

Committee:	Executive	Agenda Item No.:	9.
Date:	10 <sup>th</sup> August 2009	Status	Open
Category	3. Part of the Budget and Policy Framework		
Subject:	Financial Management Performance – Quarter 1 in 2009/10		
Report by:	Director of Resources		
Other Officers Involved	Head of Finance, Chief Accountant, Principal Accountant, Head of Revenue, Head of Housing		
Director	Director of Resources		
Relevant Portfolio Holder	Leader of the Council		

## **RELEVANT CORPORATE AIMS**

STRATEGIC ORGANISATIONAL DEVELOPMENT – Continually improving our organisation. Monitoring of budgets evidences that professional standards are being maintained and are evidence that Corporate Aims are being achieved.

## **TARGETS**

The development of Policy Led Budgeting will help to inform future spending plans and assist in the delivery of efficiency gain targets that are monitored via National Indicator 179. In addition, the annual Use of Resources Assessment is supported by evidence of budget monitoring.

## **VALUE FOR MONEY**

The Budget Process challenges existing spending levels and new spending proposals to ensure that resources are effectively used and directed towards the delivery of the Corporate Aims.

## **Introduction**

1. In March 2009 the Council set the Council Tax and rent levels that supported the (net) expenditure levels for the General Fund and Housing Revenue Account. In addition, the available Capital resources were allocated to the various capital expenditure schemes.

2. Throughout the period April to June these various budgets have been enabling officers to progress work to support the Council's Corporate Aims in 2009/10.
3. This 3 month period is the first quarter of the financial year and is reported to Members.

### **General Fund**

4. Through out the quarter period officers have been monitoring financial activity against the approved income and expenditure budgets.
5. The first 3 months activities of the Council has generated the following financial performance:

<b>Description of Financial Performance</b>	<b>£'000</b>
Payments to employees	2,744
Invoices paid	1,978
Fees and charges collected	(128)
Utility bills paid	82

6. The main variances in Quarter 1 to be reported to Members are listed below and detailed in Appendix 1:
  - Kissington Leisure Centre - Due to the fire, income of £35,000 was accrued for in 2008/09. This was in respect of the insurance claim we were expecting for Business Interruption. The insurance company are now disputing this claim, and at this time it is unsure as to whether we will receive any of this income.
  - Planning Development, Planning Fees - The economic downturn is still affecting fees. No large planning developments, which bring in the higher revenue, are being undertaken.
  - Concessionary Fares - DCC are experiencing problems with receiving usage data from the bus operators. Therefore, as yet, DCC have not been able to invoice fully.
  - Superannuation backfunding - The budget has not been revised since the percentages changed from 10.38% to 7.80%. The budget will be revised for the 2009/10 Outturn.
7. The budgets reflect an anticipated pay award to employees of 1.75% from 1<sup>st</sup> April 2009. The various unions have not yet agreed a settlement of the pay award.
8. The budget also included for the first time the income associated with the charging for bulky waste removal. The budget expectation was for income of £27,000, the actual income collected is £8,000. Staffing levels / agency staff are being adjusted to reflect this reduction in work.

9. When the budget was set certain budgets had seen significant change due to the economic downturn. The performance of these budgets in the first quarter is as follows:
- Planning Fees - The income is approximately 54% lower than what was originally budgeted for. Since the end of the quarter a larger application has been received that will improve the future budget variance to approximately 30% below budget. This will continued to be monitored and the Outturn budget may well be amended to reflect the decrease in income.
  - Land Charges Fees – Revisions to prices and additional marketing have seen the income for the quarter exceed the budget by approximately 10%.
  - BCN trading performance – This is accounted for by Chesterfield BC then charged to Bolsover DC at the year end. The income is currently 50% lower than expected. The actual net effect to Bolsover DC will not be known until the year-end, however, revised budget figures have been requested from Chesterfield BC.
  - Energy - Energy suppliers were changed at the beginning of this financial year as part of the Notts County Council contract. As yet we have received limited invoices but costs at this stage appear to be in line with budgets.
  - Restaurant – This is currently under review.
10. Overall, the General Fund is operating within its expected budget and variations in the first quarter will be monitored during the year.
11. Officers are currently involved in monitoring a number of items that may impact on the budget during the following 3 quarters:
- Land Charges – The Information Commissioner’s Office (ICO) has recently issued guidance relating to the treatment of property search data. The ICO’s view is that the majority of property search data is environmental data and that local authorities should not be charging for this data. The total 2009/10 budgeted income for all land charges fees is £73,000. The local Government Association is currently challenging this guidance, and is seeking legal advice. Future reports will update Members.
  - Concessionary Travel costs – the revised cost share has recently been the subject of a further challenge by Chesterfield BC based on the latest Counsel option they sought. Derbyshire CC has indicated that they expect other Districts to pick up this share. This would impact on the 2008/09 accounts. Officers are reviewing this situation.
  - Local Authority Business Growth Incentive (LABGI) – the Council has just received the latest revision to the scheme and will update Members in future reports.

