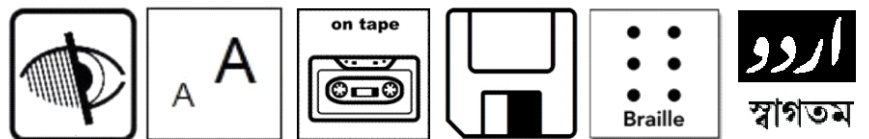


Monthly Financial Monitoring Report

2009/10 as at end of December 2009 – Period 9



Monthly Financial Monitoring Report 2009/10 – end of December 2009

General Fund Revenue Operations – pages 4 to 23

The out-turn favourable impact on General Fund as at the end of December compared to budget for 2009/10 is **£359k**. This represents an adverse movement of over **£50k** from the forecast at the end of November.

This favourable variance of £359k would potentially result in the General Fund Reserve at 31st March 2010 being £1,238k (see below), though the revenue budget carry-forward rules would identify £211k of this for one-off improvement projects in 2010/11, leaving the General Reserves in 2010/11 at £1,027k against a recommended maximum of £1m.

General Fund Reserves	£000
Total Balance at 1st April 2009	942.0
Less 50% service allowance	
Communities	(45.0)
Member Training	(5.0)
Regeneration	(13.0)
Plus expected contribution from 2009/20 operations	352.8
Total Balance estimated as at 31st March 2010	1,231.8
Less 50% service carry forward allowance to 2010/11	
Place Directorate	(99.0)
Business Directorate	-
Corporate Directorate (operational services only)	(109.0)
Net Balance available in 2010/11	1,023.8

Earmarked Revenue Reserves – page 24

The total Earmarked Reserves forecast at the end of March 2010 remain at £3,060k, with no movements in December 2009. In comparison the Interim Balance Sheet on page 31 shows £4,778k at a specific point in time (30th November) and this figure includes £645k non-cash reserve for the historic value of the Rossendale Transport Ltd investment and £1,073k of the amounts allocated from reserves so far for 2009/10 which have not yet been called upon.

Government Grants Unapplied – page 25

The grants unapplied report has been improved this month, to include grants such as the mortgage rescue scheme, planning for climate change and empty shops revival grant. The expected balance at the end of March 2010 is now £502k, though this includes £187k of grant to which the Council is entitled, but has not yet received. To date only £67k of the £358k allocated for 2009/10 has actually been called upon. Therefore, the balance shown at the end of November on the Interim Balance Sheet on page 31 shows £741k.

Treasury Management and the economic environment - page 26

Treasury Management results continue to outperform the Sector model portfolio with average returns of 2.51% in the 12 months to the end of December compared to 1.31% for the Sector model. Total interest for 2009/10 is now forecast up a further £8k to £59k favourable for the year. Sector interest expectations have remained static in December following a slow down in the predictions in November.

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Cash Management - page 27 to 28

Cash levels remain buoyant, rising to £13.8m in mid December but ending the month at £12.5m. This level is expected to continue for most of January until the last general Council Tax and NNDR instalments are received and the Public Works Loans Board loan is repaid in late January. During February and March the cash levels are expected to fall to a low at the financial year-end of around £7m

Debt collection rates for the current year's invoices continue to improve on past year's performance with the 'debtor days' indicator at 68 (target 80). Though collection of prior year debts remains slow, the Bad Debt Provision is still well above the minimum level required, therefore no further contributions are expected from revenue operations.

Capital Receipts – page 29

Capital receipts to date remain at £277k from the sale of assets with a potential £25k still to come for small sales and £10k from Compulsory Purchase Order reclaims as explained in the October monitoring report. Right to Buy and VAT shelter receipts predictions have been revised downwards to £114k and £400k respectively following discussions with Green Vale Homes at the end of December. Total forecast receipts for the year are £824k compared to original expectations of £860k.

Projected use of capital receipts and revenue contributions in 2009/10 to support capital expenditure is £1,057k, resulting in capital receipts carried forward at March 2010 of £817k, of which £371k remains earmarked for housing capital works.

Capital Programme – page 30

To the end of December 59% of the original capital programme has been completed with a further 11% committed through the purchase order system, mainly in relation to a purchase framework for new refuse vehicles. This is comparable to 49% completed to a similar time in 2008/09.

Capital activity in December included the commencement of the Accommodation Project, works at the A,B & D Centre and resurfacing at Park Road industrial estate, along with a further 8% of the Elevate capital programme and 11% of the Disabled Facilities Grants allocation.

Interim Balance Sheet – page 31

The Interim Balance Sheet shows significant collection of the debts outstanding at year-end, a fairly constant level of creditor payments outstanding (though the actual transactions change on a weekly basis). The collection of debts has resulted in the increase in the level of cash assets in the bank accounts, leading to the favourable variance reported in interest earned.

For further information please refer to the full Interim Balance Sheet report being submitted to the Cabinet meeting on the 11th February 2010.

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General Fund Summary - December 2009 (Period 9)

Service Area	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in December (Adv)/Fav £000
Place Directorate					
Communities	1,258.6	1,210.3	48.3	42.5	5.8
Customer Services and e Government	2,841.3	2,732.8	108.4	135.2	(26.8)
Regeneration	530.4	484.9	45.5	53.5	(8.0)
Place Operations	3,745.2	3,748.6	(3.3)	7.3	(10.6)
Business Directorate					
Building Control Services	151.8	195.3	(43.5)	(33.9)	(9.6)
Environmental Services	832.2	814.7	17.5	12.3	5.2
Legal & Democratic Services	1,116.2	1,087.9	28.4	29.8	(1.4)
Planning Services	481.5	572.0	(90.5)	(101.9)	11.4
Local Land Charges	71.7	46.7	25.0	19.1	5.9
Corporate Support Services					
Corporate Management	536.6	493.9	42.7	44.0	(1.3)
Finance & Property Services	284.1	403.6	(119.5)	(96.0)	(23.5)
People and Policy	249.1	228.0	21.1	17.0	4.1
Non Distributed Costs	557.4	326.0	231.4	229.0	2.4
Capital Financing and Interest	(809.0)	(850.3)	41.3	51.3	(10.0)
Favourable impact on General Fund	11,847.2	11,494.4	352.8	409.2	(56.4)

Revenue activities to note during December include:

- Communities budgets now reflect the reduction in contribution for the Rossendale Alive weekend which did not occur during 2009 as planned,
- IT savings following the end of the outsourcing contract have improved a further £23.4k, but software licences and purchase of replacement hardware have increased costs by a further £38k,
- Development Control fee income improved by £15k, but Building Control fee income worsened by £8k and
- £18k increase in the Minimum Revenue Provision in relation to the Accommodation Project (NB - savings in room rental costs will more than cover this extra costs from 2010/11 onwards).

Volatile income in such areas as markets, planning, land searches and recyclates continues to be monitored closely. Markets, paper and land charges income remained fairly stable during December. Planning income has improved during December to a net forecast of £122.5k adverse, partly met by £34.1k reduction in consultancy costs, whereas building control income continues the adverse trend to £29k. (NB planning may have one further large application before the end of the financial year which has not been factored into the expected income yet).

