%	60	63.7%
	Legal Services	32	38	6	224	267	43	16.0%	409	54.8%
	Property	23	(19)	(41)	330	402	71	17.8%	579	57.1%
	Risk Management	8	8	0	67	71	3	4.6%	94	71.5%
		123	79	(44)	1,453	1,567	115	7.3%	2,103	69.1%
Partnerships & Customer Services Directorate										
	Consultation, Comms & Partnerships	20	25	4	155	189	34	17.9%	244	63.8%
	Contact Centre	43	47	3	390	387	(3)	-0.8%	527	74.1%
	Customer Services	39	38	(2)	296	316	21	6.6%	445	66.5%
	Licensing	3	4	1	(44)	(32)	12	-37.9%	(58)	76.0%
	Partnership & Customer Servs Directorate	13	15	2	131	135	4	3.0%	180	72.7%
	Community Safety	32	40	8	267	330	63	19.1%	363	73.7%
		151	168	18	1,195	1,326	131	9.8%	1,700	70.3%
Development Directorate										
	Building Control	24	8	(17)	131	73	(58)	-79.5%	74	176.7%
	Conservation & Design	18	22	4	158	155	(3)	-1.8%	224	70.4%
	Development Control	(46)	12	58	123	(82)	(205)	249.2%	(5)	-2268.8%
	Economic Development	11	9	(1)	77	80	3	3.4%	111	69.8%
	Development Directorate	7	8	0	68	69	1	1.4%	93	72.6%
	Planning & Transport Policy	44	70	26	1,081	1,328	247	18.6%	2,172	49.8%
		59	129	70	1,637	1,622	(15)	-0.9%	2,669	61.3%
Loughborough Regeneration Directorate										
	Loughborough Regeneration	11	15	4	122	170	48	28.2%	215	56.8%
		11	15	4	122	170	48	28.2%	215	56.8%
Leisure & Environment Directorate										
	Environment Services	235	323	88	2,452	2,536	83	3.3%	3,220	76.2%
	Cultural Services	(47)	(42)	5	357	392	35	8.9%	763	46.8%
	Engineering Services	34	37	3	236	325	89	27.3%	437	54.1%
	Green Spaces	109	90	(19)	761	907	146	16.1%	1,142	66.6%
	Leisure & Env Management	23	25	2	187	191	4	2.0%	267	70.2%
	Sports & Recreation Services	115	28	(87)	536	520	(16)	-3.1%	743	72.1%
	Street Management	16	(9)	(25)	42	65	23	35.0%	83	51.2%
		484	451	(33)	4,572	4,935	364	7.4%	6,655	68.7%
Housing & Health Directorate										
	Environmental Health	71	65	(7)	519	562	43	7.6%	765	67.8%
	Housing & Health Directorate	7	7	(0)	67	66	(1)	-1.3%	87	76.3%
	Housing Services	63	62	(1)	558	573	15	2.6%	787	71.0%
		142	134	(8)	1,144	1,201	57	4.7%	1,639	69.8%
	Grand Total	1,404	1,442	38	14,880	17,228	2,348	13.6%	22,014	67.6%