## **Housing Revenue Account (HRA)**

12. As with the General Fund, the Housing Revenue Account's budgets have been subject to officers monitoring financial activity against the approved income and expenditure budgets.
13. The first 3 months activities if the Council has generated the following financial performance:

<b>Description of Financial Performance</b>	<b>£'000</b>
Payments to employees	671
Invoices paid	445
Rent collected	(3,726)
Fees and charges collected	(1)
Utility bills paid	76

14. The preparing of the Statement of Accounts identified that the budget in 2008/09 had overstated the income from rents. This error is reflected in the budgets for future years. The correction of this results in the following:

	<b>£'000</b>
Original Rent budget	(15,565)
Less:	
- Voids (omitted from the original budget)	311
- Garage rents (included twice)	170
- Garage Site Rents	25
Revised Total Rent budget	(15,059)

15. As a result of this change in income level a separate piece of work is underway to review the HRA budgets and the impact on the working balance going forward to 2011/12.
16. The reduction to the rent increase that the Government has been consulting on is currently at the following stage:
- The rent increase percentage would drop from 7.37% to 3.42%
  - Average rent would drop from £58.00 to £56.15 per week, resulting in a total annual loss in rent of £520,630.
  - The subsidy payable would decrease by £506,560.
  - The net cost to the HRA would be £14,070

- A report is being prepared for Council to consider this potential change.
17. Appendix 2 details other variances on the HRA. Repairs & Maintenance – Voids subcontractors is the most significant variance that officers are seeking to ensure appropriate controls are in place.
  18. The HRA budgets also reflect an anticipated pay award to employees of 1.75% from 1<sup>st</sup> April 2009. The actual pay award has not yet been settled.
  19. This is an update for members but a further report will be presented prior to the next quarter to address in more detail the impact on the HRA of the changes necessary due to the incorrect rent budget being set, revised working balances and the potential impact of equal pay claims.

### **Capital expenditure**

20. The planning and procurement processes which need to be put in place before spend on capital budgets can begin means the expenditure for the first quarter of the financial year is usually low.
21. Expenditure is monitored on a monthly basis by an officer group. A capital programme monitoring report was produced for the meeting on 26<sup>th</sup> June which is attached to this report as Appendix 3. The main items for Members to be aware of are:
  - Capital expenditure of £443,019 was not fully spent in 2008/09 and will be carried forward into 2009/10 with the equivalent amount of funding. Appendix 3 does not show the slippage as this was approved at in the Outturn report to Council at the end of June. The Appendix therefore shows some schemes as temporarily without a budget.
  - In order to prepare the Statement of Accounts capital expenditure is maintained on an accruals basis. The report at Appendix 3 shows the reversals of the accruals and retentions as credits until sufficient expenditure is incurred to clear them to zero.
  - The external funding for schemes C145 and C157 had not been input as it needed to be allocated by the Creswell THI project officer.
  - Internal recharges between the HRA and the capital programme had not been done at 26<sup>th</sup> June which meant C109 and C116 show zero expenditure.
  - Vehicles are financed by operating lease and the budget amounts are only estimates of the capital cost of the vehicle.
  - Ashford Construction who built the Riverside Depot is in administration. As at 21<sup>st</sup> July we are holding a retention

amount of £66,048 and have not made any payments to the contractor since 10th June. The Depot and Resources Manager is taking steps to deal with outstanding defects.

22. Capital expenditure is funded from various sources including major repairs allowance, capital receipts, operating leases and private sector contributions. Capital receipts generated in the current financial year are used to fund future years' expenditure. In the first quarter capital receipts have been generated from the following sources:
- Council house sales – two sales totalling £112,380
  - Other asset sales – various small sales totalling £4,775
23. The Council has a programme of asset sales. There have not been any changes to this in the first quarter.
24. Overall, the Capital Expenditure in the first quarter is within budget and will be monitored during the remaining periods of the financial year

### **Treasury Management**

25. The Council has budgets associated with its investments and borrowing activities.
26. Investments during the period are summarised in the table below:

	<b>£m</b>
Opening balance	16,810
Investments made in the period	5,518
Investments maturing during the period	(5,210)
Closing Balance	17,118

27. The investments have been made in accordance with the Council's Treasury Management Strategy.
28. These investments have generated interest of £98,833. When compared to the budget this is over achieving slightly but it must be remembered that the levels of resources available for investment will fall as expenditure on the capital programme gets underway. The average rate of interest earned is 2.45% compared to the Bank of England base rate that has remained at 0.50% throughout the quarter. Throughout the first quarter we still held two investments with interest rates over 5.5%, this being the reason for such a favourable variation.
29. The Council's Public Works Loans Board debt has remained at £19.1m during the quarter.

