

**ROBERTO TAMBINI
CHIEF EXECUTIVE**

Please reply to:

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Our ref: LP/OSCTTEE
Date: 7 November 2011

NOTICE OF MEETING

OVERVIEW AND SCRUTINY COMMITTEE

DATE: TUESDAY 15 NOVEMBER 2011

TIME: 8.50PM (*or at the conclusion of the Crime and Disorder Committee Meeting*)

PLACE: COUNCIL CHAMBER, COUNCIL OFFICES, KNOWLE GREEN, STAINES

TO: ALL MEMBERS OF THE OVERVIEW AND SCRUTINY COMMITTEE

Ms P.A. Broom (Chairman)
Mrs M.W. Rough (Vice-Chairman)
A. Ayub
Mrs C.A. Bannister
I.J. Beardsmore

Ms M. Bushnell
R.D. Dunn
M.P.C. Francis
D. Gohil
Mrs I. Napper

Mrs C.E. Nichols
Miss D. Patel
A.C. Patterson
Ms J.R. Sexton
Ms S. Webb

EMERGENCY PROCEDURE

In the event of an emergency the building must be evacuated. All Members and Officers should assemble on the green adjacent to Broome Lodge. Members of the public present should accompany the Officers to this point and remain there until the Senior Officer present has accounted for all persons known to be on the premises.

THE LIFT MUST NOT BE USED

If you would like a copy of this agenda or the attached reports in a larger print please contact Liz Phillis (01784) 446276 or Email l.phillis@spelthorne.gov.uk

Timing		Agenda item	Lead
8.50pm	1.	Apologies To receive any apologies for non attendance.	Chairman
	2.	Disclosure of Interests To receive any disclosure of interests from members in accordance with the Overview and Scrutiny Procedure Rules.	Chairman
	3.	Minutes Page Nos. 3 – 6 To confirm the minutes of the meeting held on 13 September 2011 (copy attached)	Chairman
<i>If any member of the committee has any issues arising from the minutes of the meeting held on 13 September 2011 that they wish to raise at the meeting please inform Brian Harris Assistant Chief Executive 24 hours in advance of the meeting</i>			
	4.	Matters arising from the Minutes	Chairman
	5.	Call in of Cabinet decisions No decisions have been called in for review.	Chairman
8.55pm	6.	Revenue Monitoring and Projected Outturns - September 2011 Page Nos 7 - 27 To consider the attached report of the Chief Finance Officer	Adrian Flynn, Senior Accountant
9.25pm	7.	2011 Capital Monitoring Report Page Nos 28 - 34 To consider the attached report of the Chief Finance Officer	Adrian Flynn Senior Accountant
9.50pm	8.	Treasury Management Half Yearly Report 2011/2012 Page Nos 35 - 43 To consider the attached report from the Chief Finance Officer	Terry Collier Chief Finance Officer
10.05pm	9.	Economic Situation To receive a presentation from the Chief Finance Officer on the impact of the economic uncertainty in Spelthorne	Terry Collier Chief Finance Officer
10.25pm	10.	Any Other Business If any member wishes to raise an issue at the meeting could you please notify Brian Harris, Assistant Chief Executive on 01784 446249 or email b.harris@spelthorne.gov.uk 24 hours prior to the meeting otherwise the request may not be accepted	Brian Harris Assistant Chief Executive

MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE
13 SEPTEMBER 2011

Present:

Councillor Philippa Broom (Chairman)
Councillor Mrs Marian Rough (Vice-Chairman)

Councillors:

A. Ayub	R.D. Dunn	D. Gohil
Mrs C.A. Bannister	M.P.C. Francis	Ms J.R. Sexton

I.J. Beardsmore

Apologies: Councillors Ms M. Bushnell, Mrs I. Napper, Mrs C.A. Nichols, A.P. Patterson and Ms S. Webb

In Attendance

The following Cabinet Members were in attendance and at the invitation of the Chairman took part in the discussion of those items relevant to their Portfolio.

Councillor Mrs V.J. Leighton – Leader of the Council and Cabinet Member for Strategy and Staff
Councillor R.A. Smith-Ainsley – Deputy Leader and Cabinet Member for Planning and Housing
Councillor Penny Forbes-Forsyth – Cabinet Member for Parks and Leisure
Councillor R.L. Watts – Cabinet Member for the Environment

226/11 DISCLOSURES OF INTERESTS

No disclosures of interests reported.

227/11 MINUTES

The minutes of the meeting held on 14 June 2011 were approved as a correct record.

228/11 MATTERS ARISING FROM THE MINUTES

(1) Ashford and St Peter's Hospitals Seminar

The Chairman reported on the outcome of the Ashford and St Peter's Hospital Trust seminar. The seminar had been well attended with some senior delegates attending from the Trust to discuss future plans. The three main areas covered were (1) car parking on the two sites but especially St Peter's, (2) tendering the catering contract on a commercial basis and (3) the issues of the potential merger with Epsom Hospital.

RESOLVED to note the outcome of the seminar and agreed that the situation be monitored with a further seminar/meeting being arranged for the future, if required.

(2) Election Task Group

The Chairman reported that the work of the task group was progressing, although it had yet to meet formally. Councillor Davis would be arranging to meet with the other members of the task group which in addition to Councillors Beardsmore and Mrs Napper would include Councillor Mrs Rough.

RESOLVED to note the current position with regard to the work of the Task Group.

229/11 CALL IN OF CABINET DECISIONS

No decisions had been called in.

230/11 OUTCOME OF RECOMMENDATION TO THE CABINET

The Committee noted that the recommendation on the implementation of the policies on waste collection and how these would be enforced had been approved by the Cabinet.

231/11 HOUSING RISKS AND MITIGATION

The joint Heads of Housing and Independent Living gave a presentation that addressed the Council's statutory housing obligations, the homeless criteria, involvement of other agencies and stakeholders as well as relevant statistical data for the borough. A copy of the presentation is attached.

In support of the presentation the Officers had produced a briefing paper covering the numerous issues and key risks areas the council's housing service faced. The paper outlined the short, medium and long term measures both implemented and proposed to alleviate the pressures.

It was identified that the Borough was experiencing a growth in homelessness due to the economic climate and the changes in housing and benefit legislation. The Department of Work and Pensions had made alterations to the way Housing Benefit were paid for households placed in bed and breakfast accommodation. It was noted that there were times when the only option available was to place householders in bed and breakfast accommodation. It was acknowledged that this was not a satisfactory course of action particularly with householders with young children.

The Committee discussed the recent merger of Spelthorne CAB with Runnymede and noted that to date the organisation was not offering debt advice and assistance to Spelthorne residents in housing need. To rectify this situation the Council's housing team were currently undertaking some of this work. It was noted that meetings were arranged including with Councillor Gething the Cabinet member responsible for Communication and would continue with the new CAB manager appointed to cover both Spelthorne and Runnymede to ensure that a service level agreement was in place and to discuss the funding aspect. The Chairman asked that the officers keep her up to date with progress being made.

The Committee noted the investigations into initiatives and opportunities to increase and improve the supply of private rented sector accommodation being undertaken. It was noted that one possible solution could be where

OVERVIEW AND SCRUTINY COMMITTEE, 13 SEPTEMBER 2011-
Continued

landlords were given financial assistance to improve their property on the basis that the property was then available to the council.

The joint Heads of Housing and Independent Living indicated their willingness to report progress being made on the housing services at a future meeting of the committee.

RESOLVED that:

- (1) The presentation be received;
- (2) The Housing and Independent Living Team be thanked for their continued commitment to the services provided to the residents and the way they tackle the challenges they face; and
- (3) A progress report be submitted to a future meeting of the committee.

232/11 REVENUE BUDGET OUTTURN POSITION 2010-2011

The Committee discussed with Adrian Flynn, Senior Accountant, the report covering the current spend and income figures for the period April to July 2011, which revealed that £4.619m had been spent against the year to date budget of £4.527m and the full year budget of £12.663m.

RESOLVED that the report of the Chief Finance Officer outlining the current revenue spend position for the period April to July 2011 be noted.

233/11 CAPITAL BUDGET OUTTURN POSITION 2010-2011

The Committee discussed with Adrian Flynn, Senior Accountant the report covering the current spend figures for the period April to July 2011 on the capital programme. The committee noted that £544k had been spent to date against the original budget of £1,526k and against a revised budget of £2,037k.

The officers agreed to obtain further information on the Disabled Facilities Grant which in the first quarter of the financial year had spent 55% of the budget.

RESOLVED that the report of the Chief Finance Officer outlining the Capital monitoring position for the period April to July 2011 be noted.

234/11 WORKFORCE MONITORING 2011

The Committee noted that the report from the Head of Human Resources on the diversity of the workforce and recruitment monitoring for the year 2010/11 had been included on the agenda for information only.

The report provided information on the diversity across age, gender, disability and ethnicity of the Council's workforce, recruitment monitoring for the year and on trends and actions taken.

The Chairman reminded the Committee that members had the opportunity to submit specific questions direct to the Lead Officer for scrutiny if they wished.

RESOLVED that the report from the Head of Human Resources on the monitoring data and workforce statistics for the year 2010/11 be received and the action taken noted.

235/11 FOOD WASTE COLLECTION SERVICE

The Lead member of the Task Group, Councillor Asif Ayub, reported verbally on the progress being made by the Task Group which covered the main objectives agreed and the work undertaken to date.

RESOLVED that:

- (1) The progress report on the work of the Task Group be noted; and
- (2) A further report be submitted to a future meeting of the Committee

236/11 PARKS AND OPEN SPACES TASK GROUP

The Chairman reported verbally on the work being progressed by the Task Group covering the terms of reference, what the task group wished to look at and the work undertaken to date. The Committee noted that part of the work of the task group included play facilities for disabled children.

RESOLVED that:

- (1) The progress report on the work of the Task Group be noted; and
- (2) A further report be submitted to a future meeting of the Committee.

237/11 CABINET FORWARD PLAN

The Committee received the Cabinet Forward Plan

238/11 WORK PROGRAMME 2011/2012

The Committee received the current work programme together with the list of topics identified by the committee members at the last meeting which had been updated to show the action taken to date. It was noted that a report on the work of the Leader's Task Group looking into the ICT contract would be submitted to a future meeting of this committee.

RESOLVED that:

- (1) the work programme be agreed; and
- (2) The Chairman together with the Lead Officers for scrutiny be authorised to progress arrangements.

239/11 ANY OTHER BUSINESS

The following additional matters were reported:

(1) Cabinet Members

The Chairman expressed her thanks and appreciation to the Cabinet members who had attended the meeting and taken part in the debate of those items relevant to their portfolio.

(2) Councillor Gohil – future issues

In accordance with the procedures for notifying the Chairman and Scrutiny Officers 24 hour prior to a committee meeting of any other additional items for consideration. It was noted that Councillor Gohil would be emailing the Chairman to give notice of his request.

**Revenue Monitoring and Projected Outturns
as at September 2011 – KEY DECISION**

Overview and Scrutiny 15 November 2011

Resolution required

Report of the Chief Finance Officer

REPORT SUMMARY

How does the content of this report improve the quality of life of Borough Residents

This report shows the Authority's revenue spend figures and how resources were spent on providing services for residents for the 6 month period, April to September 2011.

Purpose of Report

To provide Members with the revenue spend figures to September 2011

To show the forecasted year end position identifying major anticipated variances.

Key Issues

- The forecast outturn is £12.620m against the revised budget of £12.367m an over spend of £253k (2.0%). **After taking account of the impact of one-redundancy costs relating to restructuring the underlying projected variance is currently £142k (1%)**
- **The main area of significant adverse variance relates to Asset Management where a) budget for partnership costs with Runnymede had been omitted and b) there is currently a projected overspend on responsive/planned maintenance, officers are currently in discussions with Runnymede in order to reduce spend in remainder of year to bring this spend back toward budget.**

Financial Implications

As set out within the report and appendices

Corporate Priority: Sustainable financial future

Officer Recommendations

Overview and Scrutiny Committee are asked to note the report

Report Author: Terry Collier Assistant Chief Executive 01784 446296

Area of Responsibility: Chief Finance Officer 01784 446296

Cabinet member: Councillor Tim Evans

MAIN REPORT

1. BACKGROUND

- 1.1 The purpose of this report is to update Members on the revenue spend and forecast outturn position as at the 30 September 2011.
- 1.2 To inform Members of the reasons for the variances identified against the budget agreed in February 2011.
- 1.3 In the budgets agreed for Heads of Service, it is always anticipated that there will be budget variances from the original budget. This ensures that the Authority meets any change in the needs of the service to adapt to any unexpected changes which happen in the period.