The main areas of movement in November to the nearest £1k, can be seen in the table opposite.

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Major Variances this month	Favourable /(Adverse)	Net
Communities		
Rossendale Alive weekend event	7.5	
Other variances	(1.7)	5.8
Customer Services and e Government		
Savings arising from bringing the IT contract in-house	23.4	
Software licences/purchase of new computers	(38.0)	
IT disaster recovery	(4.0)	
Other variances	(8.2)	(26.8)
Regeneration		
Housing Market Renewal Team - staffing	(5.0)	
Other variances	(3.0)	(8.0)
Place Operations		
Leased vehicles	(5.0)	
Recyclates income	(2.0)	
Other variances	(3.6)	(10.6)
Business Directorate		
Development Control fee income	15.0	
Development Control consultancy costs	8.0	
Building Control fee income	(8.0)	
Other variances	(3.5)	11.5
Corporate Management		
Other variances	(1.3)	(1.3)
Finance & Property Services		
Risk Management Health Check	(3.9)	
Operational buildings - Gas & Electric	(5.7)	
Legionella inspections and works	(6.0)	
Other variances	(1.9)	(17.5)
People & Policy (incl P&P & Comm)		
Other variances	4.1	4.1
Non-Distributed Costs & Capital Financing		
Increase in Minimum Revenue Provision requirements	(18.0)	
Interest Income	8.0	
Other variances	2.4	(7.6)
Favourable impact on General Fund		(50.4)

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Communities - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
Strategic Functions					
Community Management & Admin	167.5	175.9	(8.4)	(8.5)	0.1
Area Based Grant	-	(0.0)	0.0	-	0.0
Community Safety	200.4	198.7	1.7	2.6	(0.9)
Local Strategic Partnership	28.2	18.4	9.8	9.6	0.2
Area Forum Grant Budgets	20.0	20.0	-	-	-
Voluntary Sector Support					
Grants	304.1	298.9	5.3	5.3	(0.0)
Discretionary NNDR	44.8	42.3	2.5	2.5	(0.0)
Events	40.6	38.2	2.4	(5.1)	7.5
Neighbourhoods					
Environmental Area Teams	351.0	323.3	27.6	29.3	(1.7)
Markets	7.2	7.6	(0.3)	(0.5)	0.2
Pest Control	27.1	24.0	3.1	3.1	0.0
Dog Warden	42.9	38.2	4.7	4.2	0.5
Public Conveniences	24.8	24.8	-	-	-
Total	1,258.6	1,210.3	48.3	42.5	5.8

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Community Management & Admin - Salary costs	(4.0)		(4.0)	
Community Management & Admin - contribution to ELEP	(2.5)		(2.5)	
Community Safety - 2nd Homes income from Police	8.0		8.0	
CCTV - BT costs / contract	(7.0)		(7.0)	
LSP - 2nd homes income more than budget	8.0		8.0	
Environmental Area Teams - 3 posts vacant for 2 months & Area Manager appointed on lower spinal point	33.0		33.0	
Management fee for Museum less than expected	5.3		5.3	
Area Teams - Travel costs / Misc Exp	(1.4)	(1.6)	(3.0)	
Discretionary Business Relief for Charties	2.0		2.0	
Rosendale Alive Weekend - no event this year		7.5	7.5	
Events - Xmas lights Re-furbishment	(5.0)		(5.0)	
Markets income	(11.0)		(11.0)	
Markets - Salary related costs & Publicity	11.0		11.0	
Dog Warden Service & Misc Exp	4.0		4.0	
Pest Control Income	3.0		3.0	
Other misc variances	(0.9)		(0.9)	
TOTAL	42.5	5.9	48.4	

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Communities Highlight Report – Period 9

Historic Issues

- Within the Area Team budgets there have been vacancies for 2 Area Officers and 1 Area Manager for 2 months. Along with this, one Area Manager has been appointed on temporary secondment on a lower spinal column point than budgeted for. The total projected saving on salaries for the financial year is £29k.
- The 2nd homes income allocated from LCC is £7k more than anticipated.
- It is anticipated that the Christmas lights will over spend by £5k due to refurbishment of the decorations.
- The invoice for the management fee for the Museum has been received and is £5.3k less than we had originally expected.

Current Month Issues

- Included in the Original Budget was £7.5k for The Rossendale Alive Weekend. This event did not take place this year; therefore there is a saving of £7.5k.

Future Issues

- Arts Engagement Officer – creativity works partnership. This is a partnership between local authorities to engage adults in the Arts. A contribution of £1k per annum for 3 years is required.

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Customer Services & E-Government - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
Strategic Functions					
Management and Support	1.4	18.2	(16.8)	(16.1)	(0.7)
Service Assurance Team	12.1	22.4	(10.3)	(7.2)	(3.1)
Revenues, Benefits and Customer Services					
Local Tax Collection	387.4	352.3	35.1	36.5	(1.4)
Benefits Admin	577.5	585.6	(8.1)	(8.1)	0.0
Shared Contact Centre	51.5	54.0	(2.5)	(2.5)	-
Net Benefit Payments & Subsidy	(76.0)	(69.7)	(6.3)	(3.7)	(2.6)
Leisure Services (from Partnerships)	991.8	987.8	4.0	4.0	(0.0)
Information and Communications Technology	44.6	(47.2)	91.8	110.4	(18.6)
Concessionary Travel	851.0	829.4	21.5	21.9	(0.4)
Total	2,841.3	2,732.8	108.4	135.2	(26.8)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Recovery of Housing Benefit over payments	37.0	(3.0)	34.0	
Estimated housing benefit subsidy shortfall after accounting for Supported Housing rents above the Rent Officer Determination	(40.0)		(40.0)	
Courts Costs Income & Costs re non payment of Council Tax and Business Rates	32.0	(3.0)	29.0	
Outsourced Revenue & Benefits contract - inflation saving	7.0	6.0	13.0	
Government Connect	(15.7)		(15.7)	
Alterations to the One Stop Shop	(9.0)		(9.0)	
Switchboard and associated One Stop costs	12.5	(5.0)	7.5	
Saving arising from bringing the IT contract in-house	84.6	23.4	108.0	
Software Licences / Purchase of Computers	17.0	(38.0)	(21.0)	
Disaster Recovery / purchase of new computers & servers	5.0	(4.0)	1.0	
Senior Manager pay review - back-pay and ongoing costs	(15.0)		(15.0)	
Concessionary Fares	19.8		19.8	
Other minor variances		(3.2)	(3.2)	
TOTAL	135.2	(26.8)	108.4	

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Customer Service & E-Government Highlight Report – Period 9

Historic Issues

- One of the biggest contributions to the Customer Services & E-Government under spend is the saving arising from bringing the IT contract in-house. The projected savings on this area at the end of December are £108k.
- Court costs awarded to the Council for non-payment of Council Tax are predicted to exceed budget by circa £29k.

