



*'leading for tomorrow'*

# **INFORMATION BULLETIN**

**ISSUE:- 13<sup>th</sup> June 2007**

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1.	Council Staff Monitoring Statement	Andrea Vincent	01276 707403 andrea.vincent@surreyheath.gov.uk	1
2.	Contingency Budget Report	Judith Walmsley	01276 707319 judith.walmsley@surreyheath.gov.uk	2
3.	Investment Management Update	Kate Wells	01276 707311 kate.wells@surreyheath.gov.uk	3
4.	Insurance Revenue Fund Update	Kelvin Menon	01276 707257 kelvin.menon@surreyheath.gov.uk	5
5.	Repairs and Renewals Fund Update	Kelvin Menon	01276 707257 kelvin.menon@surreyheath.gov.uk	7

**The following document contains reports for your information. If you would like any matters to be raised at the next Executive or regulatory committee, one day's written notice should be given to the Head of Legal and Corporate Services (with a copy to Michelle Grieve). Any matters must be raised within one calendar month of it being published in the Information Bulletin.**

Produced by Legal and Support Services  
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1. The Council approved a Contingency Budget of £18,000 for the financial year 2007/08 and the Chief Executive, after consultation, is authorised to spend from this fund where the expenditure would exceed the approved budgets, or is for a matter where no approved budget exists.

2. The following expenditure has been approved:

<u>Subject</u>	<u>Reason</u>	<u>£</u>
Blackwater Valley Joint Authorities' Group – refreshments	No existing budget for one-off partnership events	229
Neighbourhood Improvement Workshops – publicity	No existing budget - partnership working (Safer Surrey Heath Partnership)	131
Surrey Education Business Partnership – sponsorship luncheon	No existing budget for one-off partnership events	253
Surrey Chambers of Commerce business breakfast – hire of room	No budget for ad hoc arrangement with Chambers of Commerce	58
Development of Safer Surrey Heath Partnership website	Existing budget insufficient; website will enable information to be disseminated more widely and quickly.	1,725
Neighbourhood Improvement Workshops (3)	No existing budget for this partnership working (Safer Surrey Heath Partnership)	4,320

3. To date £6,716 has been committed from the Contingency Budget.

4. It has recently been agreed that the unspent sum of £5,930 in 2006/07 shall be carried forward and added to the budget in this year. The balance of the fund has accordingly been adjusted to £23,930 and therefore £17,214 remains in the fund.

1. Attached, at Annex A to this report is a summary of the Council's investments as at 31<sup>st</sup> March 2007.
2. The rate of return assumed in the original estimates for 2006/07 was 4.5%. Each 1% reduction in interest rates would in the absence of a long-term investment strategy, reduce investment returns by approximately £300,000 per annum. Current short - term investment returns are approximately 5.4% per annum as can be seen from the Annex A.
3. The Investment Support Service Plan requires performance measurement against London Interbank Offered Rate (LIBOR) for 1 week and three months.
4. Performance reports identify the respective performance of short and long - term investment. These are set out below and show the position to end of March 2007.

**2006/07 MONEY MARKET INDICATORS**

	1 Apr – 30 Jun	1 Jul – 30 Sep	30 Sep – 31 Dec	1 Jan – 31 Mar
1 week LIBOR	4.61%	4.78%	5.03%	5.25%
3 Month LIBOR	4.69%	4.9%	5.21%	5.32%
Average	4.65%	4.84%	5.12%	5.28%

**Council Investment Performance**

Long Term (over > 1 Year)	4.43%	4.43%	4.42%	4.53%
Short Term (Less than 1 Year)	4.57%	4.70%	5.03%	5.28%
Average All Investments	4.50%	4.59%	4.82%	4.97%

5. The Council's investments in the period of April – March 2007 have earned 4.73% p.a. compared to the 4.5%p.a. assumed in the original budget. However this is below the LIBOR average since we hold a number of investments which were placed between 4 and 7 years ago and are consequently earning a relatively low rate of interest compared to current rates. These are all due to mature in 2007/08 and can then be reinvested for higher returns.

**Corporate Policy**

6. The Council's Corporate Values recognise the need to achieve high interest income levels to support the revenue budget.