2. KEY ISSUES

- 2.1 In **Appendix A** the actual spend to date is £5.474m against the full year revised budget of £12.367m (44%).
- 2.2 The forecast over spend at net expenditure level is £253k (2.0%) of the revised budget. **After taking account of the impact of one-redundancy costs relating to restructuring the underlying projected variance is currently £142k (1%)**
- 2.3
- 2.4 In **Appendices B1 to B9** the major areas causing the year to date budget to be higher or lower than the Actual spend to date are detailed.
- 2.5 Budgets are profiled where there is a normal expected payment date e.g. National Non-Domestic Rates (NNDR) payments are profiled to be paid in May, salaries in 12^{ths}, grants on the month they were received previously, contracts on the payment frequency agreed, rentals on a quarterly basis etc. This still means however that the majority of expenditure, profiled in 12ths to be spent, is reliant upon Service Heads ordering goods and services on a regular basis. In reality the major proportion of spend is generally made in the second half of the year. There will always be some timing differences, which do not reflect underlying budget variances.
- 2.6 The major area of spend relates to Housing Benefit payments which are made 4 weekly at varying levels from £1.7m max to £20k minimum. However the grant income received comes in monthly based on estimates agreed at the start of the year. An interim adjustment payment is paid or repaid after the mid year claim is submitted. Timing differences in excess of £1.5m in one month could occur if 2 large benefit payment runs occur within the same month. Currently there is a variance of £690k between income received and expenditure paid out
- 2.7 **Appendices B1 to B9** gives a summarised breakdown of the revenue spend by portfolio Area, firstly in overall terms and then breaking each portfolio down by cost centres
- 2.8 Officer comments on more significant expenditure/income variances are to be found in **Appendix C**. These variances have been analysed between variances caused in the main by timing differences and variances, where there is an underlying reason.
- 2.9 Investment income to date is £193k, with a projected full years income forecast of £356k. **However, this could change if the investment management strategy changes as it anticipated.**

3. PROPOSALS

- 3.1 Overview and Scrutiny are asked to note the current revenue spend and forecast outturn position.

4. BENEFITS AND SUSTAINABILITY

- 4.1 Careful monitoring of the budgets enables greater transparency of budget problems and action to be taken, when required, on areas identified as areas of concern
- 4.2 A systematic approach to budget monitoring will hopefully alleviate problems of major discrepancies not being highlighted until year end.
- 4.3 Constant monitoring of the budgets enables Heads of Service to be held more accountable for their budgetary spend and any major unidentified variations which occur.

5. FINANCIAL IMPLICATIONS

- 5.1 As set out within the report and appendices.

6. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 6.1 There are none

7. RISKS AND HOW THEY WILL BE MITIGATED

- 7.1 A projected balanced outturn depends on Management Team (MAT), Heads of Service and all Budget Managers, managing their budgets within the parameters that were originally agreed and achieving, where necessary, corresponding growth and savings within those budgets. Careful monitoring of the budgets on a monthly basis ensures that any problems or anomalies are identified and investigated at an early stage.
- 7.2 Any necessary corrective action on major budget variations, which cannot be remedied within the Service, are reported to MAT immediately in order to ensure that as much time and opportunity is had to enable the position to be rectified quickly within the current financial year.

8. TIMETABLE FOR IMPLEMENTATION

- 8.1 Bi-monthly reports are produced for Management Team.

Report Authors: David Lawrence Chief Accountant 01784 446471 and Adrian Flynn Senior Accountant 01784 444268

Background Papers: There are none

**Results to
30-Sep-11**

	Budget			Actual	Commitments	Total Actuals	Forecast Outturn	Variance to Revised	10/11 Original Budget	10/11 Actual		Comments
	Original	Revised	YTD							Outturn	YTD	
	£	£	£							£	£	
Employees	0	0	0	0	0	0			0	0	0	
Other Expenditure	469,500	469,500	282,150	326,130	0	326,130			497,600	481,773	308,250	
Income	0	0	0	(11,392)	0	(11,392)			0	0	0	
General Grants	469,500	469,500	282,150	314,738	0	314,738	0	0	497,600	481,773	308,250	
Employees	169,100	169,100	86,400	79,566	0	79,566			162,900	166,265	83,666	
Other Expenditure	107,600	107,600	53,700	15,648	1,132	16,780			147,600	142,723	13,968	
Income	0	0	0	(14,938)	0	(14,938)			0	0	0	
Communications	276,700	276,700	140,100	80,276	1,132	81,408	0	0	310,500	208,988	97,634	
Employees	199,900	199,900	99,650	122,226	(0)	122,226			236,700	255,680	122,013	
Other Expenditure	169,100	169,100	114,775	123,777	(0)	123,777			172,200	206,775	104,539	
Income	(44,400)	(44,400)	(22,300)	(47,657)	0	(47,657)			(102,300)	(132,009)	(46,289)	
Community Safety	324,600	324,600	192,125	198,346	(0)	198,346	0	0	306,000	330,446	180,272	
Employees	109,000	109,000	47,550	54,935	0	54,935			109,000	108,906	50,068	
Other Expenditure	138,500	138,500	37,665	37,454	0	37,454			43,900	51,994	11,031	
Income	(1,000)	(1,000)	(500)	(288)	0	(288)			(1,000)	(12,574)	(337)	
Electoral Services	246,500	246,500	84,715	92,101	0	92,101	0	0	151,900	148,326	60,762	
Employees	0	0	0	0	0	0			0	0	0	
Other Expenditure	21,505	21,505	3,615	2,594	0	2,594			32,200	22,397	6,543	
Income	0	0	0	0	0	0			0	0	0	
People & Partnerships	21,505	21,505	3,615	2,594	0	2,594	0	0	32,200	22,397	6,543	
Employees	265,200	265,200	132,300	136,354	0	136,354			254,400	264,817	125,133	
Other Expenditure	16,904	16,904	5,125	6,534	20,095	26,630			11,600	11,106	4,253	
Income	(42,200)	(42,200)	(21,100)	(24,652)	0	(24,652)			0	(17,657)	(40)	
Human Resources	239,904	239,904	116,325	118,236	20,095	138,331	0	0	266,000	258,266	129,345	
Employees	90,900	90,900	44,700	2,752	0	2,752			159,700	174,986	77,995	
Other Expenditure	16,400	16,400	7,600	359	(0)	359			16,700	3,927	2,721	
Income	0	0	0	0	0	0			0	(500)	0	
Policy & Business Review	107,300	107,300	52,300	3,111	(0)	3,111	0	0	176,400	178,413	80,716	
Employees	714,700	714,700	352,300	369,894	7,150	377,045			665,100	790,897	395,321	
Other Expenditure	1,264,200	1,264,200	825,057	909,625	203,463	1,113,089			1,322,100	1,192,915	705,695	
Income	(2,729,096)	(2,729,096)	(1,247,798)	(1,193,366)	0	(1,193,366)			(2,628,200)	(2,715,927)	(1,259,000)	
Sustainability	(750,196)	(750,196)	(70,441)	86,154	210,614	296,767	0	0	(641,000)	(732,116)	(157,985)	
Employees	508,400	508,400	255,000	207,015	0	207,015			510,300	534,303	258,898	
Other Expenditure	496,106	496,106	358,638	383,968	126,834	510,802			594,300	616,684	365,359	
Income	(265,100)	(265,100)	(212,100)	(189,395)	0	(189,395)			(200,500)	(240,134)	(188,606)	
Customer Service	739,406	739,406	401,538	401,588	126,834	528,422	0	0	904,100	910,853	435,650	
Employees	49,000	49,000	24,250	22,269	1,642	23,910			35,700	46,060	21,383	
Other Expenditure	249,800	249,800	120,500	144,887	4,313	149,199			257,800	261,549	133,685	
Income	0	0	0	(168)	0	(168)			0	(11,580)	(9,423)	
Democratic Rep & Management	298,800	298,800	144,750	166,988	5,954	172,942	0	0	293,500	296,029	145,645	
Employees	2,235,200	2,235,200	1,135,100	1,047,900	1,121	1,049,021			2,376,100	2,230,327	1,080,161	
Other Expenditure	3,265,696	3,265,696	1,530,748	1,354,812	283,577	1,638,389			3,258,500	3,221,443	1,340,567	
Income	(1,772,100)	(1,772,100)	(1,064,814)	(1,005,418)	190	(1,005,228)			(1,654,000)	(1,856,775)	(918,287)	
Street Scene	3,728,796	3,728,796	1,601,034	1,397,294	284,888	1,682,182	0	0	3,980,600	3,594,994	1,502,441	
Employees	543,000	543,000	272,200	267,586	0	267,586			559,100	550,303	275,394	
Other Expenditure	40,401	40,401	13,815	10,418	6,946	17,364			47,300	114,674	35,714	
Income	(131,200)	(131,200)	(65,600)	(107,848)	0	(107,848)			(121,200)	(250,675)	(123,269)	
Corporate Governance	452,201	452,201	220,415	170,155	6,946	177,101	0	0	485,200	414,302	187,838	
Employees	813,900	813,900	409,000	403,179	0	403,179			857,200	871,601	420,157	
Other Expenditure	171,200	171,200	85,900	121,409	45,612	167,021			134,000	179,296	71,200	
Income	(344,800)	(344,800)	(173,000)	(125,227)	0	(125,227)			(539,500)	(391,487)	(179,345)	
Planning/Housing	640,300	640,300	321,900	399,361	45,612	444,974	0	0	451,700	659,410	312,012	
Employees	164,400	164,400	81,750	79,396	0	79,396			178,800	160,385	77,762	
Other Expenditure	20,700	20,700	11,234	5,096	0	5,096			5,900	17,966	5,065	
Income	(41,200)	(41,200)	(20,800)	(16,352)	0	(16,352)			(64,200)	(35,102)	(15,310)	
Audit Services	143,900	143,900	72,384	68,140	0	68,140	0	0	120,500	143,248	67,517	
Employees	93,600	93,600	46,800	94,959	0	94,959			217,600	305,528	109,072	

Detailed Totals	12,662,900	12,912,400	6,454,708	5,474,273	1,373,478	6,846,274	12,054,300	(292,300)	13,851,000	4,890,598	4,835,559
Summary Totals											
Detailed Diff	43	(249,457)	0	(21,795)	6	(20,312)			0	(1,344)	0
Summary Diff	12,662,900	12,912,400	6,454,708	5,474,273	1,373,478	6,846,274	12,620,100	(292,300)	13,851,000	4,890,598	4,835,559
	43	- 249,457	- -	21,795	6	- 20,312			- -	1,344	-
							- 565,800	-			

	11/12	11/12		11/12	11/12	11/12	11/12			10/11	10/11
	Year to Date			Commitments	Projected Full Year			Financial Effect		Budget	Actuals
	Revised Budget	Actual	Variance		Rev Budget	Outturn	Variance	Favourable	Adverse		YTD
	£	£	£	£	£	£	£			£	£
Economic Development	258,265	301,077	42,812	25,690	222,900	223,600	700		Adverse	148,600	172,908
Planning and Housing	1,158,754	522,728	(636,026)	123,508	2,123,300	2,080,800	(42,500)	Favourable		2,093,000	(143,194)
Older People and Health Liaison	585,848	498,021	(87,827)	63,382	1,241,300	1,147,200	(94,100)	Favourable		1,626,700	365,575
Environment	1,262,417	1,233,598	(28,819)	142,739	3,059,200	2,734,900	(324,300)	Favourable		3,296,100	1,256,463
Parks and Leisure	584,254	410,627	(173,627)	236,978	1,461,000	1,472,500	11,500		Adverse	1,488,200	464,667
Communications	495,275	424,791	(70,484)	2,916	948,700	801,200	(147,500)	Favourable		1,027,400	510,672
Community Safety and Assets	454,836	582,814	127,978	478,511	900,700	1,323,700	423,000		Adverse	1,041,200	558,664
Finance	1,655,060	1,500,619	(154,441)	299,753	2,955,300	2,836,200	(119,100)	Favourable		3,129,800	1,649,803
NET EXPENDITURE AT SERVICE LEVEL	6,454,708	5,474,273	(980,435)	1,373,478	12,912,400	12,620,100	(292,300)	Favourable		13,851,000	4,835,559
Salary expenditure - vacancy monitoring					(300,000)	0	300,000			(300,000)	
Restructuring Savings					(165,000)	0	165,000				
Partnership Savings					(30,000)	0	30,000				
Less Support not charged to revenue					(50,000)	0	50,000			(50,000)	
NET EXPENDITURE	6,454,708	5,474,273	(980,435)	1,373,478	12,367,400	12,620,100	252,700		Adverse	13,501,000	4,835,559
Interest earnings	(192,900)	(192,905)	(5)		(356,000)	(356,000)	0			(415,000)	
Reserves - New Schemes Fund / HIF					(50,000)	(50,000)	0			(250,000)	
Area Based Grant					(22,500)	(22,500)	0			(22,500)	
Appropriation from Reserves:											
Interest Equalisation reserve					(150,762)	(150,762)	0			(293,122)	
Air track					(75,000)	0	75,000			(60,000)	
LPSA reward grant : general budget					0	0	0			(80,000)	
Business Improvement Reserve					0	(186,000)	(186,000)				
BUDGET REQUIREMENT	6,261,808	5,281,368	(980,440)	1,373,478	11,713,138	11,854,838	141,700		Adverse	12,380,378	
National non domestic rates					(3,282,804)	(3,282,804)	0			(4,958,868)	
Revenue Support grant					(1,014,724)	(1,014,724)	0			(720,074)	
New Homes Bonus					(230,000)	(230,000)	0				
Council Tax freeze grant					(170,000)	(170,000)	0				
NET BUDGET REQUIREMENT	6,261,808	5,281,368	(980,440)	1,373,478	7,015,610	7,157,310	141,700		Adverse	6,701,436	
Collection Fund Surplus/(deficit)					7,700	7,700	0			55,510	
Underlying deficit to be funded from reserve if additional savings not found						(141,700)	(141,700)				
CHARGE TO COLLECTION FUND	6,261,808	5,281,368	(980,440)	1,373,478	7,023,310	7,023,310	0			6,756,946	

