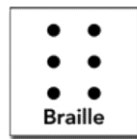
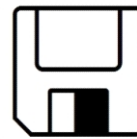
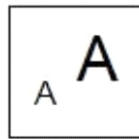


Monthly Financial Monitoring Report

2009/10 as at end of January 2010 – Period 10



Monthly Financial Monitoring Report 2009/10 – end of January 2010

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 **£380k**. This represents a favourable movement of over **£27.6k** from the forecast at the end of December.

This favourable variance of £380k would potentially result in the General Fund Reserve at 31st March 2010 being £1,259k (see below), though the revenue budget carry-forward rules would identify £221k of this for one-off improvement projects in 2010/11, leaving the General Reserves in 2010/11 at £1,038k 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	380.0
Total Balance estimated as at 31st March 2010	1,259.0
Less 50% service carry forward allowance to 2010/11	
Place Directorate	(105.0)
Business Directorate	-
Corporate Directorate	(116.0)
Net Balance available in 2010/11	1,038.0

Earmarked Revenue Reserves – page 24

The total Earmarked Reserves forecast at the end of March 2010 remain at £3,060k, with no movements in January 2010. There have been some amendments to annual profile of plans to use the Core Strategy Development Reserve in future years, in conjunction with the application of Planning Delivery Grant Funding.

Government Grants Unapplied – page 25

The grants unapplied report has been updated with the actual usage of Planning Delivery Grant (PDG) during 2009/10. This has also led to a revision of the spending requirements in the coming three years, funded by PDG and Core Strategy Development Reserve above. The expected balance at the end of March 2010 has reduced by £55k to £446.5k, though this includes £187k of grant to which the Council is entitled in 2009/10, but has not yet received.

Treasury Management and the economic environment - page 26

Treasury Management results continue to outperform the Sector model portfolio with average returns of 2.1% in the 12 months to the end of January compared to 1.31% for the Sector model. Total interest forecast for 2009/10 remains at £59k favourable for the year. Sector interest expectations have remained static in January following a slow down in the predictions last November.

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Cash Management - page 27 to 28

Cash levels remain buoyant, rising to a high of £14.6m in early January but ending the month at £10.7m. Cash levels are expected to decline now to the end of March as the last planned Council Tax and NNDR instalments have been received and the Public Works Loans Board loan was repaid in late January. Cash levels are expected to fall to a low at the financial year-end of around £6m.

Debt collection rates for the current year's invoices continue to improve on past year's performance with the 'debtor days' indicator at 52 (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 receipts up to Quarter 3 have been confirmed at £130k whilst the VAT Shelter expectations remain at £400k following discussions with Green Vale Homes in early February. Total forecast receipts for the year are £840k compared to original expectations of £860k.

Projected use of capital receipts and revenue contributions in 2009/10 to support capital expenditure is £1,037k, resulting in capital receipts carried forward at March 2010 of £833k, of which £371k remains earmarked for housing capital works.

Capital Programme – page 30

To the end of January 66% of the original capital programme has been completed with a further 8% committed through the purchase order system, mainly in relation to a purchase framework for new refuse vehicles. This is comparable to 55% completed to a similar time in 2008/09.

Capital activity in January included a further £17k on Disabled Facilities Grants, taking the completed element of the programme to 75%. Expenditure on the Elevate programme is just under 70% complete.

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General Fund Summary - January 2010 (Period 10)

Service Area	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in January (Adv)/Fav £000
Place Directorate					
Communities	1,258.6	1,204.9	53.7	48.3	5.4
Customer Services and e Government	2,841.4	2,729.7	111.8	108.4	3.4
Regeneration	530.4	485.8	44.6	45.5	(0.9)
Place Operations	3,745.2	3,746.0	(0.8)	(3.4)	2.6
Business Directorate					
Building Control Services	151.8	190.1	(38.3)	(43.5)	5.2
Environmental Services	832.2	806.9	25.3	17.4	7.9
Legal & Democratic Services	1,116.2	1,087.2	29.1	28.3	0.8
Planning Services	481.5	567.6	(86.1)	(90.6)	4.5
Local Land Charges	71.7	63.8	7.8	25.0	(17.2)
Corporate Support Services					
Corporate Management	536.6	488.1	48.5	42.7	5.8
Finance & Property Services	284.1	385.5	(101.4)	(119.5)	18.1
People and Policy	249.1	233.4	15.6	21.1	(5.5)
Non Distributed Costs	557.4	329.5	227.9	231.4	(3.5)
Capital Financing and Interest	(809.0)	(851.3)	42.3	41.3	1.0
Favourable impact on General Fund	11,847.3	11,467.3	380.0	352.4	27.6

Revenue activities to note during December include:

- Homelessness accommodation costs have reduced by £9k,
- IT disaster recovery costs have decreased by £9k as back-up requirements have changed from the original specifications,
- External fee income within the Business Directorate - Development Control fee income improved by £9k, Building Control fee income has worsened by £5k, Land Charges fee income reduced by £9k in cash terms and they have now assigned £8k of their annual fee income to Building Control for specific services provided.
- Operational building repair costs have reduced by £25.7k.

Volatile income in such areas as markets, planning, land searches and recycles continues to be monitored closely. Markets and paper income remained fairly stable during January. Planning income has improved during January to a net forecast of £116.5k adverse, partly met by £37.1k reduction in consultancy costs. (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 January to the nearest £1k, can be seen in the table opposite.