Charnwood Borough Council Revenue Monitoring Report as at December 2009 (Period 09) Based on Original 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	27	2	216	222	6	2.8%	302
All Other Controllable Costs	2	8	6	17	72	55	76.5%	96
Total Allocations & Lettings (J009)	26	35	9	233	294	61	20.9%	398
Housing Strategy (J200)								
Employee Related Costs	3	3	0	27	26	(0)	-0.1%	35
All Other Controllable Costs	210	213	4	1,891	1,934	42	2.2%	2,572
Controllable Income	0	0	0	0	0	(0)	0.0%	0
Total Housing Strategy (J200)	213	216	4	1,918	1,960	42	2.1%	2,607
Management & Administration (E020,L020,J220,J225)								
Employee Related Costs	11	13	2	98	98	0	0.1%	136
All Other Controllable Costs	6	10	5	58	95	37	38.9%	187
Controllable Income	0	0	0	(0)	0	0	0.0%	0
Total Management & Administration (E020,L020,J220,J225)	17	23	6	156	193	37	19.2%	323
<u>Total General Management</u>	256	274	18	2,307	2,447	140	5.7%	3,329
<u>Special Services</u>								
Hostel Management (J012)								
All Other Controllable Costs	117	117	(0)	1,056	1,055	(0)	0.0%	1,408
Total Hostel Management (J012)	117	117	(0)	1,056	1,055	(0)	0.0%	1,408
<u>Total Special Services</u>	117	117	(0)	1,056	1,055	(0)	0.0%	1,408
<u>Management of Repairs & Maintenance</u>								
Management of Repairs & Maint (J005,L055,J900)								
All Other Controllable Costs	127	127	(0)	1,140	1,140	(0)	0.0%	1,520
Total Management of Repairs & Maint (J005,L055,J900)	127	127	(0)	1,140	1,140	(0)	0.0%	1,520
<u>Total Management of Repairs & Maintenance</u>	127	127	(0)	1,140	1,140	(0)	0.0%	1,520
<u>Repairs & Maintenance</u>								
Repairs & Maintenance (J001,J000,J905)								
All Other Controllable Costs	302	302	(0)	2,715	2,714	(1)	0.0%	3,620
Total Repairs & Maintenance (J001,J000,J905)	302	302	(0)	2,715	2,714	(1)	0.0%	3,620
<u>Total Repairs & Maintenance</u>	302	302	(0)	2,715	2,714	(1)	0.0%	3,620
Grand Total	801	820	18	7,217	7,356	138	1.9%	9,876

Housing Revenue Account - Income from Rents and Service Charges
December 2009 - Period 09

Table A - Dwelling Rents and Void Losses

	Actual Income due (Gross)	Actual Void loss	Void loss as a percentage of income due	Original Budget Void Loss % Assumption
	£	£	£	
Dwelling Rents	12,543,722	398,528	3.18%	2.50%
Service Charges				
Landlord Warden Charge	70,662	5,526	7.82%	5.00%
Central Heating	117,559	17,211	14.64%	5.00%
Communal Facilities	42,724	5,413	12.67%	5.00%
Hostel	43,507	7,903	18.16%	5.00%
Council Tax	12,127	1,963	16.19%	5.00%
	12,830,301	436,544	3.40%	

(Gross means Gross of void loss)

Table B

Rent and Service Charge Arrears	2008/09 Period 9 £000	2009/10 Period 9 £000
Arrears at the beginning of the year	640	774
Arrears at the end of the period	753	755
Amount written off in the year to date	5	34

Table C - Current Tenant Arrears - Dwellings only

Position on	Number	£000
Less than £150	692	25
£150 - £300	287	50
£300 - 450	157	49
£450 - £600	82	35
£600 - 750	72	39
£750 - 900	42	29
£900 - £1,200	56	44
£1,200 - £2,000	40	57
£2,000 +	14	31
Total	1,442	359

Table D - Former Tenant Arrears - Dwellings only

Position on	Number	£000
Less than £150	222	11
£150 - £300	111	21
£300 - £450	81	27
£450 - £600	44	21
£600 - £750	45	27
£750 - £900	27	20
£900 +	180	269
Total	710	396