REVENUE MONITORING 2011/12									
EXPENDITURE SUMMARY 30 SEPTEMBER 2011									
Results to 30-Sep-11	Budget			Actual	Commitments	Forecast Outturn	Variance to Revised	10/11 Budget	10/11 Actual YTD
	Original	Revised	YTD						
	£	£	£	£	£	£	£	£	£
Economic Development									
Employees	406,300	406,300	195,400	189,432	1,642	393,100	(13,200)	396,800	204,461
Other Expenditure	575,600	575,600	291,865	357,835	24,048	621,200	45,600	508,800	229,430
Income	(759,000)	(759,000)	(229,000)	(246,189)	0	(790,700)	(31,700)	(757,000)	(260,984)
	222,900	222,900	258,265	301,077	25,690	223,600	700	148,600	172,908
Planning and Housing									
Employees	2,095,100	2,095,100	1,058,900	1,024,021	0	2,104,700	9,600	2,149,900	1,049,039
Other Expenditure	35,579,100	35,579,100	17,904,954	17,207,593	123,508	35,517,800	(61,300)	34,997,100	16,188,941
Income	(35,550,900)	(35,550,900)	(17,805,100)	(17,708,886)	0	(35,541,700)	9,200	(35,054,000)	(17,381,174)
	2,123,300	2,123,300	1,158,754	522,728	123,508	2,080,800	(42,500)	2,093,000	(143,194)
Older People and Health Liaison									
Employees	1,456,400	1,456,400	728,350	692,963	9,575	1,388,900	(67,500)	1,435,800	713,456
Other Expenditure	532,200	612,700	279,298	234,543	53,609	580,100	(32,600)	1,100,600	189,438
Income	(827,800)	(827,800)	(421,800)	(429,486)	199	(821,800)	6,000	(909,700)	(537,318)
	1,160,800	1,241,300	585,848	498,021	63,382	1,147,200	(94,100)	1,626,700	365,575
Environment									
Employees	2,610,300	2,610,300	1,327,000	1,248,037	1,121	2,536,600	(73,700)	2,697,500	1,277,646
Other Expenditure	1,769,200	1,785,200	757,617	755,523	141,429	1,657,600	(127,600)	1,825,000	705,868
Income	(1,336,300)	(1,336,300)	(822,200)	(769,963)	190	(1,459,300)	(123,000)	(1,226,400)	(727,051)
	3,043,200	3,059,200	1,262,417	1,233,598	142,739	2,734,900	(324,300)	3,296,100	1,256,463
Parks and Leisure									
Employees	367,600	367,600	185,050	184,108	0	362,400	(5,200)	413,100	185,976
Other Expenditure	2,094,900	2,107,900	1,039,318	826,126	236,978	2,099,100	(8,800)	2,092,300	624,042
Income	(1,014,500)	(1,014,500)	(640,114)	(599,607)	0	(989,000)	25,500	(1,017,200)	(345,350)
	1,448,000	1,461,000	584,254	410,627	236,978	1,472,500	11,500	1,488,200	464,667
Communications									
Employees	372,500	372,500	187,600	139,188	(0)	278,500	(94,000)	431,900	217,818
Other Expenditure	602,200	652,200	345,675	344,654	1,814	635,000	(17,200)	671,500	328,128
Income	(76,000)	(76,000)	(38,000)	(59,051)	1,103	(112,300)	(36,300)	(76,000)	(35,273)
	898,700	948,700	495,275	424,791	2,916	801,200	(147,500)	1,027,400	510,672
Community Safety and Assets									
Employees	280,600	280,600	139,750	209,381	0	368,500	87,900	448,500	223,873
Other Expenditure	963,000	1,053,000	604,586	695,276	478,511	1,394,400	341,400	1,014,200	624,526
Income	(432,900)	(432,900)	(289,500)	(321,843)	0	(439,200)	(6,300)	(421,500)	(289,735)
	810,700	900,700	454,836	582,814	478,511	1,323,700	423,000	1,041,200	558,664
Finance									
Employees	3,822,900	3,822,900	1,925,516	1,732,494	10,482	3,769,500	(53,400)	3,790,100	1,937,652
Other Expenditure	1,599,800	1,599,800	789,942	880,663	289,271	1,522,700	(77,100)	1,746,700	797,435
Income	(2,467,400)	(2,467,400)	(1,060,398)	(1,112,538)	0	(2,456,000)	11,400	(2,407,000)	(1,085,283)
	2,955,300	2,955,300	1,655,060	1,500,619	299,753	2,836,200	(119,100)	3,129,800	1,649,803
NET EXPENDITURE AT SERVICE LEVEL	12,662,900	12,912,400	6,454,708	5,474,273	1,373,478	12,620,100	(292,300)	13,851,000	4,835,559
Total Employees	11,411,700	11,411,700	5,747,566	5,419,624	22,819	11,202,200	(209,500)	11,763,600	5,809,920
Total Other Expenditure	43,716,000	43,965,500	22,013,254	21,302,213	1,349,167	44,027,900	62,400	43,956,200	19,687,807
Total Income	(42,464,800)	(42,464,800)	(21,306,112)	(21,247,564)	1,491	(42,610,000)	(145,200)	(41,868,800)	(20,662,168)
	12,662,900	12,912,400	6,454,708	5,474,273	1,373,478	12,620,100	(292,300)	13,851,000	4,835,559

Economic Development : Cabinet Member - Cllr Colin Davis

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance	10/11	10/11 Actual	Comments
	Original	Revised	YTD							
	£	£	£							
Bus Station										
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	23,500	23,500	21,700	23,643	200	25,600	2,100	23,500	23,512	Business rates are higher than the budget
Income	0	0	0	0	0	0	0	0	0	
	23,500	23,500	21,700	23,643	200	25,600	2,100	23,500	23,512	
Staines Town Centre Management										
Employees	18,700	18,700	9,400	8,278	0	17,800	(900)	0	9,184	
Other Expenditure	120,000	120,000	90,000	134,980	18,450	177,300	57,300	120,000	44,967	Service charges on Spelthorne's share of the running cost of the Elmsleigh centre is expected to be higher by £47k than the budget. Remainder is Annual consultancy fees expenditure relating to Staines Town Centre Management with no budget and outstanding commitment is expected to be potential savings
Income	(581,000)	(581,000)	(140,000)	(139,964)	0	(581,000)	0	(520,000)	(160,312)	
	(442,300)	(442,300)	(40,600)	3,294	18,450	(385,900)	56,400	(400,000)	(106,161)	
Staines Market										
Other Expenditure	20,800	20,800	14,750	11,143	0	13,000	(7,800)	35,800	11,123	
Income	(177,000)	(177,000)	(88,500)	(105,770)	0	(208,000)	(31,000)	(177,000)	(85,533)	Increased monthly market income due to an extra market on Fridays
	(156,200)	(156,200)	(73,750)	(94,626)	0	(195,000)	(38,800)	(141,200)	(74,410)	
Committee Services										
Employees	140,000	140,000	69,400	59,190	0	118,400	(21,600)	163,600	79,565	Current vacant post of Committee Officer
Other Expenditure	17,000	17,000	4,250	2,365	140	3,100	(13,900)	22,600	4,608	Lower expenditure on Internal Printing than the budget.
Income	0	0	0	0	0	0	0	(10,000)	(4,879)	
	157,000	157,000	73,650	61,554	140	121,500	(35,500)	176,200	79,294	
Corporate Governance										
Employees	89,600	89,600	44,800	44,760	0	89,600	0	88,500	44,261	
Other Expenditure	0	0	0	173	945	1,000	1,000	200	40	
	89,600	89,600	44,800	44,933	945	0	1,000	88,700	44,301	
Legal										
Employees	258,300	258,300	130,700	135,067	0	270,200	11,900	249,200	124,076	Maternity cover
Other Expenditure	21,700	21,700	9,065	11,080	5,861	18,500	(3,200)	22,100	30,401	
Income	(1,200)	(1,200)	(600)	(6,561)	0	(6,600)	(5,400)	(1,200)	(23,690)	Income is higher than the budget due to more activity
	278,800	278,800	139,165	139,586	5,861	282,100	3,300	270,100	130,787	
Economic Development										
Other Expenditure	6,000	6,000	3,000	3,190	0	3,200	(2,800)	5,000	465	
Income	0	0	0	0	0	0	0	(49,000)	(500)	
	6,000	6,000	3,000	3,190	0	3,200	(2,800)	(44,000)	(35)	
Elections										
Employees	0	0	0	6,993	0	7,000	7,000	0	1,980	Temporary staff employed on election duties funded through the total budget
Other Expenditure	105,800	105,800	27,200	27,994	0	98,800	(7,000)	11,000	0	
	105,800	105,800	27,200	34,988	0	105,800	0	11,000	1,980	
Electoral Registration										
Employees	109,000	109,000	47,550	47,941	0	109,400	400	109,000	48,088	
Other Expenditure	32,700	32,700	10,465	9,460	0	32,400	(300)	32,900	11,031	
Income	(1,000)	(1,000)	(500)	(288)	0	(1,500)	(500)	(1,000)	(337)	
	140,700	140,700	57,515	57,113	0	140,300	(400)	140,900	58,782	
Democratic Rep & Management										
Employees	49,000	49,000	24,250	22,269	1,642	50,900	1,900	35,700	21,383	
Other Expenditure	249,800	249,800	120,500	144,887	4,313	266,800	17,000	257,800	133,685	Additional expenditure of £17k on new computer equipment and broadband lines for members not originally budgeted.
Income	0	0	0	(168)	0	(200)	(200)	0	(9,423)	
	298,800	298,800	144,750	166,988	5,954	317,500	18,700	293,500	145,645	
Total Employees	406,300	406,300	195,400	189,432	1,642	393,100	(13,200)	396,800	204,461	
Total Other Expenditure	575,600	575,600	291,865	357,835	24,048	621,200	45,600	508,800	229,430	
Total Income	(759,000)	(759,000)	(229,000)	(246,189)	0	(790,700)	(31,700)	(757,000)	(260,984)	
	222,900	222,900	258,265	301,077	25,690	133,000	700	148,600	172,908	