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Major Variances this month	Favourable /(Adverse)	Net
Communities		
Pest control income	3.8	
Other variances	1.6	5.4
Customer Services and e Government		
Software licences/purchase of new computers	(3.0)	
IT disaster recovery	9.0	
Other variances	(2.6)	3.4
Regeneration		
Homelessness accommodation costs	9.0	
Choice-based letting admin charge	(5.0)	
Subscriptions	(4.0)	
Other variances	(0.9)	(0.9)
Place Operations		
Leased vehicles	8.0	
Cemeteries income	(11.7)	
Other variances	6.3	2.6
Business Directorate		
Development Control fee income	9.0	
Local Land Charges - £9k lost fees and £8kto Bldg C	(17.0)	
Building Control fee income (net of above)	3.0	
Other variances	6.2	1.2
Corporate Management		
Subscriptions (see also Tourism above)	8.6	
Other variances	(2.8)	5.8
Finance & Property Services		
Operational buildings - repairs & maintenance	25.7	
Other variances	(7.6)	18.1
People & Policy		
Other variances	(5.5)	(5.5)
Non-Distributed Costs & Capital Financing		
Other variances	(2.5)	(2.5)
Favourable impact on General Fund		27.6

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Communities - Period 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in January (Adv)/Fav £000
Strategic Functions					
Community Management & Admin	167.5	175.8	(8.3)	(8.5)	0.2
Area Based Grant	-	(0.0)	0.0	-	0.0
Community Safety	200.4	199.0	1.4	1.7	(0.3)
Local Strategic Partnership	28.2	18.5	9.8	9.8	(0.0)
Area Forum Grant Budgets	20.0	20.0	-	-	-
Voluntary Sector Support					
Grants	304.1	298.8	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	2.4	(0.0)
Neighbourhoods					
Environmental Area Teams	351.0	321.4	29.6	27.6	2.0
Markets	7.2	7.6	(0.4)	(0.3)	(0.1)
Pest Control	27.1	20.1	7.0	3.1	3.9
Dog Warden	42.9	38.4	4.5	4.7	(0.2)
Public Conveniences	24.8	24.8	-	-	-
Total	1,258.6	1,204.9	53.7	48.3	5.4

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. Vacancy for 1 Mth	33.0	1.5	34.5	
Management fee for Museum less than expected	5.3		5.3	
Area Teams - Travel costs / Misc Exp	(3.0)		(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 - UU invoiced for Sewer Baiting	3.0	3.8	6.8	
Other misc variances	(0.9)		(0.9)	
TOTAL	48.4	5.3	53.7	

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Communities Highlight Report – Period 10

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.
- 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.

Current Month Issues

- There is a small saving in salaries due to an Area Officer vacancy. This has been back filled internally, the vacant post will be filled by the end of February 2010
- There has been an increase in income within the Pest Control function. This is due to recharging United Utilities for baiting sewer for pest control which is undertaken on their behalf.

Future Issues

- Nothing to report.

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Customer Services & E-Government - Period 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Jan (Adv)/Fav £000
Strategic Functions					
Management and Support	1.4	20.4	(19.0)	(16.8)	(2.2)
Service Assurance Team	12.1	24.1	(12.0)	(10.3)	(1.7)
Revenues, Benefits and Customer Services					
Local Tax Collection	387.4	351.4	36.1	35.1	1.0
Benefits Admin	577.5	584.3	(6.8)	(8.1)	1.3
Shared Contact Centre	51.5	54.0	(2.5)	(2.5)	-
Net - Benefit Payments & Subsidy received	(76.0)	(67.8)	(8.2)	(6.3)	(1.9)
Leisure Services (from Partnerships)	991.8	987.8	4.0	4.0	(0.0)
Information and Communications Technology	44.7	(53.8)	98.6	91.8	6.8
Concessionary Travel	851.0	829.3	21.6	21.5	0.1
Total	2,841.4	2,729.7	111.8	108.4	3.4

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	34.0		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	29.0		29.0	
Outsourced Revenue & Benefits contract - inflation saving	13.0	1.0	14.0	
Government Connect	(15.7)		(15.7)	
Alterations to the One Stop Shop	(9.0)		(9.0)	
Switchboard and associated One Stop costs	7.5		7.5	
Saving arising from bringing the IT contract in-house	108.0		108.0	
Software Licences / Purchase of Computers	(21.0)	(3.0)	(24.0)	
Disaster Recovery / purchase of new computers & servers	1.0	9.0	10.0	
Senior Manager pay review - back-pay and ongoing costs	(15.0)		(15.0)	
Concessionary Fares	19.8		19.8	
Other minor variances	(3.2)	(3.6)	(6.8)	
TOTAL	108.4	3.4	111.8	

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Customer Service & E-Government Highlight Report – Period 10

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 January are £104k.
- Court costs awarded to the Council for non-payment of Council Tax are predicted to exceed budget by circa £29k.

Current Month Issues

- The projected Disaster Recovery expenditure has reduced by £9k from previous reported due to less data being backed-up by a third party provider than originally anticipated.