30. Parish Council investments with the Council have increased by £121,034 making the balance £658,178.
31. The Council approves annually Prudential Indicators. At the first quarter end the only changes are:
- The estimate of capital expenditure to be incurred for HRA and Non-HRA has increased due to the slippage of expenditure between years.
  - The capital financing requirement for HRA and Non-HRA has changed due to the temporary setting aside of capital receipts in 2008/09.
32. The Council remains a creditor for its investments in Landsbanki. The latest updates associated with this are:
- Some of the other Icelandic banks have started to repay part of the investments councils hold with them
  - The next significant date for the meeting of the administrators / Local Government Association legal representatives will be after the summer recess.
  - Estimates of the levels of repayment have varied since the guidance was provided for the Statement of Accounts to be compiled. We await the next update which will be reflected in the Statement of Accounts at 30<sup>th</sup> September 2009.

### **Reserves**

33. The table below show the reserves / balances of the Council as at 31<sup>st</sup> March 2009.

	<b>Balance as at 31/03/09</b>	<b>Balance as at 31/03/08</b>	<b>Change in years</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Reserve	(685)	(1,883)	1,198
Earmarked Reserves	(3,834)	(2,125)	(1,709)
Capital	(255)	(255)	0
Insurance	(156)	(135)	(21)
<b>Total Reserves and Provisions</b>	<b>(4,930)</b>	<b>(4,398)</b>	<b>(532)</b>

	<b>Balance as at 31/03/09</b>	<b>Balance as at 31/03/08</b>	<b>Change in years</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund Balance	(1,527)	(1,400)	(127)
HRA Balance	(647)	(980)	333

### **Risk Management**

34. When the budget was approved it was accompanied by details of Revenue and Capital risks. These have been reviewed and updated for Members as part of the Quarterly report, see Appendices 4 and 5. There are no concerns that are not detailed in this report at this time.

### **Collection of Debts**

35. The Council's main income streams are associated with Council Tax, Business Rates (National Non Domestic Rates), Housing Rents and Sundry Debtors.
36. Executive receive a monthly update from the Head of Housing for the current performance in recovering current tenant and former tenant arrears. In addition there are a number of performance indicators reported to the PPMG.
37. These main income streams are shown in the tables below. The first table shows the percentage of debt recovered that has been raised in this financial year. The Local Performance Indicators record the performance for PPMGs to consider.

<b>Category of Debt</b>	<b>2009/10 Quarter 1</b>	<b>2008/09 Quarter 1</b>	<b>Variance</b>
<b>Debt raised for the year:</b>			
➤ Council Tax	32.3%	32.3%	0.0
➤ Business Rates (NNDR)	32.0%	29.2%	+2.8%
<b>Debt raised during the year</b>			
➤ Sundry Debts	82.6%	78.5%	+4.1%
➤ Rents – current tenants	100.9%	90.9%	+9.94%



38. For each of these categories of debt there is also debt from previous years that was still to be collected at the year end. The performance in the quarter for the reduction in the debt is shown below.

Category of Debt / LPI	Arrears collected £'000	% collected	Target for the Quarter	Balance £'000
Council Tax (RS 6)	£226	17.7%	20.0%	£1,050
Business Rates (NNDR) (RS 7)	£183	30.6%	30.0%	£417
Sundry Debts (RS 5)	£540	54.5%	40.0%	£451

	Qtr end Balance £'000	Qtr 1 '08 Balance £'000	Change £'000
Rents			
– current tenants	£661	£768	(£107)
– former tenants	£521	No data available	N/A

### **Suspense accounts**

39. Not all payments to the Council are clearly identifiable to the debt it should be associated with. To accommodate this, the Council has a number of suspense accounts. This quarter the balance on the General Ledger suspense accounts is £203.60.

### **Write-offs**

40. The debts due to the Council are reviewed on a regular basis to ensure the balance collectable is achievable based on information gathered by the process of seeking to collect the various debts.
41. The Council manages is by delegation to the Director of Resources for those below £1,000 and by Executive approval for items over £1,000.
42. The write-offs during the quarter are shown below:

Category of Debt	Less than £1,000	Greater than £1,000
Council Tax	-£109.66	£5,144.25
Business Rates (NNDR)	£570.43	£51,171.96
Sundry Debts	£44.86	£15,689.13

<b>Category of Debt</b>	<b>Less than £1,000</b>	<b>Greater than £1,000</b>
Rents	£0	£0
Former Tenants' Arrears	£0	£0

### **Reconciliations**

43. For the General Ledger to generate reliable financial information it is vital that it is reconciled to various IT and Revenue systems. This results in over 50 income and expenditure reconciliations being completed each month. These reconciliations have proven to be reliable for all systems and also vital to the preparation of the Council's year end Statement of Accounts.

### **Internal Audit**

44. The Internal Audit Consortium reports on a quarterly basis to the Audit Committee on the work done during that period. The work done between April and June were reported to the June 29<sup>th</sup> meeting of the Committee.
45. During this period the Consortium was fully staffed with minimal levels of sickness.