INVESTMENTS HELD BY THE COUNCIL AT 31<sup>st</sup> MARCH 2007

Start Date		£	%	Maturity
<u>Banks</u>				
06/08/03	Northern Rock Plc	1,000,000	4.60%	06/08/07
09/03/07	Bank of Ireland	600,000	5.43%	18/05/07
16/03/07	Northern Rock	1,000,000	5.89%	16/03/10
		2,600,000		
<u>Building Societies</u>				
05/06/00	Newcastle BS	1,000,000	3.95%	05/06/07
06/06/00	Coventry BS	2,000,000	3.90%	06/06/07
16/03/03	Skipton BS	1,000,000	4.35%	16/04/07
02/06/03	Kent Reliance	1,000,000	4.00%	03/09/07
14/08/03	Chelsea BS	1,000,000	4.60%	13/08/07
02/09/03	Chelsea BS	1,000,000	4.85%	03/09/07
03/09/03	Skipton BS	1,000,000	4.85%	03/09/07
09/02/07	Kent Reliance BS	2,000,000	5.48%	12/04/07
16/02/07	Norwich & Peterbgh	1,000,000	5.84%	26/02/09
27/02/07	Nottingham BS	1,000,000	5.82%	27/02/09
27/02/07	Nottingham BS	1,000,000	5.71%	27/02/08
02/03/07	Stroud and Swindon	1,800,000	5.60%	10/09/07
09/03/07	National counties	500,000	5.49%	20/06/07
22/03/07	Skipton BS	1,000,000	5.40%	23/04/07
23/03/07	Derbyshire BS	2,000,000	5.39%	23/04/07
27/03/07	Nationwide BS	1,000,000	5.46%	29/05/07
		19,300,000		
	Total	£21,900,000		

**Expenditure approved under the Scheme of Delegation of Functions to Officers (Paragraph (g) 79 September 2000) minute 0270 of Resources Committee 25<sup>th</sup> September 2000 refers.**

Scheme	Approvals in 2006/07	Actual spend in 2006/07	Opening Balance at 1 <sup>st</sup> April 2006 MMI Set Aside Risk Management TOTAL	£
	£	£		
Finance – Consultants for Risk Management Requirements	5,607	5,162		
Health and Safety - Fire Risk Assessment Surrey Heath Buildings	6,500	5,450		
Parking Services – Higher Barrier for Wilton Road Car Park	1,700	2,140		
Community Services – Windle Valley Relay Interface Unit	336	281		
Parking Services – Yorktown Car Park Civil works and barrier	5,530	5,530		
Risk Management – Health and Safety Inspections	3,000	0		
Parking Services – Burrell Road Car Park and civil works	3,500	2,845		
				21,408
<b><u>Income</u></b>				
Excess Balance		10,456		
Car Loans Adjustment		19		10,475
			Closing Balance at 31 <sup>st</sup> March 2007	144,880

Commitments in 2007/08

			Balances as at 1 April 2007	£
			<b>MMI Set Aside</b>	<b>110,000 CR</b>
			<b>Risk Management</b>	<b>34,880 CR</b>
Scheme	B/fwd Approvals in 2007/08		<b>TOTAL</b>	<b>144,880 CR</b>
	£	£		
<b>Expenditure</b>				
Risk Management – Health and Safety Inspections. Bfwd from 2006/07	3,000			
Health and Safety – Evac Chairs x 6	4,800			<b>7,800</b>
		Estimated Balance	at 31 March 2008	<b>137,080 CR</b>

Note for Members:

This fund is primarily used to deliver a Risk Management policy (including Risk Management, Business Continuity and Health & Safety). This is work that cannot be funded out of the service's normal revenue budget. The expenditure is offset in part by the recovery of excesses from third parties on claims.

The reserve of £110k brought forward and carried forward is a sum set aside in connection with the run down of Municipal Mutual Insurance and the potential contribution towards costs

<b><u>Expenditure for last 12 Month</u></b>		
<b><u>Period</u></b>		
1 April 2006 - 31 March 2007		
<b><u>Cars</u></b>		247,453
<b><u>Computers</u></b>		
PC Replacement Programme	56,905	
Network Replacement	20,573	
Peripherals Replacement	4,530	82,008
		<hr/>
<b><u>Commercial Vehicles</u></b>		48,154
<b><u>Other Items</u></b>		
Arena Leisure Centre - Various	16,633	
Purchase of two Vending Machines	9,000	
Environmental Services – Replacement Bottle Bank	5,000	
Contact Centre CCTV	7,053	
Post Room Franking Machine	8,015	45,701
		<hr/>
Total Expenditure for the 2006/2007 Year.		423,316
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## Notes for Members:

This is a breakdown of the expenditure that has been financed from the Repairs and Renewals fund over the last year. This fund is built up each year by way of transfers from the General Fund Working Balance and is meant to finance equipment/vehicles which have a limited life and therefore need to be replaced over time. The balance carried at 31<sup>st</sup> March 2007 on this fund was £962,572.