Planning and Housing : Cabinet Member - Cllr Richard Smith-Ainsley

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance	10/11	10/11 Actual	Comments
	Original	Revised	YTD							
	£	£	£							
Homelessness										
Other Expenditure	270,300	270,300	140,200	100,504	17,132	283,700	13,400	275,300	61,201	Increased expenditure from Bed and Breakfast and homelessness initiatives costs
Income	(89,400)	(89,400)	(69,700)	(64,824)	0	(137,000)	(47,600)	(74,400)	(65,200)	Increased income from Bed and Breakfast benefit payments
	180,900	180,900	70,500	35,679	17,132	146,700	(34,200)	200,900	(3,999)	
Housing Benefits Admin										
Employees	541,200	541,200	280,900	248,681	0	531,200	(10,000)	596,300	279,151	
Other Expenditure	36,500	36,500	18,400	14,877	1,008	36,500	0	40,900	13,190	
Income	(581,300)	(581,300)	(290,600)	(290,656)	0	(581,300)	0	(619,300)	(324,647)	
	(3,600)	(3,600)	8,700	(27,098)	1,008	(13,600)	(10,000)	17,900	(32,305)	
Housing Benefits Payments										
Other Expenditure	34,043,800	34,043,800	17,021,900	16,409,593	0	34,043,800	0	33,469,500	15,600,491	
Income	(34,243,800)	(34,243,800)	(17,122,000)	(17,102,304)	0	(34,343,800)	(100,000)	(33,669,500)	(16,687,234)	Increased overpayments recovered to date - legislation and improved ICT changes will reduce future levels achieved by the Authority
	(200,000)	(200,000)	(100,100)	(692,711)	0	(300,000)	(100,000)	(200,000)	(1,086,743)	
Housing Needs										
Employees	475,300	475,300	237,400	235,453	0	495,300	20,000	435,100	221,423	Additional staffing required to cope with increased numbers of claimants and queries being received being funded by Private Sector Leasing under spend
Other Expenditure	29,800	29,800	12,900	9,325	190	24,300	(5,500)	28,200	8,855	
Income	(54,600)	(54,600)	(31,300)	(41)	0	(54,600)	0	(10,300)	(645)	
	450,500	450,500	219,000	244,736	190	465,000	14,500	453,000	229,633	
PSL										
Other Expenditure	100,000	100,000	50,000	0	0	0	(100,000)	126,000	(40)	
Income	(80,000)	(80,000)	(40,000)	0	0	0	80,000	(80,000)	(29,901)	Total budget and costs to be transferred to Homelessness expenditure as part of restructure report due to increased homelessness as private sector leasing scheme now completed
	20,000	20,000	10,000	0	0	0	(20,000)	46,000	(29,941)	
Land Charges										
Employees	55,100	55,100	27,300	28,569	0	57,200	2,100	57,800	27,492	
Other Expenditure	1,700	1,700	500	(3,201)	0	500	(1,200)	2,400	665	Surrey County Council contracts
Income	(130,000)	(130,000)	(65,000)	(101,288)	0	(175,000)	(45,000)	(110,000)	(94,701)	Income is expected to be higher due to more activity
	(73,200)	(73,200)	(37,200)	(75,919)	0	(117,300)	(44,100)	(49,800)	(66,544)	
Planning Development Control										
Employees	607,400	607,400	304,500	303,475	0	605,700	(1,700)	641,600	317,974	
Other Expenditure	63,900	63,900	31,300	39,218	43,012	87,000	23,100	72,700	58,422	This is higher than anticipated due to work which has been undertaken for several informal hearings and in preparation for a public inquiry for Riverside Work, Sunbury in November.
Income	(343,800)	(343,800)	(172,000)	(125,177)	0	(250,000)	93,800	(489,500)	(178,835)	Unlikely to achieve Planning Applications income target due to external elements but additional large schemes are anticipated which will hopefully mitigate some / all of the under achievement of income.
	327,500	327,500	163,800	217,517	43,012	442,700	115,200	224,800	197,561	
Planning Policy										
Employees	206,500	206,500	104,500	99,704	0	195,700	(10,800)	215,600	102,183	
Other Expenditure	101,300	101,300	51,600	78,975	2,600	92,000	(9,300)	56,300	12,313	Airtrack under spend will partially offset London Irish costs.
Income	(1,000)	(1,000)	(1,000)	(50)	0	0	1,000	(1,000)	(10)	
	306,800	306,800	155,100	178,629	2,600	287,700	(19,100)	270,900	114,486	
Employees	209,600	209,600	104,300	108,139	0	219,600	10,000	203,500	100,815	Salary costs are higher due to cover provided for Head of Service during her shared secondment to Runnymede Borough Council which is more than offset by income received from the partnership.
Other Expenditure	931,800	931,800	578,154	558,276	59,565	950,000	18,200	925,800	433,844	Steria contract actual costs are expected to be higher by £21k than the budget partially off set by savings of £10k expected mainly on server maintenance.
Income	(27,000)	(27,000)	(13,500)	(24,547)	0	0	27,000	0	0	Partnership income from Runnymede Borough Council higher than the budget
E Government Services	1,114,400	1,114,400	668,954	641,869	59,565	1,169,600	55,200	1,129,300	534,659	
Total										
Total Employees	2,095,100	2,095,100	1,058,900	1,024,021	0	2,104,700	9,600	2,149,900	1,049,039	
Total Other Expenditure	35,579,100	35,579,100	17,904,954	17,207,593	123,508	35,517,800	(61,300)	34,997,100	16,188,941	
Total Income	(35,550,900)	(35,550,900)	(17,805,100)	(17,708,886)	0	(35,541,700)	9,200	(35,054,000)	(17,381,174)	
	2,123,300	2,123,300	1,158,754	522,728	123,508	2,080,800	(42,500)	2,093,000	(143,194)	

Older People and Health Liaison : Cabinet Member - Cllr Jean Pinkerton

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance	10/11	10/11 Actual	Comments
	Original	Revised	YTD							
	£	£	£							
Com Care Administration										
Employees	91,400	91,400	45,400	45,420	0	91,400	0	91,100	48,031	
Other Expenditure	15,600	27,800	6,675	6,716	6	21,100	(6,700)	19,700	2,936	Anticipated Expenditure of £8,700 as against the carried forward agreed for £12,200 specifically for older people's services under Local Public Service Agreement (LPSA) and the balance may again be required to be carried forward. Savings anticipated mainly against Consultants fees and Security Services.
Income	0	0	0	(200)	0	0	0	(37,400)	(12,157)	Misposted income has now been moved
	107,000	119,200	52,075	51,935	6	112,500	(6,700)	73,400	38,811	
Day Centres										
Employees	316,700	316,700	158,600	153,179	0	308,700	(8,000)	339,200	165,153	Savings expected mainly due to lower expenditure on Temporary staff
Other Expenditure	259,900	259,900	141,500	105,089	21,199	244,400	(15,500)	237,700	105,283	Savings expected mainly against Food purchases, Operational equipment maintenance and Utility Budgets
Income	(254,200)	(254,200)	(105,800)	(105,488)	0	(241,500)	12,700	(202,700)	(115,356)	Overall Day Centres Membership fees income is expected to be lower than the budget and no sale of Food income against budget on Benwell Day Centre due to transfer of budget from old Churchill Day Centre.
	322,400	322,400	194,300	152,780	21,199	311,600	(10,800)	374,200	155,080	
Meals On Wheels										
Employees	68,800	68,800	33,750	31,491	50	66,600	(2,200)	59,900	35,060	
Other Expenditure	95,400	95,400	47,650	35,867	5,220	85,800	(9,600)	95,400	38,895	Mainly actual Commercial Vehicle lease payments are lower than the budget
Income	(167,000)	(167,000)	(63,400)	(70,152)	0	(173,800)	(6,800)	(167,000)	(69,572)	Sale of food income is expected to be higher than the budget
	(2,800)	(2,800)	18,000	(2,794)	5,270	(21,400)	(18,600)	(11,700)	4,383	
Span										
Employees	86,300	86,300	42,500	35,690	0	82,000	(4,300)	51,000	36,395	One member of staff on maternity leave currently covered by temporary staff on lower grade
Other Expenditure	30,100	65,400	14,575	23,955	9,560	67,700	2,300	33,200	23,139	Expenditure expected of £15k as against total agreed carried forward of £35k, £17k unused funds expected to be returned back to SCC and balance of £3k may again required to be carried forward into next year specific to Supporting people project work. External telcare monitoring contract payments expected to be higher than the budget
Income	(289,800)	(289,800)	(185,800)	(192,036)	0	(296,100)	(6,300)	(317,400)	(225,951)	Charges for services and Supporting people Agency reimbursement income expected to be higher than the budget
	(173,400)	(138,100)	(128,725)	(132,390)	9,560	(146,400)	(8,300)	(233,200)	(166,417)	
Concessionary Fares										
Other Expenditure	0	0	0	904	0	900	900	595,400	(25,573)	4th quarter payment for 2010/11 to SCC was slightly higher than anticipated. No further expenditure as service now transferred to Surrey County Council
Income	0	0	0	0	0	0	0	(102,500)	(51,521)	
	0	0	0	904	0	900	900	492,900	(77,094)	
SAT										
Employees	112,600	112,600	56,900	59,427	0	119,000	6,400	123,100	63,687	Temp staff employed to cover holiday and sickness
Other Expenditure	44,400	44,400	26,798	30,793	623	51,000	6,600	16,000	15,283	Extra fuel and maintenance costs due to increased activity
Income	(79,800)	(79,800)	(51,200)	(57,755)	0	(94,000)	(14,200)	(64,200)	(51,848)	Increased use of the service and Surrey's contribution
	77,200	77,200	32,498	32,465	623	0	(1,200)	74,900	27,122	
Environmental Health Admin										
Employees	780,600	780,600	391,200	366,586	9,525	721,200	(59,400)	771,500	365,130	Staffing vacancy
Other Expenditure	33,600	33,600	17,500	13,582	5,299	33,600	0	34,000	16,259	
Income	(18,500)	(18,500)	(4,000)	(302)	0	(400)	18,100	0	(144)	Income not achievable, Contaminated land budget duplicated from 102017303.
	795,700	795,700	404,700	379,865	14,824	754,400	(41,300)	805,500	381,245	
Environmental Protection Act										
Other Expenditure	25,800	58,800	11,400	2,951	4,100	44,500	(14,300)	39,800	2,401	Improvement grants yet to be settled, £14k u/s on assessments
Income	(8,600)	(8,600)	(8,600)	(2,143)	0	(8,600)	0	(8,600)	(3,873)	
	17,200	50,200	2,800	808	4,100	35,900	(14,300)	31,200	(1,472)	
Food Safety										
Other Expenditure	2,500	2,500	300	601	0	2,700	200	2,500	1,693	
Income	(4,000)	(4,000)	(2,000)	(586)	0	(4,500)	(500)	(4,000)	(2,476)	Slow uptake of food safety courses, bookings made for future periods
	(1,500)	(1,500)	(1,700)	15	0	(1,800)	(300)	(1,500)	(783)	
Public Health										
Employees	0	0	0	1,170	0	0	0	0	0	Costs to be reclaimed
Other Expenditure	5,400	5,400	3,200	591	392	5,400	0	5,400	3,417	Few burials requiring funding
Income	(3,900)	(3,900)	0	(3,062)	188	(4,300)	(400)	(3,900)	(692)	Additional non budgeted income generated from First Aid courses
	1,500	1,500	3,200	(1,301)	580	1,100	(400)	1,500	2,725	
Rodent & Pest Control										
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	19,500	19,500	9,700	13,495	7,210	23,000	3,500	21,500	5,705	Increased collection of stray dogs.
Income	(2,000)	(2,000)	(1,000)	(3,672)	11	(4,500)	(2,500)	(2,000)	(3,729)	Increased income from the return of stray dogs to their owners
	17,500	17,500	8,700	9,823	7,220	18,500	1,000	19,500	1,976	
Gypsy sites										
Income	0	0	0	5,911	0	5,900	5,900	0	0	Write off of outstanding debts
	0	0	0	5,911	0	5,900	5,900	0	0	
Total Employees	1,456,400	1,456,400	728,350	692,963	9,575	1,388,900	(67,500)	1,435,800	713,456	
Total Other Expenditure	532,200	612,700	279,298	234,543	53,609	580,100	(32,600)	1,100,600	189,438	
Total Income	(827,800)	(827,800)	(421,800)	(429,486)	199	(821,800)	6,000	(909,700)	(537,318)	
	1,160,800	1,241,300	585,848	498,021	63,382	1,071,200	(94,100)	1,626,700	365,575	