### **Efficiencies**

46. Efficiencies achieved in 2008/09 are reported against the performance indicator NI 179. The efficiency agenda in 2008/09 had migrated from cashable and non cashable Gershon saving to solely 3% cashable savings.
47. Guidance from the Treasury published at the beginning of July 2009 now dictates that the Council is not able to carry forward any cashable efficiencies from previous years.
48. The mid year estimate projected that the Council would achieve in year efficiencies of £330,000. These efficiencies, with the carry forward of approximately £170,000 gave a projected target of £500,000.
49. The end of year outturn for 2008/09 has been calculated and amounts to £709,000. The details associated with this calculation are shown in the table below.

Efficiency Details	£'000
General Fund Salary savings (from disestablished posts, reduced sickness, vacancy savings etc) net of extra costs on agency staff, overtime and services impacted upon by the downturn)	550
HRA Salary savings	19
Creswell Pool savings	5
Server virtualisation programme	19
Reduced Portable Appliance Testing	1
Changes to Letterhead printing	1
Changes in Sundry Debtor collection	6
Procurement	108
<b>Total</b>	<b>709</b>

50. For 2009/10 the Council has an efficiency log that is being maintained on a regular basis by SMT. Reports to Council will continue to identify cashable gains during the year.

### **Vacancy Saving**

51. When the Council approved the budget in March 2009 for 2009/10 included within it was a budgeted saving of £355,000 from General Fund vacancies and £100,000 from the HRA, totalling £455,000 for the Council overall. The first quarter data cannot easily be split but overall vacancy savings (net of additional overtime and agency staff) shows a saving of just over £157,000. This would indicate the savings will be achieved.

### **IMPLICATIONS**

Financial: Included within the report  
 Legal: None  
 Human Resources: None

### **RECOMMENDATION(S)**

1. **That the first quarter performance on budgeted income and expenditure for the General Fund and Housing Revenue Account be noted.**
2. **That the first quarter review of the main areas covered by the Budget Risk Assessment be noted.**

3. That the report on the Treasury Management activities and Prudential Indicators be received.

**REASON FOR DECISION TO BE GIVEN IN ACCORDANCE WITH THE CONSTITUTION**

The Executive can evidence robust consideration of the details associated with the financial performance of the Council.

ATTACHMENTS:           Y/N  
FILE REFERENCE:  
SOURCE DOCUMENT:

**APPENDIX 1****GENERAL FUND - MAIN VARIANCES IN QUARTER 1 OF 2009/10**

	<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE (Negative)</b>	<b>EXPLANATION</b>
		<b>£</b>	<b>£</b>	<b>£</b>	
1	Planning Development – Planning Fees	(109,962)	(50,990)	(58,972)	The economic downturn is still affecting fees. No large planning developments, which bring in the higher revenue, are being undertaken.
2	Concessionary Fares	254,223	173,320	80,903	DCC are experiencing problems with receiving usage data from the bus operators. Therefore, as yet, DCC have not been able to invoice us fully.
3	Superannuation backfunding	260,436	78,862	181,574	The budget has not been revised since the percentages changed from 10.38% to 7.80%. The budget will be revised for the 2009/10 Outturn.
4	Kissingate LC – Insurance Income	0	105,805	(105,805)	The 2008/09 accounts accrued for the income expected from the insurance claim due to the fire. At least £35,000 of this income is in dispute with the insurers.
5	Creswell LC – Revenue Grants	(10,950)	(67,974)	57,024	DCMS have increased their original grant allocation for free swimming for over 60s and under 16s. The 2009/10 Outturn budget will be increased to reflect this.

	<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE (Negative)</b>	<b>EXPLANATION</b>
		<b>£</b>	<b>£</b>	<b>£</b>	
6	Street Cleansing - Salaries	80,547	43,628	36,919	The Street Cleansing staff are paid via the monthly manual payroll run, which is always a month in arrears. The department is also currently carrying three vacancies. Some additional agency expenditure has been incurred with £13,000 spent against £9,000 budget for the quarter.
7	Grounds Maintenance - Salaries	110,285	70,840	39,445	The Grounds Maintenance staff are paid via the monthly manual payroll run, which is always a month in arrears. The department is also currently carrying two vacancies. Some additional agency expenditure has been incurred with £13,000 spent against £12,000 budget for the quarter.
8	ICT – Software Maintenance / Rental	55,356	188,695	(137,734)	All software contracts are paid annually, and most are paid at the beginning of the financial year. The contract prices increase annually and the budget is amended each year to reflect this. It appears at this point in time that the actual costs may exceed the current budget. A full review of all contracts will be undertaken.

**APPENDIX 2****HOUSING REVENUE ACCOUNT - MAIN VARIANCES IN QUARTER 1 OF 2009/10**

	<b>DESCRIPTION</b>	<b>BUDGET £</b>	<b>ACTUAL £</b>	<b>VARIANCE £</b>	<b>EXPLANATION</b>
1	Supervision & Management - Rents	1,377	22,125	(20,748)	£20,000 in respect of the surrender of the Dunholme lease, which was not originally budgeted for.
2	Special Services - Electricity	20,886	12,485	8,401	All of the invoices have not yet been posted to the ledger but it would appear that there was an over accrual of £5,000 in the 2008/09 final accounts.
3	Repairs & Maintenance – Voids subcontractors	47,286	94,633	(47,347)	The current spend level has been highlighted to the Head of Housing to ensure that any necessary corrective action can be taken to avoid any potential overspending. A portion of this may relate to capital work.
4	Supporting People - Lifelines	10,008	95	9,913	There should be no problem with the budget. The contract is usually paid in June.
5	Special Services - Gas	89,910	48,171	41,739	There are only two months invoices posted to the ledger, and the winter months' invoices are substantially higher than the summer months. At this point there is nothing to indicate that there will be a problem with the budget.