LOUGHBOROUGH SPECIAL EXPENSES 2009/10											
Service	P9 Actuals 2008/09	Full Year Original Budget 2009/10			Period 9 Figures 2009/10			Potential Variance at Outturn 2009/10			Period 9 monitoring comments
		Total Original Budget	Capital Charges	Loughborough Special Rate Per Budget Book	P9 Profiled Budget	P9 Actuals	Difference	Saving	Overspend	Expected Outturn	
		£	£	£	£	£	£	£	£	£	
November Fair	- 31,594	9,300	0	9,300	-45,275	-34,070	-11,205			9,300	No Change to Budget expected at this stage
<u>Parks:</u>											
Loughborough	308,562	684,800	126,300	558,500	378,434	340,664	37,770			558,500	No Change to Budget expected at this stage
Gorse Covert and Booth Wood	4,566	8,900	0	8,900	3,325	452	2,873			8,900	No Change to Budget expected at this stage
<u>Sports Grounds:</u>											
Derby Road	44,965	72,600	10,200	62,400	44,566	55,266	-10,700			62,400	No Change to Budget expected at this stage
Lodge Farm	15,856	28,000	0	28,000	15,907	16,690	-783			28,000	No Change to Budget expected at this stage
Nanpantan	38,436	52,500	200	52,300	24,645	39,445	-14,800			52,300	No Change to Budget expected at this stage
Park Road	11,902	25,700	100	25,600	13,944	11,103	2,841			25,600	No Change to Budget expected at this stage
Shelthorpe Golf Course	21,012	35,100	-600	35,700	14,805	21,681	-6,876			35,700	No Change to Budget expected at this stage
Loughborough Cemetery	42,992	129,400	0	129,400	42,395	42,416	-21			129,400	No Change to Budget expected at this stage
Allotments - Loughborough	16,780	35,600	0	35,600	15,133	19,462	-4,329			35,600	No Change to Budget expected at this stage
Carillon Tower	16,168	36,200	21,400	14,800	19,943	10,797	9,146			14,800	No Change to Budget expected at this stage
Festive Decorations and Illuminations	18,798	87,700	23,600	64,100	18,425	37,399	-18,974			64,100	No Change to Budget expected at this stage
Town Centre Management	6,635	155,900	-800	156,700	41,594	33,274	8,320			156,700	No Change to Budget expected at this stage
	515,078	1,361,700	180,400	1,181,300	587,841	594,579	-6,738	-	-	1,181,300	

TREASURY MANAGEMENT - QUARTERLY REPORT
QUARTER ENDED 31 DECEMBER 2009

Appendix 5

This 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 Manager, Investec, at B

INTEREST

A	Quarter	Year to Date
INVESTMENTS/RETURNS	£	£
Fixed Term Deposits (Up to 3 Months)	474	10,482
Overnight	12,420	30,425
7 Day Notice	0	9,081
Total	£12,894	£49,988

TOP 5 INTERNAL INVESTMENTS IN QUARTER

INVESTMENT DATE	BORROWER	PRINCIPAL INVESTED	% RATE	NUMBER OF DAYS	INTEREST RECEIVED	REPAYMENT DATE
15/12/2009	Debt Management Office	2,000,000	0.25000	21	£288	05/01/2010
21/12/2009	Debt Management Office	800,000	0.25000	16	£88	06/01/2010
14/12/2009	Debt Management Office	2,000,000	0.25000	7	£96	21/12/2009
14/10/2009	Debt Management Office	2,800,000	0.25000	2	£38	16/10/2009
15/10/2009	Debt Management Office	3,600,000	0.25000	1	£25	16/10/2009

Total Principal Invested at 31 December 2009 £11,250,000

B Investec
2009

	INTEREST
	£
April to June	80,527
July to September	45,197
October to December	40,875
January to March	0
Total	£166,599

Total Principal Invested at 31 December 2009, including interest £16,342,218

	<u>Actual</u>	<u>Budget</u>
Total Interest for the 9 months	£216,587	£360,750
Interest forecast for 2009/10	£270,000	£481,000

OUTLOOK FOR FOURTH QUARTER OF 2009/10

Interest rates remain at 0.5% and are not predicted to rise until the third quarter of 2010, ie late summer/early Autumn 2010. The lending list is still very restricted and we are investigating the use of AAA rated money market funds to improve liquidity and returns whilst maintaining risk at an appropriate level. This is in accordance with the Treasury Strategy approved by councillors.