Environment : Cabinet Member - Cllr Robert Watts

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance	10/11	10/11 Actual			Comments		
	Original	Revised	YTD						Outturn	to Revised	Budget		Outturn	YTD
	£	£	£						£	£	£		£	£
Abandoned Vehicles														
Other Expenditure	3,000	3,000	0	0	0	1,000	(2,000)	3,000	630	0	The majority of vehicles are picked up by the DVLA, as a result of car tax issues.			
	3,000	3,000	0	0	0	1,000	(2,000)	3,000	630	0				
Depot														
Employees	0	0	0	80	0	100	100	0	40	0				
Other Expenditure	46,000	46,000	34,400	45,155	1,271	58,000	12,000	45,800	61,309	48,237	Increased business rates payable for the depot			
Income	0	0	0	745	179	0	0	0	1,280	0	Vending Machine costs posted to income in error and transactions will transferred to the correct code in October, the commitment is invalid and will be cancelled			
	46,000	46,000	34,400	45,980	1,450	58,100	12,100	45,800	62,629	48,237				
Employees	551,800	551,800	273,700	257,795	0	520,000	(31,800)	599,100	553,898	268,769	Vacant post			
Other Expenditure	47,500	47,500	18,800	13,739	23,617	32,000	(15,500)	43,900	28,515	17,048	Commitment is overstated and will be corrected in October, under spends on commercial leasing, mileage allowance, maintenance costs, internal printing/ books and publications			
Income	(17,000)	(17,000)	0	(447)	0	(500)	16,500	0	(18,423)	(18,242)	Grant income may no longer be receivable as the post holder has left the authority			
DS Management & Support	582,300	582,300	292,500	271,087	23,617	551,500	(30,800)	643,000	563,990	267,575				
Refuse Collection														
Employees	833,600	833,600	419,200	380,645	1,121	800,000	(33,600)	874,600	816,175	402,701	Vacant posts			
Other Expenditure	756,300	756,300	271,400	336,847	40,411	753,000	(3,300)	786,300	704,048	312,320	Budgets require reprofiling			
Income	(355,000)	(355,000)	(337,600)	(371,373)	11	(452,000)	(97,000)	(250,000)	(322,800)	(305,736)	Increased income from collecting rubbish & recycling bins from schools and increased brown waste bin rentals			
	1,234,900	1,234,900	353,000	346,119	41,542	1,101,000	(133,900)	1,410,900	1,197,423	409,285				
Energy Initiatives														
Other Expenditure	9,500	9,500	3,350	2,846	271	9,500	0	9,500	6,277	957				
	9,500	9,500	3,350	2,846	271	0	0	9,500	6,277	957				
Environmental Enhancements														
Other Expenditure	28,000	44,000	5,500	11,442	15,790	44,000	0	48,000	44,301	20,445	The majority of the expenditure expected to be in the 3rd and 4th Quarters due to delay in the associated work due to appropriate vacant post			
	28,000	44,000	5,500	11,442	15,790	44,000	0	48,000	44,301	20,445				
Enviro Services Administration														
Employees	355,500	355,500	174,600	178,349	0	356,500	1,000	330,200	348,018	164,956				
Other Expenditure	16,500	16,500	7,400	7,715	0	16,800	300	17,000	21,104	7,166				
Income	(20,000)	(20,000)	(10,000)	(15,296)	0	(25,300)	(5,300)	0	(25,067)	(865)				
	352,000	352,000	172,000	170,768	0	348,000	(4,000)	347,200	344,055	171,257				
Street Cleaning														
Employees	615,100	615,100	323,400	295,578	0	605,000	(10,100)	619,600	634,805	293,568	Vacant posts, offset by increased overtime and use of Temp staff			
Other Expenditure	313,600	313,600	153,500	131,262	11,441	292,000	(21,600)	298,600	321,655	143,989	There is lower expenditure on hired transport and plant and leasing of operational equipment and supplies in the 1st 6 months			
Income	(47,700)	(47,700)	(47,700)	(54,706)	0	(55,000)	(7,300)	(47,700)	(53,494)	(45,630)				
	881,000	881,000	429,200	372,135	11,441	842,000	(39,000)	870,500	902,965	391,927				
Street Scene Enforcement														
Employees	0	0	0	0	0	0	0	0	0	1,612				
	0	0	0	0	0	0	0	0	0	1,612				
Waste Recycling														
Other Expenditure	370,800	370,800	185,400	130,097	40,830	285,000	(85,800)	370,800	381,882	108,634	Lower contractor costs for Green waste and Alternate Weekly Collection and some timing differences in receiving the invoices from the contractor's for payment			
Income	(603,600)	(603,600)	(280,400)	(175,599)	0	(645,000)	(41,400)	(625,700)	(735,674)	(201,420)	2nd Qtrs claim is still outstanding, increased income over and above the 4th Qtrs claim estimate from the previous year and larger green waste credits from overall increased usage of the scheme.			
	(232,800)	(232,800)	(95,000)	(45,501)	40,830	(360,000)	(127,200)	(254,900)	(353,791)	(92,786)				
Technical Projects														
Other Expenditure	32,100	32,100	0	1,360	0	32,200	100	34,100	33,184	189	Most of the expenditure is expected in October			
Income	0	0	0	0	0	0	0	0	(250)	0				
	32,100	32,100	0	1,360	0	32,200	100	34,100	32,934	189				
Public Conveniences														
Other Expenditure	101,200	101,200	53,450	64,481	91	105,700	4,500	102,700	101,797	33,027	Business rates are higher than the budget			
Income	0	0	0	0	0	0	0	0	0	0				
	101,200	101,200	53,450	64,481	91	105,700	4,500	102,700	101,797	33,027				
Emergency Planning														
Other Expenditure	9,400	9,400	4,700	4,212	79	9,400	0	7,400	6,256	4,914				
	9,400	9,400	4,700	4,212	79	9,400	0	7,400	6,256	4,914				
Waste Recycling Marketing														
Other Expenditure	3,000	3,000	1,500	20	7,184	1,500	(1,500)	3,000	0	0	Outstanding commitments on food Waste Marketing will be transferred against Centralised Marketing budget in Communications and Engagement			
Income	(3,000)	(3,000)	(1,500)	0	0	(1,500)	1,500	(3,000)	0	0				
	0	0	0	20	7,184	0	0	0	0	0				
Water Courses & Land Drainage														
Other Expenditure	9,100	9,100	5,117	2,170	414	8,000	(1,100)	26,100	21,817	2,856				
	9,100	9,100	5,117	2,170	414	8,000	(1,100)	26,100	21,817	2,856				
Building Control														
Employees	254,300	254,300	136,100	135,591	0	255,000	700	274,000	303,311	146,040				
Other Expenditure	23,200	23,200	13,100	4,175	30	9,500	(13,700)	28,800	15,731	6,086				
Income	(290,000)	(290,000)	(145,000)	(153,288)	0	(280,000)	10,000	(300,000)	(291,518)	(155,159)				
	(12,500)	(12,500)	4,200	(13,522)	30	(15,500)	(3,000)	2,800	27,524	(3,032)				

Environment : Cabinet Member - Cllr Robert Watts

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance	10/11	10/11 Actual		Comments
	Original	Revised	YTD			Outturn	to Revised	Budget	Outturn	YTD	
	£	£	£	£	£	£	£	£	£	£	
Total Employees	2,610,300	2,610,300	1,327,000	1,248,037	1,121	2,536,600	(73,700)	2,697,500	2,656,247	1,277,646	
Total Other Expenditure	1,769,200	1,785,200	757,617	755,523	141,429	1,657,600	(127,600)	1,825,000	1,748,506	705,868	
Total Income	(1,336,300)	(1,336,300)	(822,200)	(769,963)	190	(1,459,300)	(123,000)	(1,226,400)	(1,445,946)	(727,051)	
	3,043,200	3,059,200	1,262,417	1,233,598	142,739	2,725,400	(324,300)	3,296,100	2,958,806	1,256,463	

Parks and Leisure : Cabinet Member - Cllr Penny Forbes-Forsyth

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance	10/11	10/11 Actual	Comments
	Original	Revised	YTD							
	£	£	£							
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	71,000	71,000	11,000	11,799	339	71,800	800	61,000	(200,599)	
Income	(227,600)	(227,600)	(210,700)	(209,569)	0	(218,700)	8,900	(222,600)	(2,997)	SLM annual contract income is lower than the budget
	(156,600)	(156,600)	(199,700)	(197,770)	339	(146,900)	9,700	(161,600)	(203,596)	
Sunbury Leisure Centre										
Other Expenditure	12,100	12,100	12,100	9,266	(0)	9,300	(2,800)	12,100	0	
Income	(3,000)	(3,000)	0	0	0	0	3,000	(3,000)	0	
	9,100	9,100	12,100	9,266	(0)	9,300	200	9,100	0	
Youth										
Employees	0	0	0	5,834	0	6,200	6,200	0	2,229	Temporary staff expenditure with no budget. It was agreed by MAT to fund small projects relating to the youth active lifestyle. External funding received of £7800 in previous year was agreed to be carried forward to be used on various projects
Other Expenditure	49,100	49,100	22,500	49,100	2,741	50,700	1,600	52,500	23,259	
Income	(8,600)	(8,600)	(4,250)	(2,988)	0	(8,100)	500	(8,100)	(14,887)	
	40,500	40,500	18,250	51,946	2,741	48,800	8,300	44,400	10,600	
Cemeteries										
Other Expenditure	19,900	19,900	18,700	14,775	9,014	26,300	6,400	19,900	12,461	
Income	(301,400)	(301,400)	(156,014)	(131,144)	0	(302,000)	(600)	(261,400)	(108,315)	Some reprofiling of the budgets is required, as income peaks during the winter months
	(281,500)	(281,500)	(137,314)	(116,369)	9,014	(275,700)	5,800	(241,500)	(95,854)	
Nursery										
Other Expenditure	0	0	0	1,477	0	1,500	1,500	0	0	Electricity invoice misposted, which will be transferred to Grounds Maintenance in October
	0	0	0	1,477	0	1,500	1,500	0	0	
Total Employees	367,600	367,600	185,050	184,108	0	362,400	(5,200)	413,100	185,976	
Total Other Expenditure	2,094,900	2,107,900	1,039,318	826,126	236,978	2,099,100	(8,800)	2,092,300	624,042	
Total Income	(1,014,500)	(1,014,500)	(640,114)	(599,607)	0	(989,000)	25,500	(1,017,200)	(345,350)	
	1,448,000	1,461,000	584,254	410,627	236,978	1,472,500	11,500	1,488,200	464,667	

Communications : Cabinet Member - Cllr Nick Gething

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance to Revised	10/11 Budget	10/11 Actual YTD	Comments
	Original	Revised	YTD							
	£	£	£							
General Grants										
Other Expenditure	469,500	469,500	282,150	326,130	0	469,500	-	497,600	308,250	All grants expected to be distributed.
Income	0	0	0	(11,392)	0	(11,400)	(11,400)	0	0	
	469,500	469,500	282,150	314,738	0	458,100	(11,400)	497,600	308,250	
Corporate Service										
Employees	112,500	112,500	56,500	56,870	(0)	113,000	500	109,300	56,157	
Other Expenditure	5,400	5,400	1,825	940	(0)	4,500	(900)	5,300	1,785	
Income	0	0	0	(16)	0	0	-	0	0	
	117,900	117,900	58,325	57,794	(0)	117,500	(400)	114,600	57,942	
Corporate Publicity										
Employees	169,100	169,100	86,400	79,566	0	162,700	(6,400)	162,900	83,666	No payments to two members of staff for couple of months each due to maternity leave
Other Expenditure	107,600	157,600	53,700	15,648	1,132	144,500	(13,100)	147,600	13,968	Savings expected on the borough newspaper
Income	0	0	0	(14,938)	0	(24,900)	(24,900)	0	0	50% of Head of Communication costs are being recharged to Runnymede BC due to partnership arrangements w.e.f. June 2011 with no budget
	276,700	326,700	140,100	80,276	1,132	282,300	(44,400)	310,500	97,634	
Research & Consultation										
Other Expenditure	13,800	13,800	6,800	0	0	13,800	-	14,300	2,124	
	13,800	13,800	6,800	0	0	13,800	0	14,300	2,124	
Taxi Licensing										
Other Expenditure	3,300	3,300	400	1,577	682	2,300	(1,000)	4,300	1,404	
Income	(76,000)	(76,000)	(38,000)	(32,705)	1,103	(76,000)	-	(76,000)	(35,273)	This is expected to reach budget
	(72,700)	(72,700)	(37,600)	(31,128)	1,784	0	(1,000)	(71,700)	(33,869)	
Total Employees	372,500	372,500	187,600	139,188	(0)	278,500	(94,000)	431,900	217,818	
Total Other Expenditure	602,200	652,200	345,675	344,654	1,814	635,000	(17,200)	671,500	328,128	
Total Income	(76,000)	(76,000)	(38,000)	(59,051)	1,103	(112,300)	(36,300)	(76,000)	(35,273)	
	898,700	948,700	495,275	424,791	2,916	874,900	(147,500)	1,027,400	510,672	

Community Safety and Assets : Cabinet Member - Cllr Frank Ayers

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance to Revised	10/11 Budget	10/11 Actual YTD	Comments
	Original	Revised	YTD							
	£	£	£							
Asset Mgn Administration										
Employees	93,600	93,600	46,800	94,959	0	138,900	45,300	217,600	109,072	Redundancy costs not in budget - these will be funded by the Business Improvement Reserve as produces ongoing saving
Other Expenditure	17,500	37,500	8,100	94,217	8,937	188,600	151,100	62,300	30,975	Purchase order raised for Asbestos survey (£20k- funded from carry forward from 2010-11), Runnymede partnership costs had been omitted from original budget and being built in.
Income	0	0	0	0	0	0	-	0	(361)	
	111,100	131,100	54,900	189,177	8,937	327,500	196,400	279,900	139,686	
Sea Cadets										
Other Expenditure	0	0	0	17,682	15,631	33,300	33,300	0	14,216	Expenditure relates to hire and insurance of portacabins and the cost of a feasibility study.
	0	0	0	17,682	15,631	33,300	33,300	0	14,216	
General Property Expenses										
Other Expenditure	56,200	126,200	29,300	10,974	2,349	149,000	22,800	56,200	10,625	Profiling of Ridge consultants budget, Electrical testing/inspections
Income	(21,800)	(21,800)	(10,200)	(43,292)	0	(43,300)	(21,500)	(16,500)	(13,619)	Surrender of lease on Beresford House, and reimbursement of valuation fees.
	34,400	104,400	19,100	(32,317)	2,349	105,700	1,300	39,700	(2,994)	
Memorial Gardens										
Other Expenditure	20,000	20,000	0	0	4,917	20,000	-	20,000	0	Repair and replacement of plant room fittings etc throughout the year, yet to commence
	20,000	20,000	0	0	4,917	20,000	0	20,000	0	
War Memorials										
Other Expenditure	1,200	1,200	1,200	0	(0)	1,200	-	1,200	0	
	1,200	1,200	1,200	0	(0)	1,200	0	1,200	0	
Community Safety										
Employees	87,400	87,400	43,150	65,356	0	132,000	44,600	127,400	65,856	Additional salary costs as 3 members of staff not budgeted for, off set by Crime and Disorder Reduction Partnership/Safer Stronger Spelthorne Partnership CDRP/SSSP income contributions.
Other Expenditure	163,700	163,700	112,950	122,837	0	176,000	12,300	166,900	102,754	Telephone maintenance and CCTV monitoring payments to BT and Runnymede are expected to be higher than the budget
Income	(44,400)	(44,400)	(22,300)	(47,641)	0	(90,100)	(45,700)	(102,900)	(46,280)	CDRP/SSSP contributions to off set additional Salary expenditure.
	206,700	206,700	133,800	140,553	0	0	11,200	191,400	122,330	
Licensing										
Employees	99,600	99,600	49,800	48,471	0	97,000	(2,600)	103,500	47,915	
Other Expenditure	3,900	3,900	1,900	1,746	0	3,300	(600)	2,400	1,563	
Income	(101,600)	(101,600)	(44,900)	(41,650)	0	(80,700)	20,900	(101,600)	(40,879)	Will depend on any market fluctuations throughout the year.
	1,900	1,900	6,800	8,568	0	19,600	17,700	4,300	8,599	
Knowle Green										
Employees	0	0	0	594	0	600	600	0	1,031	Expenditure relating to office moves to create more rental income opportunities
Other Expenditure	344,500	344,500	273,136	295,189	45,997	320,000	(24,500)	429,200	276,206	
Income	(265,100)	(265,100)	(212,100)	(189,262)	0	(225,100)	40,000	(200,500)	(188,596)	Car Parking and Air track Inquiry income are unlikely to be achieved. Rental income from Surrey Community Development Trust (SCDT) will also not be achieved due to cease of the contract.
	79,400	79,400	61,036	106,522	45,997	95,500	16,100	228,700	88,640	
Planned Maintenance Programme										
Other Expenditure	126,000	356,000	63,000	151,140	391,878	503,000	147,000	126,000	47,972	Head of Asset Management in discussion with Runnymede in order to agree reductions to spend in remaining part of the year to reduce the spend back down towards budget
	126,000	356,000	63,000	151,140	391,878	503,000	147,000	126,000	47,972	
Responsive Maintenance Program										
Other Expenditure	230,000	0	115,000	1,490	8,801	0	-	150,000	140,215	Budget transferred to Planned Maintenance for Runnymede partnership works and outturn included in planned maintenance forecast
	230,000	0	115,000	1,490	8,801	0	0	150,000	140,215	
Total Employees	280,600	280,600	139,750	209,381	0	368,500	87,900	448,500	223,873	
Total Other Expenditure	963,000	1,053,000	604,586	695,276	478,511	1,394,400	341,400	1,014,200	624,526	
Total Income	(432,900)	(432,900)	(289,500)	(321,843)	0	(439,200)	(6,300)	(421,500)	(289,735)	
	810,700	900,700	454,836	582,814	478,511	1,105,800	423,000	1,041,200	558,664	