**APPENDIX 3**

**CAPITAL PROGRAMME MONITORING REPORT – AS AT 25<sup>TH</sup> JUNE 2009**

	Description	Project	Original	Changes	Latest	Spend to	Under/ (Over) Spend	Comments
		Officer	Budget		Budget	Date		
			£	£	£	£	£	
<b><u>Environmental Services</u></b>								
C020	Disabled Facility Grants (Mandatory)	JS/SB	579,000.00		579,000.00	85,649.24	493,350.76	
C023	Whaley Thorns Group Repair	JS/SB	100,000.00		100,000.00	(17,724.97)	117,724.97	Accrual/retention from 08/09
C024	New Terrace Pleasley	JS/SB	50,000.00		50,000.00	969.00	49,031.00	
C025	Whaley Thorns Environmental Imps	JS/SB	0.00		0.00	1,595.00	(1,595.00)	Slippage not yet input
C026	Shirebrook Renewal Area	JS/SB	0.00		0.00	(710.94)	710.94	Accrual/retention from 08/09
C027	Shirebrook Group Repair	JS/SB	200,000.00		200,000.00	15,656.00	184,344.00	
C028	Carr Vale Environmental Improvements	JS/SB	25,000.00		25,000.00	0.00	25,000.00	
C029	Carr Vale Group Repair	JS/SB	125,000.00		125,000.00	29,502.23	95,497.77	
C030	Creswell Model Village Improvement Grants	JS/SB	25,000.00		25,000.00	918.00	24,082.00	
C032	Byron Street Shirebrook	JS/SB	34,691.00		34,691.00	(2,937.57)	37,628.57	Accrual/retention from 08/09
C034	Church Drive Energy Project	JS/SB	0.00		0.00	(9,578.80)	9,578.80	Accrual/retention from 08/09
C035	New Houghton Renewal Area	JS/SB	700,000.00		700,000.00	182,212.24	517,787.76	
C038	Station Road Shirebrook	JS/SB	450,000.00		450,000.00	127,523.19	322,476.81	
C187	Private Sector Decent Homes	JS/SB	300,000.00		300,000.00	42,498.98	257,501.02	



Description	Project	Original	Changes	Latest	Spend to	Under/	Comments
		Officer	Budget		Budget	Date	
		£	£	£	£	£	
<b>Housing Services</b>							
C092	Disabled Adaptations	PC	384,022.00		384,022.00	26,120.00	357,902.00
C097	Repair Inspector (MRA programme)	PC	40,000.00		40,000.00	6,164.35	33,835.65
C099	Window Replacement General	CS	10,000.00		10,000.00	9,616.15	383.85
C100	Electrical Rewiring	CS/PH	700,000.00		700,000.00	162,206.21	537,793.79
C103	Electrical Relets	PC/PH	200,000.00		200,000.00	53,459.73	146,540.27
C104	Roof Tile Vents	CS	0.00		0.00	(5,072.69)	5,072.69 Accrual/retention from 08/09
C105	Smoke Detection in Group Dwellings	PC	55,000.00		55,000.00	0.00	55,000.00
C107	Cavity Wall and Loft Insulation	CS	160,000.00		160,000.00	48,778.46	111,221.54
C109	Heating Relets	PC	106,673.00		106,673.00	0.00	106,673.00
C113	External Door Replacements	DE	135,000.00		135,000.00	14,232.43	120,767.57
C114	Heating Upgrades	MB	100,000.00		100,000.00	(19,942.11)	119,942.11 Accrual/retention from 08/09
C115	Environmental Works	PC	70,000.00		70,000.00	0.00	70,000.00
C116	Major Relet Repairs	PC	576,033.00		576,033.00	0.00	576,033.00
C117	Decent Homes Standard	DE	263,847.00		263,847.00	36,801.00	227,046.00
C118	Kitchen Replacements - Decent Homes	CS	1,050,000.00		1,050,000.00	16,432.76	1,033,567.24
C120	Improvements towards tenants' aspirations	DE	0.00		0.00	(5,667.50)	5,667.50 Accrual/retention from 08/09
C141	DLG Schemes	DE	0.00		0.00	(16.39)	16.39 Accrual/retention from 08/09