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 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Jan (Adv)/Fav £000
Strategic Functions					
Regen Mangt & Admin	55.2	51.1	4.1	4.1	(0.0)
Tourism	48.9	57.1	(8.2)	(3.9)	(4.3)
Economic Regeneration					
Economic Regeneration	83.0	84.2	(1.2)	(0.4)	(0.8)
Regen Joint Delivery Team	(0.6)	(0.6)	0.0	-	0.0
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	95.4	0.6	0.4	0.2
Homelessness	139.8	132.7	7.1	2.3	4.8
Private Sector Renewal	(5.4)	(8.8)	3.4	2.9	0.5
Elevate Project Management	(7.4)	0.8	(8.2)	(6.9)	(1.3)
Total	530.4	485.8	44.6	45.5	(0.9)

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	4.4	(0.8)	3.6	
Termination of Off-Street Parking Enforcement with LCC	44.9		44.9	
Tourism - miscellaneous non pay items	(4.0)		(4.0)	
Tourism - subscription for Lancashire Food Festival		(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	-	
Homelessness Accommodation underspend		9.0	9.0	
Choice Based Letting - Administration Charge		(5.0)	(5.0)	
Regeneration - Computer Equipment		(1.2)	(1.2)	
TOTAL	45.5	(0.9)	44.6	

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Regeneration Highlight Report – Period 10

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 a favourable movement in month pertaining to Homelessness Accommodation charges of £9k.
- There is an adverse movement in month of £5k relating to an administration charge regarding the Choice Based Letting Scheme. The amount of this recharge is above the anticipated amount and negotiations are on-going.
- The projected expenditure on Tourism has moved adversely in month by £4k reflecting an anticipated subscription to the Lancashire Food Festival.

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 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Jan (Adv)/Fav £000
Strategic Functions					
SSL Administration	(71.0)	(78.8)	7.8	7.5	0.3
Operational Functions					
Refuse Collection	1,417.1	1,375.0	42.1	37.9	4.2
Street Sweeping	986.3	1,022.5	(36.2)	(40.7)	4.5
Open Spaces Contracts	1,198.7	1,192.5	6.2	0.9	5.3
Bereavement Services / Cemeteries	214.1	234.8	(20.7)	(9.0)	(11.7)
Total	3,745.2	3,746.0	(0.8)	(3.4)	2.6

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	61.0	8.0	69.0	
Tipping Fees - Glass Cans & Plastics	(26.2)	2.0	(24.2)	
Tipping Fees - Street Sweeping	(11.0)		(11.0)	
Refuse Bin Deliveries	(10.0)	1.5	(8.5)	
Paper Income / Glass Cans & Plastics Income	43.6	(1.5)	42.1	
Fuel	(29.6)	0.5	(29.1)	
Salaries / Agency	32.5		32.5	
Upgrade of Henrietta Street	(21.2)		(21.2)	
Trade Waste Tipping Fee's	(10.0)		(10.0)	
Materials/Tools Open Spaces	(10.4)	3.7	(6.7)	
other variances	(12.4)		(12.4)	
Cemeteries Income	(9.6)	(11.7)	(21.3)	
Street Sweeping- Vehicle Hire	11.0		11.0	
Refuse & Street Sweeping Sacks (Various)	(11.0)		(11.0)	
TOTAL	(3.3)	2.5	(0.8)	

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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 January have had a positive impact upon the budgets to the value of circa £2.5K.
- The operating lease payments have been re-adjusted to an overall decrease in expenditure of £8K due to re-evaluation of what vehicles were to be required.
- Expenditure on tools and equipment within operations can be problematic to forecast due to its lack of pattern throughout the past months/years. The expenditure within this area has seen a decline this month, positively adjusting the forecasted spend by £3.7K. This could be due to the focus being on providing the best possible front line service during this period of adverse weather.
- Cemeteries income has also seen a substantial decline in the forecasted income of (£11.7K), which negates both of the savings above, however minor fluctuations within the budget amount to the £2.5K positive movement of the budget as a whole.

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 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Jan (Adv)/Fav £000
Strategic Functions					
Executive Director of Business	25.8	25.8	-	-	-
Planning					
Development Control	274.5	384.1	(109.6)	(113.7)	4.1
Forward Planning	207.0	183.5	23.5	23.1	0.4
Land Charges	71.7	63.8	7.8	25.0	(17.2)
Building Control					
Building Control Trading Account	12.3	42.0	(29.7)	(27.1)	(2.6)
Building Control - Statutory Function	125.3	143.7	(18.4)	(25.4)	7.0
Building Control - Street Signs	14.2	4.4	9.8	9.0	0.8
Legal Services	14.4	12.3	2.2	(0.6)	2.8
Democratic Services					
Electoral Registration	79.1	77.7	1.4	1.8	(0.4)
Elections	108.8	106.5	2.3	2.3	0.0
Democratic Representation	763.5	735.3	28.1	26.8	1.3
Mayoralty	114.4	119.3	(4.9)	(2.4)	(2.5)
Town Twinning	10.3	10.3	-	0.4	(0.4)
Environmental Health					
Env Health	641.7	636.2	5.5	(3.1)	8.6
Emergency Planning	23.5	13.1	10.4	10.1	0.3
Licensing	167.0	157.6	9.4	10.4	(1.0)
Total	2,653.4	2,715.6	(62.2)	(63.4)	1.2