Current Month Issues

- The outsourced contract with Capita for the provision of Council Tax & NNDR administration and Housing benefit payments is indexed linked to inflation. The budget for this inflation uplift was more than the actual inflation applied. Consequently, there is a favourable movement this month of £6k.
- The Council has upgraded its Internet connection with an annual increase in costs of around £9k. Notice has been served with the previous internet provider. Whilst the new internet connection was being fully integrated with the Council's IT systems, payments were incurred for both internet circuits.
- A reclassification of the costs of the new Internet Circuits has moved expenditure to the software license budget (adverse movement in month of £38k), this has been partly offset by a favourable movement (£23k) on the In House IT contract budget heading.
- Other adverse variances in month relate to the recovery of Housing benefit overpayments (£3k), costs associated with the recovery of Council Tax debts (£3k) and IT equipment purchases pertaining to Disaster recovery (£4k).

Future Issues

- RBC incurs a financial liability where the rent charged on supported tenancies exceeds the Rent Officers Determination. Based on the latest information provided by colleagues at Capita, the financial liability for 2009-10 is estimated at circa £80k, compared with a loss of subsidy on supported tenancies in 2008-09 of £31k. One of the two providers of supported tenancies within the borough is in the process of applying for full Housing Association status. Should their application be approved, the Council will be able to fully reclaim via Housing benefit subsidy on the full rent charged, thereby removing the adverse variance.
- The overall financial impact of housing benefit subsidy at the year-end is difficult to determine, with a variety of factors influencing the final RBC liability. Adverse movements on housing benefit subsidy will be met from the Council's budget volatility reserve.

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Regeneration - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
Strategic Functions					
Regen Mangt & Admin	55.2	51.0	4.1	5.2	(1.1)
Tourism	48.9	52.8	(3.9)	(3.7)	(0.2)
Economic Regeneration					
Economic Regeneration	83.0	83.4	(0.4)	(0.3)	(0.1)
Regen Joint Delivery Team	(0.6)	(0.6)	(0.0)	(1.0)	1.0
Regeneration Projects	35.9	33.9	2.1	2.1	(0.0)
Parking	85.1	40.2	44.9	44.9	0.0
Strategic Housing					
Housing Strategy	96.0	95.6	0.4	0.3	0.1
Homelessness	139.8	137.6	2.3	2.3	(0.0)
Private Sector Renewal	(5.4)	(8.3)	2.9	5.5	(2.6)
Elevate Project Management	(7.4)	(0.4)	(6.9)	(1.8)	(5.1)
Total	530.4	484.9	45.5	53.5	(8.0)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Housing Strategy - various non pay items	0.3		0.3	
Various non pay under/ spends	3.6	0.8	4.4	
Termination of Off-Street Parking Enforcement with LCC	44.9		44.9	
Tourism - miscellaneous non pay items		(4.0)	(4.0)	
Peer Support grant budget & costs move to Communities budgets	3.0		3.0	
Contract extension - Housing Market Renewal Team (Jan - Mar)		(5.0)	(5.0)	
Regeneration - revised forecast for Corporate Subscription	3.0		3.0	
Economic Regeneration Audit Fees	(1.1)		(1.1)	
TOTAL	53.7	(8.2)	45.5	

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Regeneration Highlight Report – Period 9

Historic Issues

- The projected under spend on the Regeneration budget primarily relates to the cessation of the off-street parking enforcement following the end of collaborative arrangements with LCC.

Current Month Issues

- There is an adverse movement in December pertaining to Tourism expenditure of £4k, a proportion of which relates to the procurement of a dedicated Tourism website.
- The adverse movement in December on Housing Market Renewal (£5k) relates to a contract extension for temporary staff for the period January to March, to facilitate the administration of the Mortgage Rescue Scheme.

Futures Issues

- Elevate funding is secured for 2010/11, however, the position for 2011/12 onwards is uncertain. The Council is currently exploring its exit strategy should Elevate funding cease.

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Place Operations - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
Strategic Functions					
SSL Administration	(71.0)	(78.5)	7.5	2.4	5.1
Operational Functions					
Refuse Collection	1,417.1	1,379.1	37.9	51.6	(13.7)
Street Sweeping	986.3	1,027.0	(40.7)	(33.0)	(7.7)
Open Spaces Contracts	1,198.7	1,197.8	0.9	(1.8)	2.7
Bereavement Services / Cemeteries	214.1	223.1	(9.0)	(11.9)	2.9
Total	3,745.2	3,748.6	(3.3)	7.3	(10.6)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Vehicle Leases/ Repairs budgets	64.0	(3.0)	61.0	
Tipping Fees - Glass Cans & Plastics	(30.2)	4.0	(26.2)	
Tipping Fees - Street Sweeping	(8.0)	(3.0)	(11.0)	
Refuse Bin Deliveries	(9.0)	(1.0)	(10.0)	
Paper Income / Glass Cans & Plastics Income	45.6	(2.0)	43.6	
Fuel	(31.1)	1.5	(29.6)	
Salaries / Agency	38.5	(6.0)	32.5	
Upgrade of Henrietta Street	(20.2)	(1.0)	(21.2)	
Trade Waste Tipping Fee's	(10.0)		(10.0)	
Materials/Tools Open Spaces	(10.4)		(10.4)	
other variances	(11.3)	(1.1)	(12.4)	
Cemeteries Income	(11.6)	2.0	(9.6)	
Street Sweeping- Vehicle Hire	11.0		11.0	
Refuse & Street Sweeping Sacks (Various)	(10.0)	(1.0)	(11.0)	
TOTAL	7.3	(10.6)	(3.3)	

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Monthly Financial Monitoring Report 2009/10 – end of December 2009

Operations Highlight Report – Period 9

Historic Issues

- The 2009-10 budget assumed that Glass, Cans & Plastics would be tipped off at Henrietta St, however the decision was made by Councillors to continue tipping off with a third party. The adverse financial impact of this decision is £33k.
- The 2009-10 did not assume any income from the Glass, Cans & Plastics collected, the Council receives £2 per tonne, based on current tonnage collected the projected income from Glass Cans & Plastics is £5k.

Current Month Issues

- Various adverse movements within December have had a negative impact upon the budgets to the value of circa £10.6K.
- The most significant variance within this month's prediction has been the increase in expenditure on overtime, due to the heavy snow interrupting the collection of refuse over the Christmas period. This has negatively affected the budget position by £6K.
- Another significant movement within the month is the increase in spend on vehicle repairs, predominantly relating to street sweeping vehicles. The forecast on this area has moved adversely by £3K.

Futures Issues

- Orders have been placed for 9 replacement frontline refuse vehicles and 3 large road sweepers. The expected delivery of these vehicles is the end of February, however, the "maintenance" element for these vehicles is currently out to tender. Until the full results of the tender exercise have been received an accurate forecast is problematic.
- The fluctuating nature of the cemeteries activity makes accurate projection of income problematic.
- The Council continues to make strenuous efforts to collect refuse in difficult weather conditions. Whilst the projected spend for Operations includes an estimated amount for additional overtime to catch up on the missed collections, continue adverse weather will impact negatively upon the Operations budgets.