Finance : Cabinet Member - Cllr Tim Evans

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance	10/11	10/11 Actual	Comments
	Original	Revised	YTD							
	£	£	£							
Audit										
Employees	164,400	164,400	81,750	79,396	0	158,800	(5,600)	178,800	77,762	
Other Expenditure	20,700	20,700	11,234	5,096	0	12,000	(8,700)	5,900	5,065	
Income	(41,200)	(41,200)	(20,600)	(16,352)	0	(32,700)	8,500	(64,200)	(15,310)	Budget includes £5k income from Woking BC for Audit work will be achieved at the end of year.
	143,900	143,900	72,384	68,140	0	138,100	(5,800)	120,500	67,517	
Print Unit										
Other Expenditure	88,400	88,400	46,600	50,920	75,791	100,000	11,600	88,100	54,342	Purchase orders being looked into.
	88,400	88,400	46,600	50,920	75,791	100,000	11,600	88,100	54,342	
People & Partnerships										
Other Expenditure	21,500	21,500	3,615	2,594	0	20,000	(1,500)	32,200	6,543	
	21,500	21,500	3,615	2,594	0	20,000	(1,500)	32,200	6,543	
MaT Secretariat & Support										
Employees	111,100	111,100	58,600	66,156	2,083	131,400	20,300	82,900	41,010	Includes Redundancy payments funded through the business improvement reserve
Other Expenditure	6,200	6,200	3,100	347	0	1,000	(5,200)	6,200	1,114	
Income	0	0	0	0	0	0	-	0	(10)	
	117,300	117,300	61,700	66,503	2,083	132,400	15,100	89,100	42,114	
Assistant Chief Executives										
Employees	259,500	259,500	142,200	61,275	0	282,000	22,500	288,300	174,572	Includes an accrual for a Redundancy payment for Assistant CX, the accrual has the effect of reducing expenditure, until such time as the payment is made.
Other Expenditure	21,200	21,200	10,900	6,778	22,369	12,000	(9,200)	23,200	1,188	
Income	0	0	0	(44)	0	(100)	(100)	0	(106)	
	280,700	280,700	153,100	68,009	22,369	293,900	13,200	311,500	175,654	
Chief Executive										
Employees	326,300	326,300	163,100	150,162	1,248	238,000	(88,300)	326,600	155,050	Deputy CX has left the authority, plus a under spend on the training budget
Other Expenditure	16,600	16,600	8,300	5,742	2,294	7,500	(9,100)	16,600	4,677	Under spend on Public transport budget
Income	0	0	0	(166)	0	0	-	0	(52)	
	342,900	342,900	171,400	155,738	3,543	0	(97,400)	343,200	159,674	
Business Improvement										
Employees	90,900	90,900	44,700	2,752	0	2,800	(88,100)	159,700	77,995	vacant post
Other Expenditure	2,600	2,600	800	359	(0)	400	(2,200)	2,400	597	
	93,500	93,500	45,500	3,111	(0)	3,200	(90,300)	162,100	78,592	
HR										
Employees	214,600	214,600	107,800	112,644	0	240,000	25,400	204,400	101,383	Staffing cover to accrue for
Other Expenditure	14,700	14,700	4,125	4,478	20,095	6,400	(8,300)	9,400	2,879	Leased car to be spread over three years
Income	(42,200)	(42,200)	(21,100)	(24,652)	0	(31,700)	10,500	0	(30)	
	187,100	187,100	90,825	92,470	20,095	214,700	27,600	213,800	104,232	
Payroll										
Employees	50,600	50,600	24,500	23,710	0	50,600	-	50,000	23,750	
Other Expenditure	2,200	2,200	1,000	2,056	0	2,200	-	2,200	1,373	
	52,800	52,800	25,500	25,766	0	52,800	0	52,200	25,113	
Mortgages										
Other Expenditure	0	0	0	129	0	200	200	0	1,427	One off Payment to consultant
Income	(2,000)	(2,000)	0	0	0	0	2,000	(2,000)	0	
	(2,000)	(2,000)	0	129	0	200	2,200	(2,000)	1,427	
Corporate Management										
Employees	0	0	0	5,835	0	5,800	5,800	0	0	Surrey jobs subscription payment with no budget
Other Expenditure	211,200	211,200	68,750	87,230	3,551	211,200	0	239,400	93,171	2nd instalment of 2010-11 external Audit fees of £55k is still outstanding
Income	(100,000)	(100,000)	0	(84,532)	0	(100,000)	0	(100,000)	(11,500)	Charge to A2 Dominion for sponsorship of services
	111,200	111,200	68,750	8,533	3,551	117,000	5,800	139,400	81,671	
Misc Expenses										
Other Expenditure	10,000	10,000	0	7,722	0	10,000	0	10,000	(2)	legal Services write off claim with Havensilver agreed by Cabinet- 20/01/11 with no budget
	10,000	10,000	0	7,722	0	10,000	0	10,000	(2)	
Unapportionable Central/O/Heads										
Employees	685,400	685,400	341,810	154,735	0	682,100	(3,300)	685,100	278,640	Various Spelthorne Achievement Awards payments of £3k with no budget. Super added years payments to SCC are lower than budget
Other Expenditure	51,700	51,700	23,500	9,515	38,220	47,000	(4,700)	53,900	14,341	In-house training expenditure is lower than year to date budget but expected to be breakeven if commitments are included.
Income	0	0	0	0	0	0	0	0	0	
	737,100	737,100	365,310	164,250	38,221	729,100	(8,000)	739,000	292,981	
Accountancy										
Employees	288,600	288,600	142,956	160,308	0	320,600	32,000	286,800	156,559	£23k reduction in salary budget at the beginning of the year. Overtime payment (£2k), Temporary staff (£4k) and CIPFA subscription payment (£6k) with no budget.
Other Expenditure	12,100	12,100	7,000	10,793	103	12,100	0	12,500	9,390	
	300,700	300,700	149,956	171,100	103	332,700	32,000	299,300	165,949	
Business Rates										
Other Expenditure	0	0	0	429	0	1,000	1,000	0	0	Summons costs with no budget
Income	(145,600)	(145,600)	0	0	0	(145,600)	0	(145,600)	0	
	(145,600)	(145,600)	0	429	0	(144,600)	1,000	(145,600)	0	
CServ Management & Support										
Employees	508,400	508,400	255,000	206,421	0	242,100	(266,300)	510,300	257,867	Customer Services restructure resulted in overall savings and some members of staff moved to Council Tax following review.
Other Expenditure	63,200	63,200	38,902	37,859	5,045	63,200	-	77,000	34,810	
Income	0	0	0	(133)	0	(100)	(100)	0	(10)	
	571,600	571,600	293,902	244,147	5,045	305,200	(266,400)	587,300	292,668	
Council Tax										
Employees	423,000	423,000	212,800	298,177	0	594,700	171,700	393,300	218,166	Customer Services restructure resulted in some members of staff moved to Council Tax following review. Temporary staff are employed to run the service efficiently with no budget.
Other Expenditure	95,700	95,700	34,651	24,734	12,981	75,700	(20,000)	97,700	20,415	Lower expenditure expected against the budget mainly on Printing and Postage
Income	(144,300)	(144,300)	(2,000)	(462)	0	(148,300)	(4,000)	(144,300)	(2,172)	

Finance : Cabinet Member - Cllr Tim Evans

Results to 30-Sep-11	Budget			Actual	Commitments	Forecast	Variance	10/11	10/11 Actual	Comments
	Original	Revised	YTD			Outturn	to Revised	Budget	YTD	
	£	£	£	£	£	£	£	£	£	
	374,400	374,400	245,451	322,450	12,981	522,100	147,700	346,700	236,410	Overall savings of £54,500 is expected between CT and Customer Services following restructure
Financial Support										
Employees	192,200	192,200	96,000	95,342	0	190,900	(1,300)	199,500	107,636	
Other Expenditure	6,900	6,900	2,400	4,143	0	6,900	0	6,800	6,200	Additional expenditure on Postage due to issue of garden waste invoices
Income	0	0	0	(15)	0	0	0	0	(30)	
	199,100	199,100	98,400	99,471	0	197,800	(1,300)	206,300	113,806	
Insurance										
Employees	0	0	0	0	0	0	0	0	0	
Other Expenditure	207,600	207,600	0	814	0	177,600	(30,000)	296,400	0	Majority of the insurance costs are paid towards the end of the financial year and the budget will be reprofiled to reflect this. Savings due to renegotiated contract awarded after budget set which achieved £30k more than anticipated
Income	0	0	0	(897)	0	(900)	(900)	0	(891)	
	207,600	207,600	0	(83)	0	176,700	(30,900)	296,400	(891)	
Car Parks										
Employees	340,500	340,500	168,300	183,267	7,150	362,300	21,800	334,900	221,181	Temp staff used to cover vacant posts at the start of the year, before going on fixed term contracts
Other Expenditure	728,200	728,200	516,800	608,203	102,960	738,200	10,000	747,100	510,099	Increase in business rates payable for the majority of our car parks and a number of budgets to be reprofiled to reflect payments made in the first half of the year
Income	(1,990,900)	(1,990,900)	(1,016,098)	(978,724)	0	(1,990,000)	900	(1,949,700)	(1,031,473)	Park and phone income up, pay and display income holding steady, penalty charge notice income down due to staffing issues in the first half of the year. New working practices have been introduced to increase the penalty charge notice income over the 2nd half of the year
	(922,200)	(922,200)	(330,998)	(187,254)	110,110	(889,500)	32,700	(867,700)	(300,193)	
Total Employees	3,822,900	3,822,900	1,925,516	1,732,494	10,482	3,769,500	(53,400)	3,790,100	1,937,652	
Total Other Expenditure	1,599,800	1,599,800	789,942	880,663	289,271	1,522,700	(77,100)	1,746,700	797,435	
Total Income	(2,467,400)	(2,467,400)	(1,060,398)	(1,112,538)	0	(2,456,000)	11,400	(2,407,000)	(1,085,283)	
	2,955,300	2,955,300	1,655,060	1,500,619	299,753	2,590,700	(119,100)	3,129,800	1,649,803	

Appendix C

Economic Development			
Cost Centre	Comments	Significant Variance	Timing or Underlying Variance
Staines Town Centre Management	Increased Service charge for the Elmsleigh centre & annual consultancy fees for town centre management.	£57k adverse	Underlying
Committee Services	Vacant post	£22k favourable	Underlying
	Savings on printing	£14k favourable	Underlying
Legal	Maternity cover	£12k adverse	Underlying
	Increased Activity	£5k favourable	Underlying
Staines Market	Increased income due to the extra Friday Market	£31k favourable	Underlying
Democratic Representation and Management	Purchase of new computer equipment and broadband lines	£17k adverse	Underlying