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 income	(125.5)	9.0	(116.5)	
Development Control / Forward Planning - consultancy costs	34.1	3.0	37.1	
Development Control - computer licenses	(24.5)		(24.5)	
Development Control - document scanning	12.0	(1.0)	11.0	
Forward Planning - staff vacancy	12.6	0.4	13.0	
Forward Planning - External Printing & publicity	(2.5)		(2.5)	
Land Charges - Income & Search Fees	18.0	(17.0)	1.0	
Building Control general fee income	(29.0)	(5.0)	(34.0)	
Building Control Section 215 & Elevate work income	(17.0)	8.0	(9.0)	
Building Control computer licenses	(3.9)		(3.9)	
Building Control Street Signs	9.0		9.0	
Legal - staff vacancies	25.0	3.0	28.0	
Legal Reference Materials / professional fees	(8.0)		(8.0)	
Legal Income	(17.0)	(1.0)	(18.0)	
Democratic Services - staff vacancies and advertisements	23.1		23.1	
Mayoralty - Agency / staff	(4.0)	(2.0)	(6.0)	
Democratic Services - Members Allowance	6.6		6.6	
Elections - Staff costs and by-election provision	2.5		2.5	
Environmental Health - Restructure & staff vacancies	8.0	4.4	12.4	
Environmental Health - Permitted Processes & Other Income	(5.0)	(3.0)	(8.0)	
Land Drainage	-	4.6	4.6	
Emergency Planning	10.0		10.0	
Licensing - Salaries	8.0		8.0	
Licensing - Income	3.9		3.9	
Miscellaneous	0.5	(2.5)	(2.0)	
TOTAL	(63.1)	0.9	(62.2)	
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Monthly Financial Monitoring Report 2009/10 – end of January 2010

Business Highlight Report – Period 10

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 £11k.

Current Month Issues

- The current projected budgetary position for the business directorate is an over spend of £62.2k, an £1.2k improvement on the December forecast of £63.4k.
- Projected Income from Planning Applications has increased by £9k from December.
- Projected Land Charges Income has decreased by £17k from December for two reasons. The first reason being a slow down in housing sales in December 2009 & January 2010. In addition, income of £8k has been moved from Land Charges to Building Control, reflecting the income received by Land Charges in the 1st instance for answering detailed component questions via integration of the Building Control database.
- Projected Income from Building Control Fee's decreased by a further £5k from the figure previously reported.
- Salaries under spends in Environmental Health increased due to delays in appointing to vacant posts.

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 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Jan (Adv)/Fav £000
Corporate Management					
Executive Office	239.6	200.1	39.6	42.4	(2.8)
Corporate Contingency	130.7	130.7	(0.0)	-	(0.0)
Executive Support & Corporate Subscriptions	166.2	157.3	8.9	0.3	8.6
Total	536.6	488.1	48.5	42.7	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
Various Non Pay budgets	(2.4)		(2.4)	
Chief Executive - Recruitment Expenses	(10.2)		(10.2)	
Chief Executive - Miscellaneous expenses	6.8	(2.8)	4.0	
Chief Executive - Salaries revised projection	48.5		48.5	
Chief Executive - Subscriptions	-	8.6	8.6	
TOTAL	42.7	5.8	48.5	

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Corporate Management Highlight Report – Period 10

Historic Issues

- A Corporate 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 Corporate 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 Corporate 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 Corporate Contingency budget.

Current Month Issues

- The known commitments and spend against the Corporate Contingency in January shows £40.5k still to be committed.

Corporate Contingency	£000
Budget	
Executive Director of Resources	95
Post formerly designated as Deputy Chief Executive	35
Total Budget	130
Allocated	
Democratic Services – Staff cover	29
Elections – Signature matching – new server and software purchase	12
Planning – Enforcement cover	24
Corporate – Standards Enquiry	4
Legal Fees	5
Rosendale RUFC – Drainage works	5
Other Professional Fees	1
Rosendale Harriers Contribution – improvements to running track	6
Ombudsman Ruling	9
Total Allocated	90
Balance Uncommitted	40

- Most of the £8.6k reduction in subscription costs represent a transfer of Lancashire Food Festival subscriptions to the Tourism budgets under Regeneration.

Futures Issues

- Nothing to report

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Monthly Financial Monitoring Report 2009/10 – end of January 2010

Finance and Property Services - Period 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Jan (Adv)/Fav £000
Financial Services Team	(188.8)	(223.1)	34.3	33.9	0.4
Internal Audit	97.0	78.3	18.7	18.7	(0.0)
Corporate Costs					
External Audit Fee	126.4	114.5	11.9	11.9	(0.1)
Bank Charges	20.2	24.9	(4.7)	(3.1)	(1.6)
Treasury Management	58.2	62.5	(4.2)	(4.2)	(0.0)
Property Services					
Property Services Team	82.4	92.8	(10.4)	(35.5)	25.1
Corporate Estates	(60.3)	(56.5)	(3.8)	(3.1)	(0.7)
Non Domestic Estates	6.9	47.2	(40.4)	(39.4)	(1.0)
Office Accommodation	5.5	25.9	(20.4)	(20.0)	(0.4)
Operational Properties	290.7	387.9	(97.2)	(95.9)	(1.3)
Leisure Properties	(175.2)	(172.8)	(2.4)	0.8	(3.2)
Bus Shelters	21.2	3.4	17.8	17.6	0.2
Business Centre	-	0.5	(0.5)	(1.2)	0.7
Total	284.1	385.5	(101.4)	(119.5)	18.1