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Business Services - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
Strategic Functions					
Executive Director of Business	25.8	25.8	-	-	-
Planning					
Development Control	274.5	388.2	(113.7)	(124.7)	11.0
Forward Planning	207.0	183.9	23.1	22.8	0.3
Land Charges	71.7	46.7	25.0	19.1	5.9
Building Control					
Building Control Trading Account	12.3	39.4	(27.1)	(19.4)	(7.7)
Building Control - Statutory Function	125.3	150.7	(25.4)	(23.5)	(1.9)
Building Control - Street Signs	14.2	5.3	9.0	9.0	(0.1)
Legal Services	14.4	15.0	(0.6)	0.6	(1.2)
Democratic Services					
Electoral Registration	79.1	77.3	1.8	2.0	(0.2)
Elections	108.8	106.5	2.3	2.5	(0.2)
Democratic Representation	763.5	736.6	26.8	26.6	0.2
Mayoralty	114.4	116.8	(2.4)	(2.3)	(0.1)
Town Twinning	10.3	9.8	0.4	0.4	0.0
Environmental Health					
Env Health	641.7	644.8	(3.1)	(8.4)	5.3
Emergency Planning	23.5	13.4	10.1	10.2	(0.1)
Licensing	167.0	156.5	10.4	10.5	(0.1)
Total	2,653.4	2,716.6	(63.1)	(74.6)	11.5

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Development Control - planning application	(137.5)	12.0	(125.5)	
Development Control - consultancy costs	26.1	8.0	34.1	
Development Control - computer licenses	(21.5)	(3.0)	(24.5)	
Development Control - document scanning	12.0		12.0	
Forward Planning - staff vacancy	12.6		12.6	
Forward Planning - External Printing & publicity	(2.5)		(2.5)	
Land Charges - Income & Search Fees	18.0		18.0	
Building Control general fee income	(21.0)	(8.0)	(29.0)	
Building Control Section 215 & Elevate work income	(16.0)	(1.0)	(17.0)	
Building Control computer licenses	(3.9)		(3.9)	
Building Control Street Signs	9.0		9.0	
Legal - staff vacancies	25.0		25.0	
Legal Reference Materials / professional fees	(8.0)		(8.0)	
Legal Income	(17.0)		(17.0)	
Democratic Services - staff vacancies and advertisements	23.1		23.1	
Mayoralty - Agency / staff	(4.0)		(4.0)	
Democratic Services - Members Allowance	6.6		6.6	
Elections - Tax for Election Staff	(0.5)		(0.5)	
Elections - No further By Election	3.0		3.0	
Environmental Health - Restructure & staff vacancies	8.0		8.0	
Environmental Health - Permitted Processes Income	(5.0)		(5.0)	
Emergency Planning	10.0		10.0	
Licensing - Salaries	8.0		8.0	
Licensing Income	3.9		3.9	
Miscellaneous	(3.0)	3.5	0.5	
TOTAL	(74.6)	11.5	(63.1)	

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Business Highlight Report – Period 9

Historic Issues

- The current poor economic conditions continue to have an adverse impact on the Council's income streams, particularly planning and building control income. Several initiatives to reduce the impacts of these variances have resulted in lower consultancy costs and staff savings listed below.
- Local Land Charges income remains within the reduced levels in the original budget, though costs of search services with the County Council have improved by £5k.
- Development Control document scanning contracts have been reviewed and some work has been brought back in-house, resulting in an overall saving of £12k.

Current Month Issues

- The current position for the business budget resides at an over spend of £63.5k, an £11k improvement on the November forecast of £74.8k.
- The main contributory factor is the income within Development Control. This month saw the submission of a major application with a value of approximately £15k. This has been treated as a one-off favourable movement, rather than a general trend, and therefore the full year estimate for income has moved positively by £12k.
- Although the income for Development Control increased, the Building Control Fee's continued to fall by a further £8k.

Futures Issues

- Income streams continue to be monitored very closely to identify any improvement in trends rather than specific one-off items which cannot be sustained.
- Expenditure on the Core Strategy continues to be funded from the Earmarked Reserves as planned, and costs monitored carefully (see the Earmarked Reserves Schedule on page 24). Expected allocations of Planning Delivery Grant are also being monitored.

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Corporate Management - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
Corporate Management					
Executive Office	239.6	197.2	42.4	43.7	(1.3)
Executive Contingency	130.7	130.7	(0.0)	-	(0.0)
Executive Support	166.2	165.9	0.3	0.3	0.0
Total	536.6	493.9	42.7	44.0	(1.3)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Various Non Pay budgets	(2.4)		(2.4)	
Chief Executive - Recruitment Expenses	(10.2)		(10.2)	
Chief Executive - Miscellaaneous expenses	8.0	(1.2)	6.8	
Chief Executive - Salaries revised projection	48.5		48.5	
TOTAL	43.9	(1.2)	42.7	

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Corporate Management Highlight Report – Period 9

Historic Issues

- A Chief Executive contingency budget was created from the secondment of the Director of Resources to Team Lancashire and an assumed 8 months vacancy gap relating to the Deputy Chief Executive post (now to be replaced by a Director of Customers and Communities).
- The total budget allocated to the Chief Executive Contingency is £130k. The 2009/10 budgets included the previous post of Executive Director of Resources which has now been deleted from the staffing structure. The savings on this post in 2009/10 of £95k were transferred to the Chief Exec's contingency. The post of Deputy Chief Executive has been re-designated to Director of Customers & Communities, a proportion of the saving arising from delays in filling this post (£35k) were transferred to the Chief Executive Contingency budget.

Current Month Issues

- The known commitments and spend against the Chief Executive's contingency have not changed in December, leaving £54k still to be committed.

Chief Executive Contingency	£000
Budget	
Executive Director of Resources	95
Post formerly designated as Deputy Chief Executive	35
Total Budget	130
Allocated	
Democratic Services – Staff cover	21
Elections – Signature matching – new server and software purchase	12
Planning – Enforcement cover	28
Corporate – Standards Enquiry	4
Legal Fees	5
Other Professional Fees	1
Rosendale Harriers Contribution to Track improvements	5
Total Allocated	76
Balance Uncommitted	54