	Description	Project	Original	Changes	Latest	Spend to	Under/ (Over) Spend	Comments
		Officer	Budget		Budget	Date		
			£	£	£	£	£	
C165	Main St Car Park Ph4	DE	0.00		0.00	(1,040.96)	1,040.96	Accrual/retention from 08/09
C168	DLG Pleasley Mills	DE	0.00		0.00	(4,035.00)	4,035.00	Accrual/retention from 08/09
C172	Pump Priming - Deferred Charge	DE	0.00		0.00	1,699.00	(1,699.00)	Slippage not yet input
C173	Northern Housing Market Needs Survey	PC	0.00		0.00	187.50	(187.50)	Slippage not yet input
C184	Choice Based Lettings IT Equipment	PC	42,674.00		42,674.00	0.00	42,674.00	
<b><u>Leisure Services</u></b>								
C102	DCMS Creswell LC Capital Grant	LH	0.00		0.00	8,720.59	(8,720.59)	Slippage not yet input
C126	Clune Street Recreation Ground	LH	85,000.00		85,000.00	117.00	84,883.00	
C129	Green Space Strategy + Green Flag Park	LH	0.00	13,340.00	13,340.00	5,769.05	7,570.95	
C130	Bolsover Improving Play Pitches Initiative	LH	0.00		0.00	1,397.15	(1,397.15)	Slippage not yet input
C131	Clowne Youth Focused Play Area	LH	0.00		0.00	1,022.00	(1,022.00)	Slippage not yet input
C132	Playful Spaces	MC	150,000.00		150,000.00	17,253.90	132,746.10	
C135	Houfton Road Park, Bolsover	MC	0.00		0.00	908.00	(908.00)	Slippage not yet input
C138	P Vale Outdoor Education Centre Ph 2	LH	0.00		0.00	92,450.00	(92,450.00)	Slippage not yet input
<b><u>Planning Services</u></b>								
C145	Creswell Schools	CM	0.00		0.00	286,484.48	(286,484.48)	Budget to be allocated by Creswell THI
C153	Creswell Properties Phase 2	CM	0.00		0.00	(77,282.56)	77,282.56	Accrual/retention from 08/09

	Description	Project	Original	Changes	Latest	Spend to	Under/ (Over) Spend	Comments
		Officer	Budget		Budget	Date		
			£	£	£	£	£	
C154	Creswell Former Co-op Store	CM	24,845.00		24,845.00	0.00	24,845.00	C154
C157	Creswell MV Villas	CM	0.00		0.00	46,511.01	(46,511.01)	Budget to be allocated by Creswell THI
C159	Creswell Elmton Road Project	CM	96,935.00		96,935.00	0.00	96,935.00	
<b><u>Regeneration</u></b>								
C095	AMP - Riverside Depot	GG	40,000.00		40,000.00	0.00	40,000.00	
C096	Clowne Incubation Centre - 2 Station Rd	HD/MB	0.00		0.00	(7,890.35)	7,890.35	Accrual/retention from 08/09
C111	Pleasley Vale Creative Industries	MB	0.00		0.00	(11,252.88)	11,252.88	Accrual/retention from 08/09
C147	AMP - Engineers	GG	120,000.00		120,000.00	52,159.40	67,840.60	
C148	AMP - Sherwood Lodge	DE/TR	182,835.00		182,835.00	105,578.66	77,256.34	
C149	AMP - PV Lodges	GG	238,195.00		238,195.00	9,511.00	228,684.00	
C150	AMP - Community Houses	GG	20,370.00		20,370.00	0.00	20,370.00	
C166	Shirebrook Business Realm Improvements	MBr	0.00		0.00	1,104.72	(1,104.72)	Slippage not yet input
C167	Shirebrook Station House	MBr	0.00	20,000.00	20,000.00	16,724.48	3,275.52	
C169	Street Services Depot Relocation	DE/MB	1,195,450.00		1,195,450.00	570,214.58	625,235.42	
C174	S/Normanton + Pinxton Master plan	MBr	58,150.00		58,150.00	10,055.00	48,095.00	
C176	AMP - Leisure Buildings	GG	120,180.00		120,180.00	3,633.00	116,547.00	
C183	Fees - Regen Mgmt + Admin	FIN	339,780.00		339,780.00	84,945.00	254,835.00	
<b><u>Street Services</u></b>								
C006	Tractor (market FL51 LXF)	AL	12,000.00		12,000.00	0.00	12,000.00	