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Financial Services - Staff savings	32.5		32.5	
Financial Services - Misc variances	(2.2)	(1.3)	(3.5)	
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	(71.7)		(71.7)	
Operational Buildings - Water	(15.9)	(2.3)	(18.2)	
Operational Buildings - Repairs & Maintenance	-	25.7	25.7	
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)	(0.5)	(15.6)	
Non Domestic Estates - Business Rates units 1,2,3	(6.8)		(6.8)	
Refund GVH rent (not RBC property)	(5.9)	(2.2)	(8.1)	
Ski Slope - extra security		(1.3)	(1.3)	
Asbestos costs	(9.5)		(9.5)	
Public Clocks repairs (poss claim on insurance)	(2.5)		(2.5)	
Car Park repairs & maintenance	4.7		4.7	
Misc Variances	(8.3)		(8.3)	
TOTAL	(119.5)	18.1	(101.4)	

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Monthly Financial Monitoring Report 2009/10 – end of January 2010

Finance & Property Services - Monitoring Highlight Report – Period 10

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.
- Zurich Risk Management Health Check £4k has been funded through the insurance savings.

Current Month Issues

- Nothing significant to report.

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 & Gas forecast at the end of January 10 is a projected over spend of £71.7k.
- The accounts department undertook an exercise to investigate old repair & maintenance purchase orders still showing as liable for payment within the financial ledgers. After liaising with Property Services, significant orders have been cancelled. The consequence is a predicted under spend on the Repairs & Maintenance budgets of £25.7k.
- The water charges have increased by £2.2k. This gradual increase is due to new levy's applied by United Utilities and most buildings are now on Metered supplies.

Futures Issues

- Nothing to report.

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People and Policy - Period 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Jan (Adv)/Fav £000
People & Organisational Development					
Human Resources	(9.6)	(16.9)	7.3	13.2	(5.9)
Training	(11.6)	(11.6)	(0.0)	-	(0.0)
Policy & Performance					
Policy & Performance Team	127.1	125.3	1.8	1.9	(0.1)
Communications	143.2	136.6	6.6	6.0	0.6
Total	249.1	233.4	15.6	21.1	(5.5)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Vacancies - People & Policy section	24.9	1.1	26.0	
Other variances	5.7	(0.2)	5.5	
Staff Morale Budget	1.5		1.5	
Corporate Plan Printing & other non pay variances	2.0		2.0	
Provision for delayed IIP external inspection review		(4.0)	(4.0)	
Staff survey		(2.4)	(2.4)	
Professional Charges - Equal Pay Claims	(18.9)		(18.9)	
Communications - publicity -phonebook adverts	5.9		5.9	
TOTAL	21.1	(5.5)	15.6	

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People & Policy Highlight Report – Period 10

Historic Issues

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

Current Month Issues

- The anticipated external review of the Investors in People award has been delayed until 2010/11 however a provision of £4k has now been set aside from the 2009-10 budget to meet this commitment.

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 10

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Jan (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	318.5	230.0	88.5	88.5	(0.0)
Non-distributed Office Costs	221.2	109.5	111.6	115.2	(3.6)
Other Costs / Income	17.7	(10.0)	27.7	27.7	0.0
Capital Financing					
Minimum Revenue Provision	82.5	100.5	(18.0)	(18.0)	-
Investment Interest	(137.0)	(197.3)	60.3	59.3	1.0
Reversal of Capital Charges	(754.5)	(754.5)	-	-	-
Total	(251.6)	(521.7)	270.2	272.7	(2.5)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
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	1.8	(2.5)	(0.7)	
Increase in MRP in relation to Accommodation Project	(18.0)		(18.0)	
Interest - net expenditure/income	59.3		59.3	
TOTAL	272.7	(2.5)	270.2	

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Non-Distributed Costs & Capital Financing - Highlight Report – Period 10

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 December was predicted to achieve £59k 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. (Members have previously agreed to transfer this to the Single Status Reserve.)
- Given the 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. The net effect is an additional £18k of revenue costs for 2009/10, being in the main the impact of the acquisition of the Business Centre.

Current Month Issues

- Interest income predictions remain at £59k favourable for the year.

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						(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)	(55.0)	(46.4)	(70.0)	(41.0)		(78.0)	(336.4)
2011/12 Plans						(24.0)	(80.0)	(46.4)	(40.0)				(190.4)
2012/13 Plans							(90.0)	(13.2)	(200.0)				(303.2)
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	137.9	43.7			5.5				187.1
Total Funds Available	287.7	258.0	8.4	33.5	22.1	52.6	382.0	10.0	1,054.3
Year-to-date Utilisation in 2009/10									
Community Engagement Officer		-34.0							-34.0
Community Events		-20.0							-20.0
Core Strategy Work	-45.5								-45.5
Employment Study	-29.4								-29.4
Retail Study	-9.5								-9.5
Tourism Study	-10.0								-10.0
Renewable Energy studies/costs	-69.6								-69.6
Natural Environment Study	-3.5								-3.5
Strategic Housing Land Assessment	-12.2								-12.2
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
Fwd Planning Technician (3yr contract)					-22.1				-22.1
Transfer to Leisure Trust Transitional Support Earmarked Reserve							-193.0		-193.0
Estimated Balance 31/3/10	106.3	204.0	8.4	33.5	0.0	52.6	31.7	10.0	446.5
Future Utilisation Plans									
2010/11	-135.0								-135.0
2011/12	0.0								0.0
2012/13	-10.0								-10.0
Potential Reserve Balances	-38.7	204.0	8.4	33.5	0.0	52.6	31.7	10.0	301.5

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Monthly Financial Monitoring Report 2009/10 – as at end of January 2010

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. Treasury Management activity in January has closely followed the anticipated pattern so that interest income expectations remain at £58k above the original budget.