Futures Issues

- Nothing to report

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Finance and Property Services - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
Financial Services Team	(188.8)	(222.7)	33.9	33.5	0.4
Internal Audit	97.0	78.3	18.7	19.0	(0.3)
Corporate Costs					
External Audit Fee	126.4	114.5	11.9	11.9	(0.1)
Bank Charges	20.2	23.3	(3.1)	(3.8)	0.7
Treasury Management	58.2	62.5	(4.2)	(0.3)	(3.9)
Property Services					
Property Services Team	82.4	117.8	(35.5)	(23.7)	(11.8)
Corporate Estates	(60.3)	(57.2)	(3.1)	(3.9)	0.8
Non Domestic Estates	6.9	46.3	(39.4)	(41.7)	2.3
Office Accommodation	5.5	25.5	(20.0)	(17.7)	(2.3)
Operational Properties	290.7	386.6	(95.9)	(87.8)	(8.1)
Leisure Properties	(175.2)	(176.0)	0.8	1.0	(0.2)
Bus Shelters	21.2	3.6	17.6	17.5	0.1
Business Centre	-	1.2	(1.2)		(1.2)
Total	284.1	403.6	(119.5)	(96.0)	(23.5)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Financial Services - Staff savings	32.5		32.5	
Financial Services - Misc variances	(2.4)	0.2	(2.2)	
Risk Management Health Check		(3.9)	(3.9)	
Internal Audit Fees	19.0		19.0	
Audit Fees	11.8		11.8	
Operational Buildings - Gas & Electric	(66.0)	(5.7)	(71.7)	
Operational Buildings - Water	(13.0)	(2.9)	(15.9)	
Legionella works - risk assessments required every 3rd year		(12.0)	(12.0)	
Corporate Estates - Income budget but no income	(21.0)		(21.0)	
Corporate Estates - E-on electricity bill outstanding issue 2002-08	(2.6)		(2.6)	
Corporate Estates - Rental for Hall St	2.1		2.1	
Corporate Estates - Rental for Bridge End House		5.8	5.8	
Industrial Units vacancies	(18.0)		(18.0)	
Industrial Units various Credit notes issued	(15.1)		(15.1)	
Non Domestic Estates - Business Rates units 1,2,3	(6.8)		(6.8)	
Refund GVH rent for Prospect Hill (not RBC property)	(5.9)		(5.9)	
Asbestos costs	(9.5)		(9.5)	
Public Clocks repairs (poss claim on insurance)	(2.5)		(2.5)	
Car Park repairs & maintenance	6.9	(2.2)	4.7	
Misc Variances	(5.7)	(2.6)	(8.3)	
TOTAL	(96.2)	(23.3)	(119.5)	

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Finance & Property Services - Monitoring Highlight Report – Period 9

Financial Services

Historic Issues

- A mini-restructure in 2008 and again in April 2009 has resulted in savings of c£32.5k.
- External Audit Fees are projected to reduce as a result of lower average unit costs per day and reduced corporate risks in relation to the Council's financial operations.
- Internal Audit fees have been revised downwards £19k through a lower avg daily charge.

Current Month Issues

- Zurich Risk Management Health Check £4k has been funded through the £115k savings made early in the year when the insurance premiums were renewed (see Non Distrib costs for saving).

Futures Issues

- Nothing to report.

Property Services

Historic Issues

- Gas & Electricity Charges increased by 60% in 2008/09. This had not been recognised when setting the budgets for 2009/10. From the 2007/08 usage and the 60% increase, the total projected over spend as at the end of October was £76.3k.
- Corporate Estates – An incorrect income budget for Industrial Estates was set for 2009/10 for £21k. Due to the economic down-turn a proportion of the industrial units are not occupied therefore it is unlikely the income target will be met. In addition during 2009/10, £14k of credit notes have been issued for property rentals erroneously raised in previous years (a one-off cost). Facilities Management staff are in the process of trying to attract more tenants.
- United Utilities levy for surface water drainage are now forecast £13k above expectations
- Council occupation of 3 units on Heys St will now incur charges for NNDR costing £6.8k
- The Car Park budget for Repairs and Maintenance has moved to Property Services. There is an under spend of £6.9k. The funding has been set aside for emergency works.

Current Month Issues

- The Electricity forecast has increased this month by £5.7k giving a total adverse of £71.7k.
- There has been a spend of £2.2k on Repairs and Maintenance works for car parks
- The water charges have increased by £2.9k for the OSS and Haslingden Market. Property Services staff are investigating the usage at Haslingden Market.
- The forecast for Legionella has increased by £12k. This is due to every 3rd year there is a need for risk assessments on all the buildings. There are also some problems with the filtration system at Whitworth Pool with extra costs here.
- Bridge End House (formerly Waterfoot Neighbourhood Office) is now being let long term. The income for 2009/10 for this is £5.8k.

Futures Issues

- Repairs and Maintenance are within budget, and continue to be monitored closely.
- Legionella costs may rise further in the next few months. Every 3rd year building assessments are required in addition to equipment monitoring. Property Services will give a more accurate figure.

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People and Policy - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
People & Organisational Development					
Human Resources	(9.6)	(22.8)	13.2	11.3	1.9
Training	(11.6)	(11.6)	0.0	-	0.0
Policy & Performance					
Policy & Performance Team	127.1	125.2	1.9	1.9	(0.0)
Communications	143.2	137.1	6.0	3.8	2.2
Total	249.1	228.0	21.1	17.0	4.1

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Vacancies - People & Policy section	24.9		24.9	
Other variances	3.9	1.8	5.7	
Staff Morale Budget	1.5		1.5	
Corporate Plan Printing & other non pay variances	2.0		2.0	
Professional Charges - Equal Pay Claims	(18.9)		(18.9)	
Communications - publicity -phonebook adverts	3.6	2.3	5.9	
TOTAL	17.0	4.1	21.1	

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People & Policy Highlight Report – Period 9

Historic Issues

- The prime reason for the projected under spend within the People & Policy budget pertains to savings arising from a recent staff re-structure and delays in appointment.

Current Month Issues

- Favourable movements in month pertaining to HR non pay budgets amount to £1.8k
- Communications publicity under spends have increased by £2.3k to a total favourable variance of £5.9k

Futures Issues

- Further costs are anticipated in the near future pertaining to legal support for Equal Pay Claims. If these costs, along with those already incurred, rise above the level of savings already made within this section, then they will be funded from the Single Status Reserve to limit impact on the General Fund.

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Non-distributed Costs and Corporate Resources - Period 9

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Dec (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	318.5	230.0	88.5	89.0	(0.5)
Non-distributed Office Costs	221.2	106.0	115.2	115.0	0.2
Other Costs / Income	17.7	(10.0)	27.7	25.0	2.7
Capital Financing					
Minimum Revenue Provision	82.5	100.5	(18.0)	-	(18.0)
Investment Interest	(137.0)	(196.3)	59.3	51.3	8.0
Reversal of Capital Charges	(754.5)	(754.5)	-	-	-
Total	(251.6)	(524.3)	272.7	280.3	(7.6)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Payroll - current employees backpay for 2008/09	17.5		17.5	
Payroll - reduction in inflation settlement for 2009/10	91.2		91.2	
Pensions - Past employees	(19.5)		(19.5)	
Insurances	114.9		114.9	
Removal of requirement to make further Provision for Bad Debts	-	3.5	3.5	
National Grid insurance claim	22.0		22.0	
Other misc variances	2.9	(1.1)	1.8	
Increase in MRP in relation to Accommodation Project		(18.0)	(18.0)	
Interest - net expenditure/income	51.3	8.0	59.3	
TOTAL	280.3	(7.6)	272.7	

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Non-Distributed Costs & Capital Financing - Monitoring Highlight Report – Period 9

Historic Issues

- Provision made in 2008/09 for the back pay due on salaries in relation to the balance of the pay rise has been brought forward as a general credit.
- Compensatory added year's pension costs payable to the County Council on a monthly basis have risen by a full year effect of £19.5k as a result of the 5% inflation applied to pensions from April (based on RPI in preceding September).
- Full Tender of the Insurance Premiums have resulted in savings of £115k against original budget (£120k against 2008/09 actual spend).
- Interest income received to the end of November was predicted to achieve £51k more than the original budget.
- The 2009/10 pay settlement has now been concluded and all back pay paid in October. All savings have been collected in this area, rather than distributed across all departments. The drop from 2.5% originally anticipated to 1% agreed has saved the Council just over £91k
- The Council has received an insurance claim receipt of £22k for the loss of business and costs incurred following the gas explosion in December 2008.