Planning and Housing			
Cost Centre	Comments	Significant Variance	Timing or Underlying Variance
Housing benefit Payments	Mid year subsidy claim income adjustment will correct the variance to date.	£590k favourable	Timing
Housing needs	Staffing restructure agreed to ensure that increased demand for information can be met	£20k Adverse	Underlying and on going
Homelessness and Private Sector Leasing	Void period costs are being used to finance additional staffing requirements for Housing Needs.	£54k favourable	Partially underlying but depends upon level of bed and breakfast take up - £20k employee costs being used to fund Housing Needs staffing
Land Charges	Increased Activity	£45k favourable	Underlying

Appendix C

Planning Development Control	Planning income down due to the current economic environment. Possible large applications may still enable income to be achieved	£94k adverse	Underlying
	Work undertaken for informal hearings and a public inquiry.	£23k adverse	Underlying
Planning Policy	Housing Development Post	£10k Favourable	Underlying

Older People and Health Liaison			
Cost Centre	Comments	Significant Variance	Timing or Underlying Variance
Day Centres	Savings on Temp staff	£8k favourable	Underlying
	Savings on food Purchases and utility budgets	£15k favourable	Underlying
Meals on Wheels	Reduced commercial vehicle lease payments	£9k favourable	Underlying
	Higher Food Income	£7k favourable	Underlying
Environmental Health Admin	Vacant Post's	£59k favourable	Underlying
Spelthorne personal alarm network	Increased charges and additional A2 clients added	£6k favourable	Underlying
Spelthorne Accessible Transport	Increased use of service and Surrey CC contribution received early.	£14k favourable	Underlying
	Increased fuel and maintenance costs	£6k adverse	Underlying

Appendix C

Environment			
Cost Centre	Comments	Significant Variance	Timing or Underlying Variance
DS Management and Support	Vacant Post	£32k favourable	Underlying
	Reduced commercial leasing and maintenance costs.	£15k favourable	Underlying
Depot	Increased business rates payable	£12k adverse	Underlying
Refuse collection	Vacant Posts	£34k favourable	Underlying
	Increased brown bin rental Income	£97k favourable	Underlying
Street cleaning	Vacant posts and lower expenditure on hired transport and operational equipment and supplies.	£32k favourable	Underlying
Waste Recycling	2 nd Quarter recycling claim to Surrey is still outstanding and lower contractor costs for disposal.	£41k favourable	Underlying
		£86k favourable	Underlying
Building Control	Reduced Income	£10k adverse	Underlying

Parks and Leisure			
Cost Centre	Comments	Significant Variances	Timing or Underlying Variance
Allotments	Increased Usage	£14k favourable	Underlying
Public Halls	Reduced rental income.	£7k adverse	Underlying
Spelthorne Leisure Centre	SLM contract income is reduced	£10k adverse	Underlying
	Rental Income	£1k favourable	Underlying
Leisure Promotions	Reduced profit share income on Sunbury Golf Club	£7k adverse	Underlying
Grounds Maintenance	Vacant post with the highways verges team	£12k favourable	Underlying

Appendix C

Parks	Reduced Electricity spend and improvements to playgrounds to take place later in the year.	£11k favourable	Underlying
	Reduced football and lettings income. Rental income will be reduced due to a surrender of a lease.	£22k adverse	Underlying

Communications			
Cost Centre	Comments	Significant Variance	Timing or Underlying Variance
General Grants	Grant from Pfizer towards a teen pregnancy initiative run by Stanwell hub people.	£11k favourable	Underlying
Corporate Publicity	Reduced borough newspaper costs.	£13k favourable	Underlying
	Partnership Income	£25k favourable	Underlying

Community Safety and Assets			
Cost Centre	Comments	Significant Variance	Timing or Underlying Variance
Asset Management	Order raised for a asbestos survey (£20k funded by budget carry forward. Budget for Runnymede partnership costs had been omitted.)	£151k adverse	Underlying
	Salary including redundancy costs (this will be funded at year end from Business Improvement Reserve)	£45k adverse	Underlying

Appendix C

Sea Cadets	Portacabin costs	£33k adverse	Underlying
Community Safety	Increased CCTV costs	£12k adverse	Underlying
Licensing	Market fluctuations	£21k adverse	Underlying
Knowle Green	Car parking, Air track enquiry and rental income will not be achieved, but offset by avoidance of legal expenses for planning. SCDT also gave up their lease.	£40k adverse	Underlying
Planned/ Responsive Maintenance	Responsive maintenance currently high against budget-officers discussing with Runnymede asset management team measures to reduce projected spend in remainder of year to bring outturn back towards budget	£147k adverse	Underlying – but see note about mitigating actions

Finance			
Cost Centre	Comments	Significant Variance	Timing or Underlying Variance
Chief Executive	Deputy CX has left the authority. Training and transport budgets will be under spent.	£63k favourable £31k favourable	Underlying Underlying
Customer Services and Council Tax	Major restructure with council tax, which will deliver in future, ongoing annual savings of approx £200k per year.	£119k favourable	Underlying
Corporate Management	Surrey Jobs Subscription	£6k adverse	Underlying
Car Parks	Temp Staff costs to cover vacant posts	£22k adverse	Underlying
Business improvement	Vacant Posts	£88k favourable	Underlying

2011/12 Capital Monitoring Report

Overview and Scrutiny Committee 15 November 2011

Resolution Required

Report of the Chief Finance Officer

REPORT SUMMARY

How does the content of this report improve the quality of life of Borough Residents

Money spent on capital schemes enables the Authority to ensure that residents are able to have an improved standard of living and facilities.

Purpose of Report

To provide the Committee with the spend figures, for the period April to September 2011 on the Capital Programme.

Key Issues

- The projected outturn shows that we are anticipating to spend by the financial year end £1,942,000, which represents 95% of the revised budget.

Financial Implications

As set out within the report and appendices

Corporate Priority

A sustainable financial future.

Officer Recommendations

The Committee is asked to note the report.

Report Author: Adrian Flynn Senior Accountant (01784 444268)

Contact: Terry Collier, Chief Finance Officer (01784 446296)

Cabinet Member: Councillor Tim Evans

MAIN REPORT

1. BACKGROUND

- 1.1 The purpose of this report is to update Committee on the capital spend against the budget position of schemes which have been included in the capital programme.
- 1.2 To inform the Committee of the reasons for variances.
- 1.3 This will be the last financial year, where Spelthorne will have sufficient capital funds to fully fund anticipated future capital programmes, thereafter we will need to start either drawing down revenue reserves, making revenue contributions to capital or finding additional funding sources.

2. KEY ISSUES

2.1 Capital

- (a) Attached, as **Appendix A and B**, is the current spend to date on capital covering the period April to September 2011.
- (b) For the period ending 30 September 2011, capital expenditure was £790k (52%) of the original budget and (39%) of the revised budget.
- (c) The equivalent spend in the corresponding period of the previous year was also £778,000 (38%) of the original budget and (31%) of the revised budget.
- (d) The difference between the original budget and the revised budget is £511,040. The £511,040 is broken down as £203,500 worth of carry forwards from 10/11 and £307,540 worth of supplementary estimates, made up as follows,
 - Food waste Scheme : £265,000
 - Walled Garden Irrigation : £ 28,000
 - Pa system : £ 14,540

2.2 The following projects are worth noting:

- (a) Home Improvement Agency Grant – There is likely to be a significant under spend of £9,000 this year, due to A2Dominion only requiring us to pay them £26,300 to provide this service in the current year. This sum will increase next year by at least Retail Prices Index.
- (b) Food Waste – Food waste bins and Caddie's delivered and the scheme commenced on 24th October 2011.
- (c) Car Park Improvements – The Automatic number plate reader machine project is about to go out to tender.
- (d) Air Quality - works partially completed. Any grant not used is due to be returned to Defra.
- (e) The refurbishment of the 1st Floor toilets at Knowle Green were approved by the Leader of the Council and the project was completed by the 31 October 2011.

- (f) Small direct service vehicle – This project has been duplicated within the capital programme and the forecast spend has been included within the forecast outturn of the food waste project.
- (g) Contaminated Land Investigation – The original investigation and the subsequent remediation works have been funded by grants from Defra.
- (h) The expenditure relating to the three improvement projects are to be match funded by Surrey County Council, we are awaiting the final instalment of £100,000 of funding (the County was paying in three instalments with final instalment in 2011-12) .
- (i) Capital Salaries – It is very unlikely that there will be any use of this budget during the current and future financial years, as the criteria for capitalising salaries as capital expenditure has tighten as a result of new accounting standards.
- (j) Transactions involving all the projects, but particularly critical ditches, allotments, bowls club self management and IT are being reviewed on a regular basis throughout, the year to ensure that they meet the definition of capital expenditure as laid down by our external auditors KPMG and accounting standards. Any transaction that fails to meet the capital definition will be transferred to revenue.

3. PROPOSALS

- 3.1 Overview and Scrutiny are to note the current spend position.

4. BENEFITS AND SUSTAINABILITY

- 4.1 Careful monitoring of the budgets enables greater information on the likely outturn position which enables improved treasury management interest forecasts as predicted underspends or slippages can be incorporated when calculating the likely outturn position for investment income.

5. FINANCIAL IMPLICATIONS

- 5.1 Any underspend on the approved capital programme enables the Authority to invest the monies to gain additional investment income, or can be used to fund additional schemes identified.

6. LEGAL IMPLICATIONS/OTHER CONSIDERATIONS

- 6.1 Schemes which are currently incomplete and require a budget carry forward may have contractual obligations which could leave us liable to litigation if they are not allocated the funds to complete the works.

7. RISKS AND HOW THEY WILL BE MITIGATED

- 7.1 Regular monitoring and updating of the actual figures will enable changes to be picked up and allow corrective action to be taken where necessary in a timely manner.

8. TIMETABLE FOR IMPLEMENTATION

- 8.1 Bi-monthly monitoring reports are prepared for Management Team and incorporate revised actual figures.

Report Author: Adrian Flynn, Senior Accountant (01784) 444268
Background Papers: There are none.

Treasury Management Half Yearly Report 2011/2012 Key Decision

Overview and Scrutiny 15 November 2011

Resolution Required

Report of the Chief Finance Officer

REPORT SUMMARY

How does the content of this report improve the quality of life of Borough Residents

The ability of the Council to generate maximum net investment returns with minimal risk provides significant resources for the General Fund revenue budget and the subsequent financing of the Council's services to local residents.

Purpose of Report

This report is to update members on treasury management activities for the first half year to 30th September 2011 and to ask members to approve changes to the Council's investment strategy with a view to gaining additional investment flexibility to enhance future returns.

Key Issues

- To note the treasury position achieved against the prevailing interest rate and economic backgrounds operating during the first six months of 2011/12.
- To note the ongoing environment in global banking systems and markets.
- To update the Council's creditworthiness criteria to reflect the current investment environment and the use of other types of financial instruments to enhance future investment returns.

Financial Implications

- The need to maximise the Council's investment returns while maintaining flexibility and a high level of security with minimal risk.

Corporate Priority

All corporate priorities are supported.

Officer Recommendations

The Committee is asked to note:

- 1. The proposed changes to the Treasury Management Strategy;**
- 2. The proposed use of pooled funds within the list of approved investments;**
- 3. The revisions to the Council's creditworthiness criteria.**

**Contact: Terry Collier, Chief Finance Officer, 01784 446296
Cabinet member: Councillor Tim Evans**

MAIN REPORT

1. BACKGROUND

- 1.1 Treasury Management is “the management of the Council’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.2 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice 2009 which includes the requirement for determining a treasury strategy for the likely financing and investing activity for the forthcoming year. Consequently the Council’s policy was reviewed and approved by this Committee in January 2011 and has been consistently applied since then.
- 1.3 This report is an interim statement of treasury activities for the first six months of the financial year, to the end of September 2011.
- 1.4 The Council changed its treasury advisors on 1 August 2011. After a robust tendering process Arlingclose replaced Sector Treasury Services and will act as professional advisors on all treasury management matters for the next three years. Regular quarterly meetings will be held with them to discuss the Council’s treasury options and all future investment and borrowing decisions will be made on their advice.

2. KEY ISSUES

Strategy for the year

- 2.1 The overall treasury policy objective is the prudent investment of treasury balances. It is our aim to achieve the maximum return commensurate with proper levels of security and liquidity.
- 2.2 The Council seeks professional advice from Arlingclose and closely adheres to the advice set out in the Department for Communities and Local Government (DCLG) guidance. Given Spelthorne’s dependency on investment returns to balance the budget, the Council’s investment strategy is also kept under constant review.
- 2.3 The credit quality of counter-parties (issuers and issues) and investment instruments is assessed by reference to credit ratings issued by Fitch, Moody’s and Standard and Poor’s. The Council’s counter-party credit policy is based on creditworthiness criteria recommended by our advisors and is reviewed on an ongoing basis to ensure that risk to the Council of counter-party defaults remains low.
- 2.4 The Council has taken the decision that it will not use prudential borrowing to fund capital investment, but will use the available capital receipts. Consequently, borrowing activity is limited to managing our daily cash flow needs although borrowing under the Prudential Regime may be an option for the future and would be considered on a case by case basis.

Compliance with Treasury Limits

- 2.5 During the first six months of the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council’s Treasury

Policy Statement, and the annual Treasury Management Strategy Statement and Annual Investment Strategy approved by Council in January 2011.