Interest	Budget 09/10	F'cast 09/10 (Adv)/Fav	Variance
Payable	(19)	(16)	4
Receivable	153	209	55
Total	37	193	59

as at 2nd February 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	now ended

In early January the remaining higher-rate deposit with the Royal Bank of Scotland matured, thereby providing the £1.5m cash funds required to repay the Public Works Loans Board (PWLB) in late January.

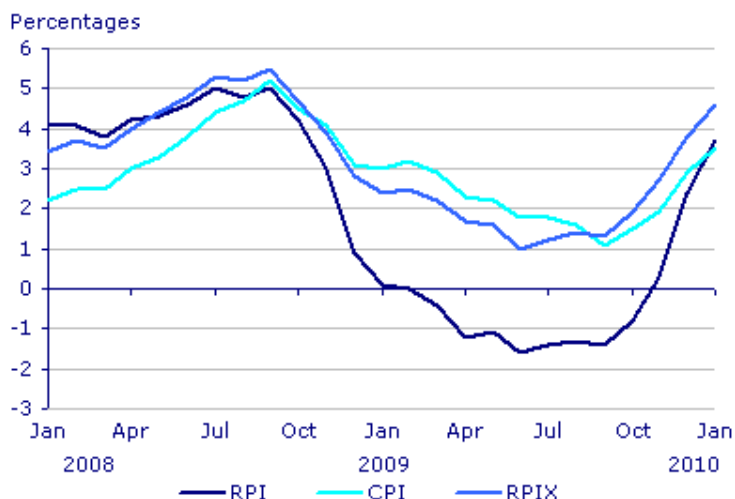
Treasury Management Outlook

The national inflation figures for January have seen the continued reversal of the previous negative trends. The Consumer Price Index rose to 3.5% up from 2.9% at the end of November, due to the end of the reduced VAT rate and increases of 2.2% in fuel costs over the year.

In the year to January, RPI annual inflation rose to 3.7% (a rise of 1.3%). Some of the biggest upward pressures included housing costs as the 12month review period now moves beyond the large drops

in housing costs seen in autumn 2008 as lenders reflected interest rates reductions in mortgage charges. However, economists are wary about forecasting this as a long-term trend and the current UK economic outlook remains uncertain, especially if pay levels continue to be squeezed in order to reduce costs.

Treasury advisors, Sector, have not revised their forecast of future base rates in their end of January 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 decline throughout the financial year 2010/11.



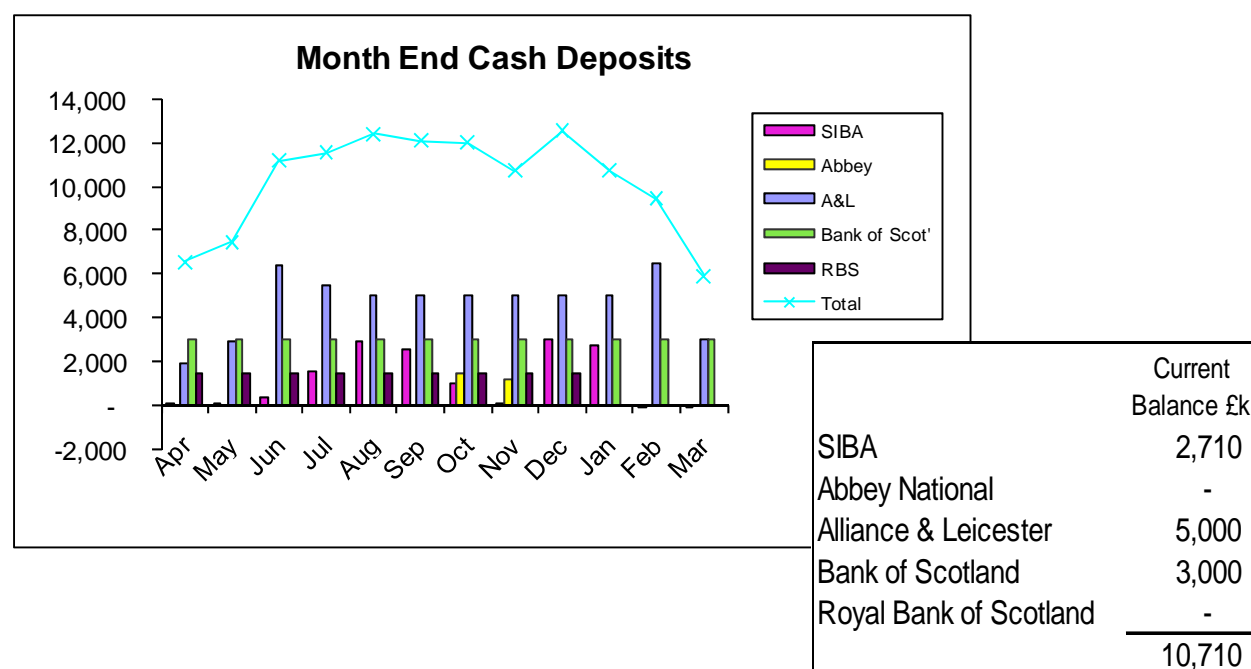
as at	Q/E1	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2
February 2010	2010	2010	2010	2010	2011	2011
Base Rate	0.50%	0.50%	0.75%	1.00%	1.50%	2.25%
25yr PWLB	4.55%	4.65%	4.70%	4.80%	4.90%	5.00%

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Cash Flow Management

In line with capital spending and revenues income profiles the Council's cash flow has now begun it's downward phase to the year-end, with the cash balance at the 31st March expected to be around £6m.