Current Month Issues

- Given the current level of Bad Debts Provision available it is unlikely the £3.5k provision originally planned for 2009 will be required.
- The Minimum Revenue Provision full year forecast has now been updated to include the effects of financing the 2009/10 capital programme, including the first repayment of the Accommodation Project costs (see further explanation on page 29). The net effect is an additional £18k of revenue costs for 2009/10.
- Interest income from investments and bank accounts has continued to improve by a further £8k to £59k favourable for the year which reflects the predictions of bank base rates issued by our treasury management advisors.

Futures Issues

- We continue to monitor the base rate predictions and will carefully consider possible actions in January when the current Royal Bank of Scotland 364 day deposit matures, but potential actions will be limited as this cash is required to repay £1.5m to the Public Works Loans Board at the end of January 2010.

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Earmarked Reserves (cash-backed items only)	Budget Volatility	Change Manag't	IT Reserve	Pension Fund Reserve	Perform' Manage't	Planning LABGIS Reserve	Core Strategy Develop	Econ' Regen'	Single Status	Leisure Reserves (1, 2 & 3)	Contam Land	Health & Wellbeing Projects	Total
Balance at 01/04/09	284.0	392.0	83.0	356.0	65.0	172.0	225.0	879.0	530.0	186.0	98.0	156.0	3,426.0
New Funds Received 2009/10													
2009/10 grant received (projected)								15.8					15.8
VAT reclaim to Leisure Facilities Reserve										661.0			661.0
VAT Shelter Receipts (anticipated)													0.0
Health grants to Leisure Transitional Reserve										193.0			193.0
Total Funds Available	284.0	392.0	83.0	356.0	65.0	172.0	225.0	894.8	530.0	1,040.0	98.0	156.0	4,295.8
Year-to-date Utilisation of Reserves													
Job Evaluation									(100.0)				(100.0)
Conservation Works						(42.0)					(98.0)		(140.0)
Affordable Hsing economic viability assess						(15.0)							(15.0)
Alcohol intervention												(15.0)	(15.0)
Small grants Scheme												(4.0)	(4.0)
Workplace Health												(20.0)	(20.0)
Joint Working												(39.0)	(39.0)
Pensions Payment re former HRA staff				(350.0)									(350.0)
Rossendale Transport Market Testing		(45.0)											(45.0)
Choice Based Letting		(11.0)											(11.0)
Valley Centre Project								(200.0)					(200.0)
RBC Matched funding for NWDA								(25.0)					(25.0)
Tourism Support								(15.0)					(15.0)
Business Start up Grants								(70.0)					(70.0)
Various Homelessness initiatives								(27.0)					(27.0)
Public Realm Improvement scheme								(7.0)					(7.0)
Leisure Review										(40.0)			(40.0)
Leisure Support										(112.0)			(112.0)
Operation Safe (Comm Safety)													0.0
Transfer to/from Revenue Account													0.0
Reserve Estimates 31/3/10	284.0	336.0	83.0	6.0	65.0	115.0	225.0	550.8	430.0	888.0	0.0	78.0	3,060.8
Potential Further Utilisation of Reserves													
2010/11 Plans						(46.0)	(107.0)	(46.4)	(70.0)	(41.0)		(78.0)	(388.4)
2011/12 Plans						(24.0)	(93.0)	(46.4)	(40.0)				(203.4)
2012/13 Plans							(25.0)	(13.2)	(200.0)				(238.2)
Potential Reserve Balances	284.0	336.0	83.0	6.0	65.0	45.0	0.0	444.8	120.0	847.0	0.0	0.0	2,230.8

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Government Grants Unapplied	Planning Delivery Grant	Aread Based Grants	Communities for Habitats	Mortgage Rescue	Planning for Climate Change	Empty shops revival	Communitites for Health	Sports Council	Total
Balance at 01/04/09	149.8	83.0	0.0	0.0	0.0	0.0	282.0	0.0	514.8
New Funds Received 2009/10									
2009/10 grant received to date		131.3	8.4	33.5	16.6	52.6	100.0	10.0	352.4
2009/10 grant projected	138.0	43.7			5.5				187.2
Total Funds Available	287.8	258.0	8.4	33.5	22.1	52.6	382.0	10.0	1,054.4
Year-to-date Utilisation in 2009/10									
Community Engagement Officer		-34.0							-34.0
Community Events		-20.0							-20.0
Core Strategy Work	-18.8								-18.8
Employment Study	-21.2								-21.2
Retail Study	-5.3								-5.3
Tourism Study	-10.0								-10.0
Renewable Energy studies/costs	-47.8								-47.8
Natural Environment Study	-3.5								-3.5
Strategic Housing Needs Assessment	-17.2								-17.2
Digitisation Costs	-1.7								-1.7
Passport to Work							-4.3		-4.3
Health MOT							-5.0		-5.0
Affordable Warmth							-40.0		-40.0
Health Eating							-20.0		-20.0
Active People							-18.0		-18.0
Establish Local Steering Grp							-2.0		-2.0
Directory of Local Facilities							-1.0		-1.0
Marketing Plan & Promotion							-10.0		-10.0
Outlets & IT Facilities							-10.0		-10.0
Mobile Promotional Unit							-20.0		-20.0
121 support at IT facilities							-25.0		-25.0
Monitoring & evaluation							-2.0		-2.0
Environmental Health Staff ????					-22.1				-22.1
Transfer to Leisure Trust Transitional Support Earmarked Reserve							-193.0		-193.0
Estimated Balance 31/3/10	162.3	204.0	8.4	33.5	0.0	52.6	31.7	10.0	502.5
Future Utilisation Plans									
2010/11	-84.5								-84.5
2011/12	0.0								0.0
2012/13	-119.0								-119.0
Potential Reserve Balances	-41.2	204.0	8.4	33.5	0.0	52.6	31.7	10.0	299.0

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Monthly Financial Monitoring Report 2009/10 – as at end of December 2009

Treasury and Cash Flow Management

Treasury Management

All our treasury management activity continues to be in accordance with our treasury advisor's recommendations and bank balances are managed carefully so that interest income is expected to out-perform the original budget by around £55k (including an apportionment of the one-year term deposit interest below).

Interest	Budget 09/10	F'cast 09/10 (Adv)/Fav	Variance
Payable	(19)	(16)	4
Receivable	153	208	55
Total	37	193	59

4th January 2010		Gross Rate %	Interest Paid
SIBA	£1M+	0.80	Quarterly
Abbey National	£500 +	0.80	Quarterly
Alliance & Leicester	£500 +	0.80	Monthly
Bank of Scotland	365 days	1.80	Oct 2010
Royal Bank of Scotland	364 days	2.70	Jan 2010

In January the remaining higher-rate deposit with the Royal Bank of Scotland will mature to provide the £1.5m cash funds required to repay the Public Works Loans Board (PWLB) in late January.