	Description	Project	Original	Changes	Latest	Spend to	Under/ (Over) Spend	Comments
		Officer	Budget		Budget	Date		
			£	£	£	£	£	
C008	4 Cars (wardens YT52 EAA MOU MMF EAJ)	AL	40,000.00		40,000.00	0.00	40,000.00	
C009	Van (R+M YR52 UTU)	AL	18,000.00		18,000.00	15,578.00	2,422.00	
C010	Van (R+M YR52 UTV)	AL	18,000.00		18,000.00	15,578.00	2,422.00	
C011	Van (R+M YR52 UTW)	AL	18,000.00		18,000.00	19,934.00	(1,934.00)	Financed by lease – estimate only of vehicle cost
C039	Van (GM) FD54 ZLK	AL	18,000.00		18,000.00	19,144.25	(1,144.25)	Financed by lease – estimate only of vehicle cost
C041	Van (GM) FD54 ZDC	AL	18,000.00		18,000.00	19,144.25	(1,144.25)	Financed by lease – estimate only of vehicle cost
C042	Van (GM) FD54 ZKC	AL	18,000.00		18,000.00	19,144.25	(1,144.25)	Financed by lease – estimate only of vehicle cost
C043	Pick Up (Garage) FG54 HVX	AL	14,000.00		14,000.00	12,205.00	1,795.00	
C044	Van (Drains) FD54 ZKW	AL	20,000.00		20,000.00	20,505.00	(505.00)	Financed by lease – estimate only of vehicle cost
C059	8 x Hedge cutters	AL	4,000.00		4,000.00	2,392.00	1,608.00	
C068	Refuse Vehicle (YR02 RDO)	AL	140,000.00		140,000.00	0.00	140,000.00	
C080	8 Hedge cutters	AL	4,000.00		4,000.00	0.00	4,000.00	
C081	10 Strimmers	AL	5,000.00		5,000.00	4,250.00	750.00	
C089	Van (R+M YR52 UTT)	AL	18,000.00		18,000.00	15,578.00	2,422.00	
			<b><u>9,518,680</u></b>	<b><u>33,340</u></b>	<b><u>9,552,020</u></b>	<b><u>2,177,081</u></b>	<b><u>7,374,939</u></b>	

**REVENUE RISK ASSESSMENT UPDATE FOR QUARTER 1 OF 2009/10**

<b>NO.</b>	<b>BUDGET ITEM</b>	<b>RISK</b>	<b>IMPACT</b>	<b>ACTIONS REQUIRED</b>	<b>FIRST QUARTER PROGRESS</b>
1.	Pay Awards	Settlement for 2008/09 increased at arbitration and future settlements exceed the percentage increase provided for in the budget.	Additional cost for the Council.	Prudent budget estimates and regular budget monitoring to determine overall financial position.	Pay award not yet settled. Continue to monitor progress.
2.	Pay and Grading Review	The costs associated with the Pay and Grading Review appeals, equality audit and any resulting equal pay claims cannot be met from within existing resources	Additional cost for the Council.	Ensure the financial implications reports reflect all options to contain costs within acceptable budget limits and that the settlement of Equal Pay Claims are fully considered and monitored.	Appeals have been ongoing during the quarter and will be ongoing in the second quarter. The equal pay audit is scheduled for the summer / autumn period.

<b>NO.</b>	<b>BUDGET ITEM</b>	<b>RISK</b>	<b>IMPACT</b>	<b>ACTIONS REQUIRED</b>	<b>FIRST QUARTER PROGRESS</b>
3.	Fuel Costs	The increases in Gas and Electricity exceed the budget provision.	Additional cost for the Council.	Regular budget monitoring and maintenance of adequate reserves and working balance levels to deal with any major fluctuations. In addition seek to progress energy reduction schemes linked to climate change.	No significant cost increased notified to the Council. The recent approval of the Climate Change Strategy will seek to reduce future costs.
4.	Investment Income	Available cashflow surpluses are lower than anticipated and/or lower than expected interest rates.	Reduction in the level of income earned on investments	Monitor the average rate of interest received and changes to levels of balances. Liaise with Treasury Management Consultants to ensure the maximum potential is being realised from investment activities.	Current results are good. Changes have been approved to the Treasury Management Counterparties list to ensure the Council can maintain secure investments.
5.	Income from Fees and Charges	Reduction in the number of users/applications.	Shortfall in the amount of anticipated income	Regular budget monitoring, which must identify any primary reasons for reductions.	Monitoring continuing.

<b>NO.</b>	<b>BUDGET ITEM</b>	<b>RISK</b>	<b>IMPACT</b>	<b>ACTIONS REQUIRED</b>	<b>FIRST QUARTER PROGRESS</b>
6.	Pleasley Vale Mills	Loss of key tenants and/or rise in repairs and maintenance costs.	Either of these factors will have an adverse effect on the Council's budget.	Regular monitoring and liaison with the Management Company. Also need to progress options for sale of the Mills.	No changes currently impacting on this.
7.	Concessionary Fares	The financial implications of an appeal lodged by key Bus Operators are higher than anticipated.	The costs of the national scheme exceed the budget provision.	Monitor the outcome of the appeal and continue to liaise with the Department for Transport and the Local Government association regarding the cost to the Council.	No change in operator appeals but the report details potential cost increases if the sharing of cost based on usage were to change.
8.	Housing Benefits and Subsidy	An increase in the level of Benefit Overpayments,	Lower than expected levels of Subsidy Grant income.	Full Subsidy is only payable on correctly paid benefits; therefore there is a need to monitor the levels and recovery of benefit overpayments.	Continued monitoring is in place.
9.	Council Tax and NNDR Income	Failure to achieve collection rate targets.	Adverse effect on the Council's overall cashflow position and collection fund.	Monitor monthly and evaluate the effectiveness of recovery procedures compared with other Council's in Derbyshire.	Current levels of recovery are exceeding targets.