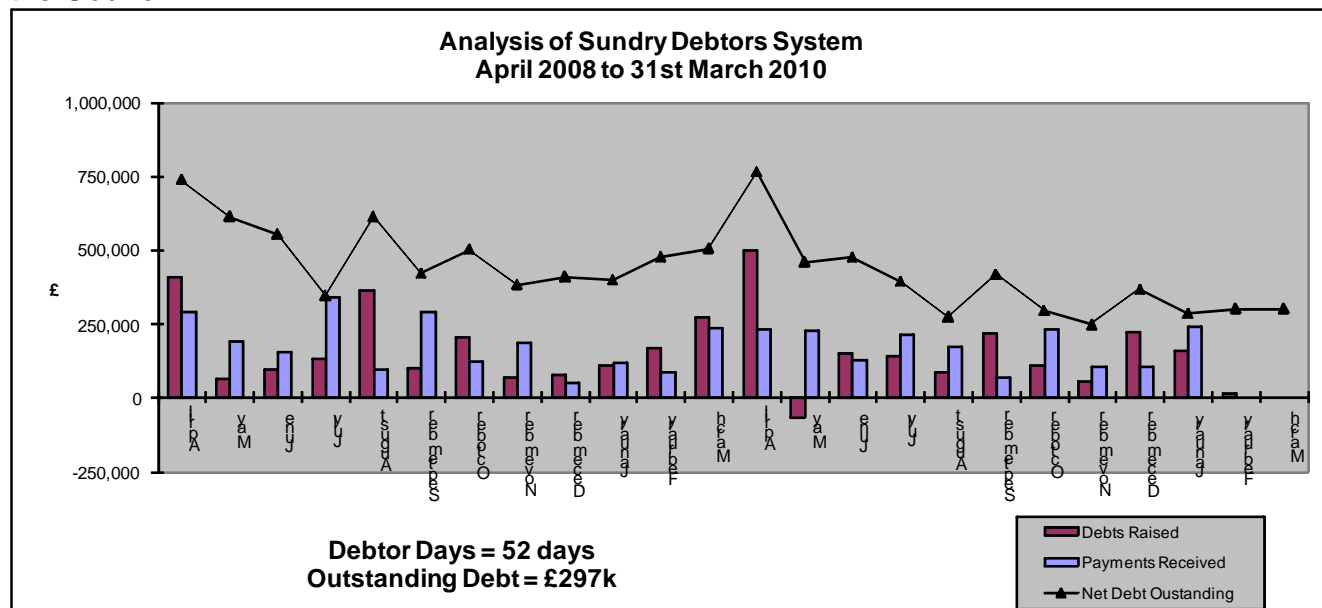
One of the major cash flows of the Council is the payment of salaries to staff. To the end of January the Council has saved over £360k in terms of the expected costs of employees, a further improvement of £32k.

Employment Costs Period 10 - January 2010	YTD Budget £000	YTD Actual £000	Variance (Adv)/Fav £000	Movement (Adv)/Fav £000	Budgeted Staff FTEs	Current Vacant Posts
Place Directorate						
Communities Service	488	462	26	12	16.5	1.0
Customer Services	448	432	16	4	14.2	1.0
Regeneration Service	419	408	11	1	13.0	0.0
Operations Service	1,984	1,896	88	13	87.5	1.0
Business Directorate						
Building Control Services	164	166	(2)	(1)	5.0	0.0
Environmental Services	494	512	(18)	(5)	16.8	1.0
Legal & Democratic Services	361	324	37	3	13.8	3.5
Planning Services	420	425	(5)	(4)	17.7	0.0
Corporate Services						
Corporate Management	366	331	35	10	7.0	1.0
Finance & Property Services	578	545	33	2	21.3	0.0
People & Org. Performance	287	261	26	3	9.5	0.5
Non-Distributed Costs	279	166	113	(8)	-	-
Total	6,288	5,928	360	32	222.3	9.0

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A similarly important facet of cash flow management is the prompt collection of debts owing to the Council.



Sundry debt balances at the end of January 2010 are approximately £42k below those in January 2009. New debts raised to date in 2009/10 amount to £1,579k. Current year debt collection continues to be strong with only 4.1% of the invoices raised up to the end of December still outstanding at the end of January. (This compares favourably to the 8.7% of 2008/09 invoices outstanding to the same date last year).

This improvement is reflected in the debtor days calculation at the end of January which has fallen to 52 days from 68 in December. Again, this compares well to the target for the current year of 80 days.