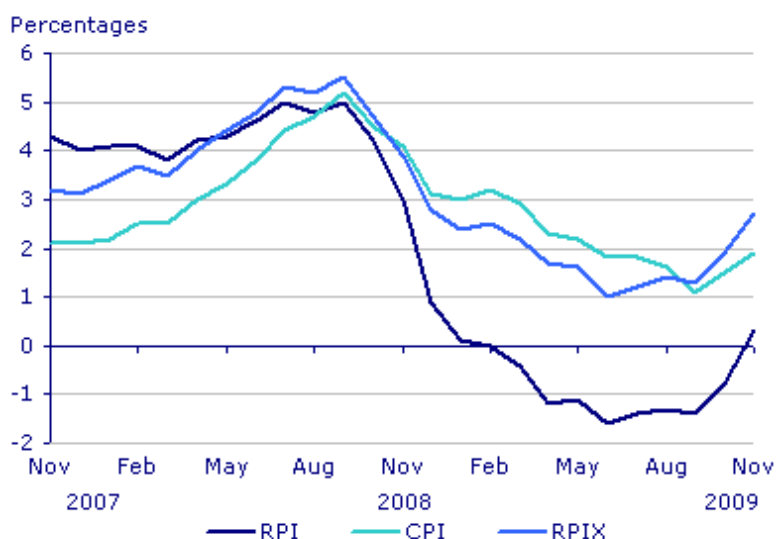
Treasury Management Outlook

The national inflation figures for December have not yet been released, but November saw the continuation of October's reversal of the previous negative trends. The Consumer Price Index rose to 1.9% from 1.5% in October, following continued increases in transport costs.

In the year to November, RPI annual inflation rose by 0.3%, compared with a fall of 0.8% in October. The last time there was an increase in the annual inflation rate greater than 1.1% was between July and August 1990.

However, the current UK economic outlook remains challenging.

Treasury advisors, Sector, have not revised their forecast of future base rates in their mid December report, continuing to predict that the base rate will remain at 0.5% until at least July 2010 and then rise to 2.25% by the end of June 2011. This is in line with UBS economic forecasts, but in contrast Capital Economics are still forecasting 0.5% base rate continuing throughout the whole of 2010 and that PWLB rates will remain static throughout the financial year 2010/11.



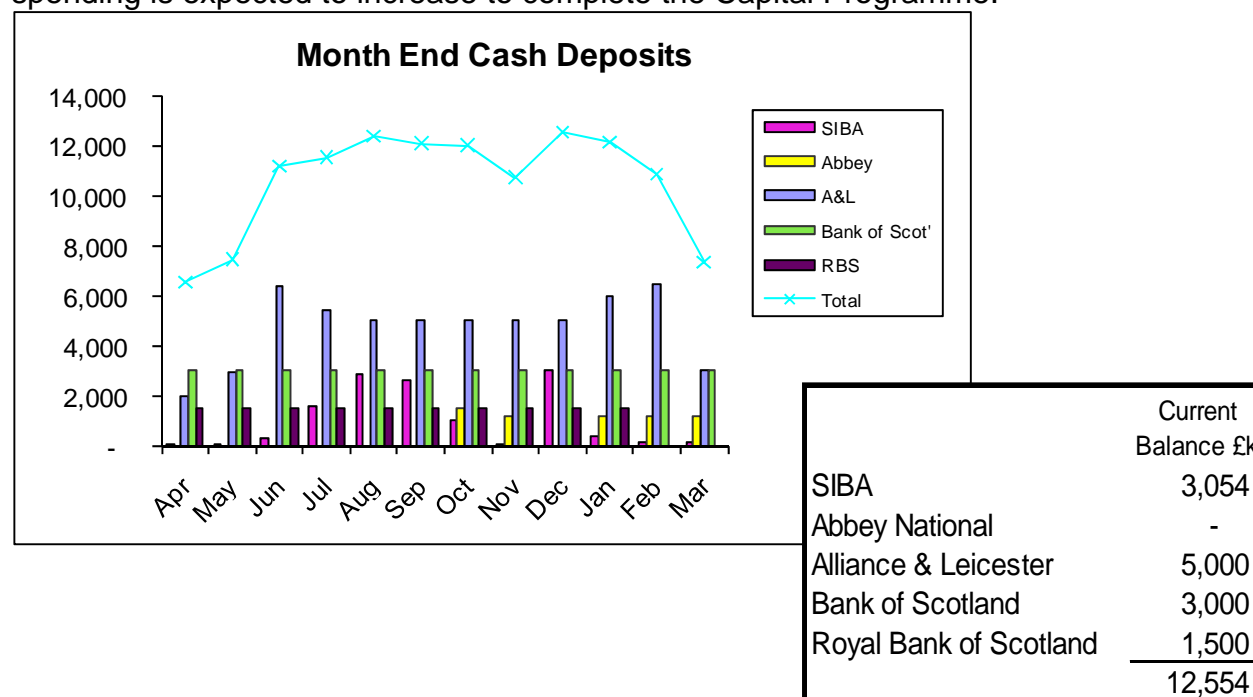
as at	Q/E1	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2
6 January 2010	2010	2010	2010	2010	2011	2011
Base Rate	0.50%	0.50%	0.75%	1.00%	1.50%	2.25%
25yr PWLB	4.55%	4.65%	4.70%	4.80%	4.90%	5.00%

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Cash Flow Management

Cash flow remains strong and the Council continues to benefit from the timings of cash inflows and outflows until around the end of December when cash inflow profiles fall whilst capital spending is expected to increase to complete the Capital Programme.



One of the major cash flows of the Council is the payment of salaries to staff. To the end of December the Council has saved over £329k in terms of the expected costs of employees, a further improvement of £56k.

Employment Costs Period 9 - December 2009	YTD Budget	YTD Actual	Variance (Adv)/Fav	Movement (Adv)/Fav	Budgeted Staff FTEs	Current Vacant Posts
	£000	£000	£000	£000		
Place Directorate						
Communities Service	430	416	14	17	16.5	0.0
Customer Services	403	391	12	3	14.2	1.0
Regeneration Service	377	367	10	0	13.0	0.0
Operations Service	1,786	1,711	75	9	87.5	5.0
Business Directorate						
Building Control Services	148	149	(1)	(1)	5.0	0.0
Environmental Services	445	458	(13)	(3)	16.8	1.0
Legal & Democratic Services	324	291	33	2	13.8	1.5
Planning Services	378	379	(1)	(2)	17.7	0.0
Corporate Services						
Corporate Management	329	304	25	8	7.0	1.0
Finance & Property Services	520	489	31	11	21.3	0.0
People & Org. Performance	259	236	23	3	9.5	0.0
Non-Distributed Costs	239	118	121	8	-	-
Total	5,638	5,309	329	56	222.3	9.5

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Capital Receipts Monitoring

Major Receipts:	Original		Surplus /
	Expectations	Received	(Deficit)
	£000	£000	£000
Capital Receipts			
Land & Property Sales	100	275	175
CPO Reclaims	-	2	2
Equity Release & Elevate	-	-	-
GVH - RTB	200	-	(200)
Revenue Receipts			
GVH - Vat Shelter	560	100	(460)
	860	377	(483)

Cash received relating to asset sales to the end of December remained static at a little over £275k. Council staff are proactively pursuing, amongst other things: outline planning permission on a number of small scale development sites, processing covenant change requests and negotiating “ransom” strip values. Therefore capital receipts from the sale of land have been forecast prudently in the table below at £300k for the full year.