<b>NO.</b>	<b>BUDGET ITEM</b>	<b>RISK</b>	<b>IMPACT</b>	<b>ACTIONS REQUIRED</b>	<b>FIRST QUARTER PROGRESS</b>
10.	Supporting People	The Council may receive a lower than expected contribution from the central fund, administered by Derbyshire County Council.	Any shortfall between the actual costs incurred in the Supporting People scheme and the contribution received will have to be met by the Council. Charging policy may have to be reviewed.	Liaise closely with the Supporting People Team and monitor costs. Tenant consultation to take place prior to charging.	No changes currently being considered.
11.	HRA Rent Income	Higher than anticipated void property levels or right to buy sales.	Either of these options will reduce the levels of Rent Income.	Regular budget monitoring and review the procedures to manage void properties.	The arrangements for the management of voids is being reviewed and enhancements are planned.
12.	Housing Rent Arrears	Little or no improvement in the collection of arrears.	Adverse effect on the Council's overall cashflow position.	Monitor monthly and evaluate the effectiveness of recovery procedures.	Monitoring enhanced to include Former Tenants Arrears. Developments to the process will be reported to Members.



<b>NO.</b>	<b>BUDGET ITEM</b>	<b>RISK</b>	<b>IMPACT</b>	<b>ACTIONS REQUIRED</b>	<b>FIRST QUARTER PROGRESS</b>
13.	Efficiency Gains	Efficiency targets cannot be met.	If the efficiency targets are not achieved, this will require a reduction in the current working balance levels in order to maintain a balanced budget. Consistent failure to meet targets could lead to Government intervention.	Develop a Savings Strategy and monitor progress against target on a quarterly basis.	Significant progress has been made on Mobile working / Stores. The second quarter will include significant staffing reports. Monthly monitoring remains in place.
14.	Vacancy Factor	Vacancy Factor cannot be met.	If the Vacancy Factor is not achieved, this will require a reduction in the current working balance levels in order to maintain a balanced budget.	Monitor progress against target on a monthly basis. If this is underachieving options include increasing the recruitment drag, introduce a moratorium on filling vacancies and review service levels.	Vacancies in 2008/09 exceeded levels used in 2009/10 budget. Continued monitoring is in place.

<b>NO.</b>	<b>BUDGET ITEM</b>	<b>RISK</b>	<b>IMPACT</b>	<b>ACTIONS REQUIRED</b>	<b>FIRST QUARTER PROGRESS</b>
15.	Investment risk	Investments not repaid on maturity due to current economic climate.	Investment and associated interest not repaid. Future year costs to account for the loss in value of the asset.	Take advice from the Council's Treasury management advisors. Reduce the counterparty maximum limit, spread investments to secure organisations, look to maximise investments with Government investment schemes and Government backed institutions.	The Treasury management advisors have recently visited the Council to discuss the current portfolio of investments and future plans. No concerns have been raised.

**CAPITAL RISK ASSESSMENT UPDATE FOR QUARTER 1 OF 2009/10**

<b>NO.</b>	<b>BUDGET ITEM</b>	<b>RISK</b>	<b>IMPACT</b>	<b>ACTIONS REQUIRED</b>	<b>FIRST QUARTER PROGRESS</b>
1.	External Funding	Loss of anticipated external funding to support Capital Projects.	A funding shortfall would occur which may jeopardise the delivery of the project.	Ensure all external funding is secured before project work commences.	Only expenditure on secured schemes is approved.
2.	Capital Expenditure	Increase in the expected level of financial commitment required to deliver the project.	Potentially this could mean additional cost for the Council.	Monitor expenditure and outcomes on a regular basis, and if necessary, explore avenues for additional external funding.	Not currently known to be an issue.
3.	Capital Receipts	Lower than anticipated Capital Receipts available to finance the Capital Programme.	Anticipated funding would not be available to support certain Capital projects.	Monitor income and trends in numbers and values of sales.	As anticipated asset sales are low – continuing to monitor.

<b>NO.</b>	<b>BUDGET ITEM</b>	<b>RISK</b>	<b>IMPACT</b>	<b>ACTIONS REQUIRED</b>	<b>FIRST QUARTER PROGRESS</b>
4.	Prudential Borrowing	Borrowing costs will cause pressure on the Revenue Budgets.	Revenue Budget developments may be compromised as a result of financing borrowing costs associated with Capital projects.	Monitor the relationship between debt charges and investment income. Ensure Prudential Indicators are also monitored and that the financial implications of any project are fully evaluated.	No new prudential borrowing undertaken.
5.	Capital expenditure	Contractor failure	Work not completed, delays in finishing, potential for higher cost.	Financial vetting of potential suppliers should take into account the current financial climate. Contract securities appropriate to the contract should be sought.	Contractor failure occurred on the Depot project. Main contract works already completed with defects being dealt with internally. Retention held.