The Bad Debt Provision is over £167k compared to an estimated requirement of £113k. Therefore at the moment no further provision for bad debts is expected to be required during 2009/10.

	at 31st Mar 2009		4 January 2010		1 February 2010		Bad Debt	
	£	£	£	£	£	£	rate	value
2005/06 Debt Outstanding		199		199		199	1	199
2006/07 Debt Outstanding		5,334		3,686		3,303	1	3,303
2007/08 Debt Outstanding		102,280		46,181		45,361	0.9	42,329
2008/09 Debt Outstanding		397,528		44,822		44,468	0.9	40,849
2009/10 Debt Outstanding								
Q1 Debt - April			21,485		14,042		0.5	7,021
Q1 Debt - May			733		649		0.5	325
Q1 Debt - June			1,100	32,353	975	15,666	0.5	488
Q2 Debt - July			10,374		10,222		0.1	1,022
Q2 Debt - August			2,011		1,565		0.1	157
Q2 Debt - September			2,456	17,301	2,093	13,880	0.1	209
Q3 Debt - October			11,908		5,021		0.1	502
Q3 Debt - November			15,536		10,028		0.1	1,003
Q3 Debt - December			198,272	94,606	14,211	29,260	0.1	1,421
Q4 Debt - January			27,431		136,364		0.1	13,636
Q4 Debt - February					8,160		0.1	816
Q4 Debt - March				0		144,524	0.1	-
Total Debt Outstanding		505,341		239,751		296,661		113,280
								167,070

Bad Debt Provision

167,070

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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	130	(70)
Revenue Receipts			
GVH - Vat Shelter	560	100	(460)
	860	507	(353)

Cash received relating to asset sales to the end of January 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 Right to Buy receipts notified up to press are a fraction over £130k, 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. Of the balance available £20k is being applied to support Pride Revenue costs, leaving £30k to support capital spending as Revenue Contribution to Capital Outlay (RCCO) in the table below.

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	130
Revenue Contributions to Capital (RCCO)	
VAT Shelter	30
from Operations (vehicles & Henrietta St)	62
Capital Resources Available	1,870
Requirements of Capital Programme 2009/10	(1,037)
Capital Resources at 31st March 2010	833
Receipts earmarked for Housing capital wks	371

At current expectations the level of capital resources carried forward to future years will be £833k, 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 10 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	1,544	2,370	80%	47	672	235	1,416	0	0
Customer Services & e Govt	0	3	0	3	0%	0	0	3	0	0	0
Communities Regeneration	336	115	9	292	34%	240	37	0	0	15	0
	2,788	51	0	51	2%	0	0	0	0	51	2
Corporate Support Services											
Finance & Property Services	341	328	23	573	96%	0	6	81	0	486	41
Housing											
	2,871	1,947	40	3,009	68%	3,006	3	0	0	0	0
	7,073	3,031	1,616	6,298	74%	3,293	718	319	1,416	552	43

The capital programme is now gathering pace with around 74% of the total programme completed to the end of January 2010. However, this includes the new vehicle purchasing framework which has created a 'commitment' of £1.4m as explained in November. Therefore, the value of original programme works actually completed to date is 66% of the full year programme, 11% higher than the same time last year.

Significant activity during January included.

- £09k on ELEVATE projects to bring year-to-date spend to 78% of the programme.
- £17k on Disabled Facilities Grants to bring year-to-date spend to 75% of programme.
- £3k on works at Henrietta Street
- £7k on the Accommodation Project at Futures Park

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 £718k to be funded from capital receipts and £319k 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 £552k 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 £552k requirement for the 2009/10 programme is expected to add over £43k to future MRP costs, 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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Glossary

Budget

A statement of the Council's spending plans for revenue and capital expenditure over a specified period of time.

Capital expenditure

Spending on the acquisition or maintenance of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Section 40 of the Local Government and Housing Act 1989 defines 'expenditure for capital purposes'. Expenditure that does not fall within the definition must be charged to a revenue account.

Capital Receipts

Proceeds from the sale of fixed assets, such as land or buildings, or the repayment of capital grants or advances.

CPI

A consumer price index (CPI) is a measure estimating the average price of consumer goods and services purchased by households. It is a price index determined by measuring the price of a standard group of goods meant to represent the typical market basket of a typical urban consumer and how this changed in the previous 12 months.

General Fund

The main revenue fund of the Council. Day-to-day spending on services is met from the General Fund. Spending on the provision of housing, however, must be charged to a separate Housing Revenue Account.

Local Authority Business Growth Incentive Scheme (LABGIS)

This is a means to reward Councils for increases in the rateable value of business properties above a certain threshold. Rossendale has received this for the first time in 2006/07 and used the extra income to create a Reserve for future Economic Development activity.

Minimum Revenue Provision

The minimum amount which must be charged to the Council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

National non-domestic rates (NNDR)

A national non-domestic rate poundage for commercial premises is set annually by the government and collected by all local authorities. The proceeds are redistributed between local authorities in proportion to their adult populations.

Reserve

Amounts included in one financial year's accounts to provide for payment for goods or services, whether revenue or capital, in a future financial year.

Revenue account

An account that records an authority's day-to-day expenditure and income on such items as salaries and wages and other running costs of services.

RPI

Retail Price Index (RPI) is a measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a basket of retail goods and service and is used by the government as a base for various purposes, such as the indexation of pensions, social housing rent increases and many employers also use it as a starting point in wage negotiations.

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