It should also be noted that the legal section staff are pursuing the refund of old Compulsory Purchase Order (CPO) deposits from the Courts along with compound interest – in total these could amount to around £100k, but the timings and values of these receipts are very uncertain, therefore only £10k has been included in the forecasts below. The first successful reclaim has been made to establish the principles so that other claims can now follow and further progress will be monitored.

The predicted level of Right to Buy receipts remains of major concern. At the end of December Green Vale Homes (GVH) notified the Council to expect £114k in early January, but that there is unlikely to be any further sales in Quarter 4.

The level of VAT shelter receipts originally estimated at £560k is dependent on the level of capital works undertaken by GVH. After discussions with GVH, and much consideration, expectations have now been reduced to £400k. There is a requirement to transfer the first £350k to the Pension Fund earmarked reserve for payments required to LCC Pension Fund in respect of ex-housing staff. The balance available to support capital spending as Revenue Contribution to Capital Outlay (RCCO) in the table below, has therefore reduced to only £50k.

Useable Capital Receipts Forecast	£ 000
Useable Capital Receipts B'fwd 01/04/09	1,338
Capital Receipts expected in 2009/10	
Land & Property Sales	300
CPO Reclaims	10
RTB Capital Receipt	114
Revenue Contributions to Capital (RCCO)	
VAT Shelter	50
from Operations (vehicles & Henrietta St)	62
Capital Resources Available	1,874
Requirements of Capital Programme 2009/10	(1,057)
Capital Resources at 31st March 2010	817
Receipts earmarked for Housing capital wks	371

At current expectations the level of capital resources carried forward to future years will be £817k, though £371k of this will be earmarked for housing capital works.

RCCO is Revenue Contribution to Capital Outlay

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Capital Programme Monitoring

Actual capital expenditure to the year-end, compared to budget, is as follows:

SERVICE AREA	2009/10 Budget including slippage	Period 9 MONITORING		Full YR Forecast	% spend	Funding Arrangements					
	Total £000	Spend £	Committ £	Forecast £	to date	Grants/ Insuranc	Capital Receipts	RBC RCCO	External Loan	RBC Int Borrow	MRP Effect
Place Directorate											
Place Operations	737	587	1,495	2,390	80%	47	692	235	1,416	0	0
Customer Services & e Govt	0	3	0	3	0%	0	0	3	0	0	0
Communities	336	111	17	292	33%	240	37	0	0	15	0
Regeneration	2,788	51	0	30	2%	0	0	0	0	30	1
Corporate Support Services											
Finance & Property Services	341	321	3	494	94%	0	6	81	0	407	38
Housing											
	2,871	1,723	40	3,009	60%	3,006	3	0	0	0	0
	7,073	2,796	1,555	6,218	70%	3,293	738	319	1,416	452	40

The capital programme is now gathering pace with around 70% of the total programme completed to the end of December 2009. However, this includes the new vehicle purchasing framework which has created a 'commitment' of £1.4m as explained last month. Therefore, the value of original programme works actually completed to date is 59% of the full year programme, 10% higher than the same time last year.

Significant activity during December included.

- £185k on ELEVATE projects to bring year-to-date spend to 60% of programme.
- £76k on Disabled Facilities Grants to bring year-to-date spend to 73% of programme.
- £22k on Car Parks upgrading
- £23k on works at Haslingden Sports Centre
- £25k on resurfacing works at Park Road Industrial Estate
- £20k on exterior works at the A,B & D Centre
- £55k on works at Henrietta Street
- £84k on the Accommodation Project at Futures Park
- £20k on replacement wheeled bins

The right hand side of the table above shows how the capital programme is to be funded. Over £3.3m is to be received in grants, but this leaves £738k to be funded from capital receipts and £299k from revenue receipts (as shown in the Useable Capital Receipts Forecast on the previous page). At present the funding for the refuse vehicles is presumed to be external, but a full options appraisal is in progress before the purchasing framework agreement is called off. The balance is £452k relating to capital spend on Council assets with a longer life span which will be funded from internal borrowing.

The use of internal borrowing alleviates the pressure on capital receipts, but must be paid back over the life of the assets from the Revenue Account (known as the Minimum Revenue Provision or MRP) and the original budget for this in 2009/10 was £82.5k. Of that budget £60.6k is required to repay previous year capital programmes, leaving a balance of £21.9k within the current 2009/10 budget to help finance the capital programme in 2009/10 and the years ahead. The final column of the above table shows that the £452k requirement for the 2009/10 programme is expected to add almost £40k to MRP during 2009/10, but £22k of this will be funded by savings in Council Chamber rental costs as part of the accommodation project business case

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Interim Balance Sheet – as at 30th November 2009

A full report is being submitted to the Cabinet meeting on the 11th February 2010 regarding the Interim Balance Sheet below. Please refer to that report for explanations.

BALANCE SHEET				
31st March 2009			30th November 2009	
£000s	£000s		£000s	£000s
	378	Intangible Assets		378
		Tangible Assets		
		Operational Assets		
15,972		Other Land and Buildings	15,385	
1,386		Vehicles, Plant, Furniture & Equipment	1,386	
303		Community Assets	303	
		Non-Operational Assets		
654		Investment Assets	654	
125		Infrastructure	125	
781		Surplus assets held for disposal	781	
	19,221			18,634
2,102		Long-term Investments	2,102	
111		Long-term Debtors	106	
	2,213			2,208
	21,812	Total long-term Assets		21,220
		Current Assets		
12		Stocks and Work in Progress	12	
7,970		Debtors	3,098	
(2,277)		Provision for Impairment	(2,272)	
5,500		Investments	10,725	
380		Cash at Bank and in hand	7	
	11,585			11,570
		Current Liabilities		
(1,500)		Borrowing repayable within 12 months	(1,500)	
(4,631)		Creditors	(4,149)	
	(6,131)			(5,649)
	27,266	Total Assets less Current Liabilities		27,141
		Long-term Liabilities		
(4,104)		Government Grants Deferred	(4,104)	
(515)		Grants Unapplied	(741)	
(711)		Provisions	(636)	
(23,839)		Liability related to defined benefit Pension Scheme	(23,839)	
	(29,169)			(29,320)
	(1,903)	Total Assets less Liabilities		(2,179)
	2,868	Revaluation Reserve		2,410
	10,513	Capital Adjustment Account		10,385
	1,338	Useable Capital Receipts Reserve		1,609
	1,455	Available-for-sale Financial Instruments Reserve		1,455
	18	Deferred Capital Receipts		11
	(23,839)	Pension Reserve		(23,839)
	4,732	Earmarked Reserves		4,778
	1,012	Fund Balances and Reserves		1,012
	(1,903)	Net Equity		(2,179)

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