Economic Background

- 2.6 Global growth prospects deteriorated considerably over the six months to September, moving from an expectation of modest expansion to the risk of a double dip recession. Growth in Quarter 1 2011 GDP in the UK was 0.5% but was just 0.1% in Q2 after being revised downwards. Even Germany which was seemingly strong only registered growth of 0.1% in Q2.
- 2.7 In the UK, inflation remained stubbornly high and the CPI for September was 5.2%, and has remained well above the Bank of England's 2% target for 20 consecutive months. The Bank believes the elevated rate of inflation reflects the temporary impact of the increase in VAT to 20% and past increases in global energy and import prices.
- 2.8 The labour market remains weak with an increase in unemployment particularly among young people. Stagnant house prices, lower disposable income, scarce availability of credit and fears about job security leave consumer confidence fragile.
- 2.9 In the US, the protracted and seemingly political impasse to resolve the debt ceiling and the lack of political governance and measures to address the high debt burden ultimately led Standard and Poor's to downgrade the US sovereign rating from AAA to AA+. The country's weak economic and fiscal situation and an unemployment rate of 9.1% left the Federal Reserve little option but to commit to exceptionally low interest rates until mid 2013.
- 2.10 In Europe, the debt crisis deepened. The agreement in July to address Greece's fiscal problems and broaden the mandate for the European Financial Stability Facility (EFSF) only bought time and did little to address the issue of overburdened sovereign balance sheets. This situation is dragging on the global economic recovery and until markets are confident this issue has been addressed, the global economic recovery will be weak.

3. OPTIONS ANALYSIS

Borrowing Activity to 30th September 2011

- 3.1 At 30th September 2011, the Council had no outstanding short term borrowings. Short term borrowing rates are now at around 0.60% - 0.75% but borrowing has been restricted to meeting daily cash flow requirements and activity here is limited. However, during February and March the Council's income is significantly reduced because no instalment monies are received for Council Tax and Business Rates and it is during this period that short term borrowing increases to fund cash flow shortfalls.

Investment Performance to 30th September 2011

- 3.2 As at 30th September 2011, the Council's investment portfolio was £21.3m comprising the following investments:

<i>Euro Sterling Bonds (bonds can be bought and sold in active market)</i>	Amount	Yield to Redemption	Start Date	Maturity Date
European Investment Bank 5.50% 7/12/11	3,000,000	3.69%	15-Oct-08	07-Dec-11
European Investment Bank 4.75% 6/6/12	1,000,000	4.20%	31-Oct-08	06-Jun-12
European Investment Bank 4.50% 14/1/13	2,000,000	4.88%	14-Nov-08	14-Jan-13
	6,000,000			
<i>Fixed Rate Investments</i>				
Bank of Scotland	1,000,000	2.05%	01-Jun-11	01-Jun-12
Santander	2,000,000	0.98%	28-Sep-11	28-Oct-11
Bank of Scotland	2,000,000	1.85%	14-Oct-10	14-Oct-11
	5,000,000			
<i>Cash Flow Investments</i>				
Santander Call Account	1,000,000	0.80%		Instant access
Clydesdale Bank	2,000,000	0.75%		15 day notice
Goldman Sachs Money Market Fund	3,000,000	0.61%		Instant access
Nationwide Building Society	2,000,000	0.47%		07-Oct-11
UK Debt Management Office DMO	2,300,000	0.25%		14-Oct-11
Total – Internally Managed Funds	21,300,000			

- 3.3 The average annualised rate of return for the first six months is 1.87%, which is 0.95% above the benchmark 3 month LIBID rate of 0.92% at 30th September. This outperformance is due to the Council's current bond investments and taking advantage of enhanced market rates when placing deposits whenever possible.
- 3.4 The availability of funds for investment is dependent upon the timing of precept payments, receipt of grants and progress on the capital programme. Consequently the core cash balance available for investment is £11m and the bulk of other funds is only available on a temporary basis pending cash flow activities.
- 3.5 The original estimate for net investment income to be credited to the General Fund in 2011/12 was £356,000 based on an interest rate of 1.19%. As at 30th September 2011 the net interest earned to date was £193,000 and the outturn for the full year is currently expected to be in line with the original budget. There are funds available in Interest Equalisation Reserve, which was set up to manage the volatility in investment returns, should the interest rate environment change for the worse.

Investment Performance Monitoring

- 3.6 In-house performance is monitored on a monthly basis. The Council is heavily dependent on investment returns to support the General Fund and the stability of those returns is an important part of our ongoing financial objectives.
- 3.7 Arlingclose believes that interest rates will remain at 0.50% until at least the end of 2014. Although fixed term deposits have been made to lock into higher rates where possible and to achieve an element of stability of returns, other options to increase our returns are kept under constant review.
- 3.8 These other options include investing in pooled property and equity funds. These types of pooled funds are not currently included on our list of available investments and member approval is required before they can be used.
- 3.9 Credit ratings are monitored on a weekly basis and the Council maintains a policy of high quality counter-party criteria, as recommended by Arlingclose. Following the banking crisis many once highly rated institutions have had their credit rating significantly downgraded and these downgrades continue as fears of exposure to possible sovereign debt defaults grow. This situation continues to deteriorate and has resulted in even fewer available investment counterparties for the Council to choose from.

Conclusions for 2011/12

- 3.10 Returns on short term and cash flow investments are still very low due. With inflation currently approximately 5% the returns we are able to achieve on financial intermediaries is not sufficient to cover inflation. Although the current investment strategy of taking advantage of enhanced fixed rates and holding European Investment Bank (EIB) bonds to maturity has had a positive impact on our overall returns, credit rating downgrades have made the investment environment much more challenging as the European debt crisis continues. In addition, the first of our EIB bonds matures in December 2011 which will have a significant impact on our overall investment return.
- 3.11 The lack of real progress in resolving the sovereign debt crisis in Europe has begun to affect even the stronger Euro-zone nations and their banking systems. After appointing Arlingclose, the Council reviewed its credit indicators and criteria and is responding to the growing stress by scaling back its maturities and counterparty investments on their advice. Many of the UK banks have had further rating downgrades and have been suspended from the Council's list of approved counterparties, and we are now advised to hold other counterparties for short periods further reducing the rates of interest we can earn. This has limited our investment options and will have a detrimental effect on investment returns for the second half of the current year and going forward into 2012/13.
- 3.12 The Council continues to be proactive in seeking ways of maintaining and improving current levels of return against a very challenging global investment environment.

4. PROPOSALS

- 4.1 The table above highlights that the Council has several large maturities coming up within the next three months, including the first European Investment Bank (EIB) Bond. Reinvesting these at reasonable rates will be very challenging in the current interest rate environment so investment options

must be kept under constant review. Rates are at historically low levels and are likely to remain so for some time to come and in addition, credit rating downgrades has significantly reduced the number of available counterparties.

- 4.2 The Council needs to reflect the current circumstances and update its Treasury Management Strategy to enable the use of alternative types of suitable funds and also to reflect downgrades in the creditworthiness of potential counterparties
- 4.3 The Council has evaluated the use of pooled equity and property funds in consultation with Arlingclose and determined the appropriateness of their use within the investment portfolio. Pooled funds will enable the Council to diversify assets and the underlying risk in the investment portfolio and provide the potential for enhanced returns. It is suggested that the £3m in the European Investment Bank (EIB) bond maturing on 7th December be invested in one or more pooled equity funds.
- 4.4 Current data indicates that these funds have produced an annual return in excess of 5% over the past few years although past performance is no guarantee of future returns. Before any investment is made, a rigorous appraisal of the potential risk and return will be made by the Chief Finance Officer in full consultation and with advice from our treasury advisors, Arlingclose.
- 4.5 A full review of counterparty credit policy has been carried out and the Council's priorities remain to achieve the optimum return with lowest possible level of risk to ensure security of capital.
- 4.6 Arlingclose provides a monthly update of the credit ratings of major financial institutions. Counterparty credit quality is assessed and monitored with reference to the rating agencies Fitch, Moody's and Standard and Poor's; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; sovereign support mechanisms and potential support from a well resourced parent institution and share price. This information is used for reference and decision making purposes.
- 4.7 The updated list of approved investment instruments is attached as **Appendix A**. The changes have been highlighted and reflect the addition of pooled equity and property funds as available investments and the application of the creditworthiness criteria recommended by the Council's new advisors, Arlingclose.
- 4.8 Special arrangements have also been included in respect of the Council's bankers, currently The Co-Operative Bank plc, to allow the use of their treasury facility for short term day to day cash flow investments where this is the most cost effective option.
- 4.9 Nothing in this strategy is intended to preclude or inhibit capital investment in local projects deemed beneficial to the local community and which have been approved by the Council following appropriate evaluation.

5. BENEFITS AND SUSTAINABILITY

- 5.1 The ability of the Council to generate maximum net investment returns with minimal risk provides significant resources for funding the Council's services.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications are as set out in this report. The ability to maximise interest returns is paramount to generate sufficient funds to support the General Fund and even a small move in interest rates can mean a significant reduction in cash returns. Therefore, it is our aim to continue to maintain flexibility commensurate with the high level of security and liquidity and minimal risk when making investment decisions.

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 7.1 The Council fully complies with best practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities, the Department for Communities and Local Government (DCLG) Guidance on Investments issued in March 2004 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Sector 2009 and Cross Sectional Guidance Notes.

8. RISKS AND HOW THEY WILL BE MITIGATED

- 8.1 Risks are identified and mitigated within the Council's Treasury Policy.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Treasury management is an ongoing activity and normally there is no specific timetable for implementation. However with the maturity of the EIB Bond on 7 December 2011 it is advised that the amended strategy be implemented by end November 2011, and then be reconfirmed in February as part of the annual review of the strategy.

Report Author: Jo Hanger

Background papers: There are none

Appendix A

Specified Investments

All such investments will be sterling denominated, with maturities of up to a maximum of one year. These investments must also meet the minimum high rating criteria and may be used in house or, if applicable, by fund managers, and are set out in the table below:

Investment Type/Counterparty	Minimum Credit Criteria (see below*)	Maximum Term	Maximum Sum
Deposits with UK Debt Management Office (DMO)	Government backed	No limit	No limit
Deposits with other local authorities, including Police Authority etc.	High security but not usually credit rated	1 year	£3m
Deposits and Certificates of Deposit with nationalised and part nationalised UK banks and building societies	Long Term A+ (see below*), and in consultation with treasury advisors	1 year	£3m
Deposits and Certificates of Deposit with UK banks and building societies.	Long Term A+ (see below*), and in consultation with treasury advisors Special arrangements apply for the Council's bankers only, currently The Co-Operative Bank plc	1 year	£3m
		2 weeks	£3m
UK Government Gilts	Long Term AAA	No limit	No limit
Bonds issued by multilateral development banks such as European Investment Bank, World Bank etc.	Long Term AAA	10 year	£10m
UK Treasury Bills	Long Term AAA	No limit	No limit
Deposits with Money Market Funds	AAA	1 year	£3m
Forward deals and fixed term deposits with variable interest rates and variable maturities, including callable deposits in UK banks and building societies	Long Term A+ (see below*), and in consultation with treasury advisors	1 year	£2m

***Counterparty credit quality is assessed and monitored with reference to:**

- Credit Ratings (the Council's minimum long term counterparty rating of A+, or equivalent, across Fitch, Standard and Poor's and Moody's)
- Credit default swaps (CDS)
- GDP of the country in which the institution operates
- Country's net debt as a percentage of GDP
- Sovereign support mechanisms
- Potential support from a well resourced parent institution
- Share price

Non-Specified Investments

All such investments will be sterling denominated and a maximum of 100% will be held in aggregate in non-specified investments with a maturity exceeding one year. These investments must also meet the minimum high rating criteria and may be used in house or, if applicable, by fund managers, and are set out in the table below:

Investment Type/Counterparty	Minimum Credit Criteria (see below*)	Maximum Maturity Period	Maximum Sum
Deposits with other local authorities, including Police etc.	High security but not usually credit rated	3 years	£3m
Deposits and Certificates of Deposit with nationalised and part nationalised UK banks and building societies	Long Term A+ (see below*), and in consultation with treasury advisors	1 year	£3m
UK Government Gilts	AAA and Government backed	No limit	No limit
Bonds issued by multilateral development banks including European Investment Bank, World Bank etc.	AAA and Government backed	10 years	£10m
Forward deals and Fixed term deposits with variable interest rates and variable maturities, including callable deposits.	Long Term A+ (see below*), and in consultation with treasury advisors	1 year	£1m
Pooled Funds and Collective Investment Schemes, including property and equity funds, meeting the criteria in SI 2004 No. 534 and subsequent amendments.	Not Credit Rated As recommended by treasury advisors (see below)	10 Years	£3m

***Counterparty credit quality is assessed and monitored with reference to:**

- Credit Ratings (the Council's minimum long term counterparty rating of A+ ,or equivalent, across Fitch, Standard and Poor's and Moody's)
- Credit default swaps (CDS)
- GDP of the country in which the institution operates
- Country's net debt as a percentage of GDP
- Sovereign support mechanisms
- Potential support from a well resourced parent institution
- Share price