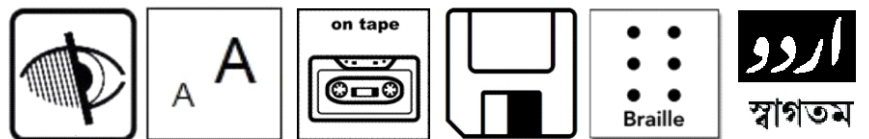


Monthly Financial Monitoring Report

2010/11 as at end of May 2010 – Period 2

Including a Glossary of terms on page 32



Monthly Financial Monitoring Report 2010/11 – end of May 2010

General Fund Revenue Operations – pages 4 to 23

The out-turn favourable impact on General Fund compared to budget for this first report in 2010/11 is **£296.9k** as at the end of May.

This favourable variance would potentially result in the General Fund Reserve at 31st March 2011 being £1,146.9k (see below).

The revenue budget carry-forward rules meant that £233k was transferred to a Directorate Investment Reserve at the end of 2009/10. The table below shows how a further £149k may be added to that Reserve at the end of 2010/11 if current predictions continue.

General Fund Reserves	General Fund Reserve £000	Directorate Investment Reserve £000
Balance at 1st April 2010	999.0	233.0
Favourable/(adverse) movement in 2010/11	296.9	
50% transfer to Directorate Investment Reserve		
Place Directorate	(39.0)	
Business Directorate	(40.0)	149.0
Corporate Directorate	(70.0)	
Balance anticipated at 31st March 2011	1,146.9	382.0

Earmarked Revenue Reserves – page 24

The £478k Performance Reward Grant instalment, due at the end of March 2010, was received in April, but following central government cuts it is now very unlikely that any further monies will be received.

The total Earmarked Reserves at 1st April 2010 were £4,789.4k, including the above £233k Directorate Investment Reserve. Planned usage has now been split between one-off projects and on-going utilisation commitments in an attempt to ensure that these finite resources are spent to greatest effect whilst they last. Housing Planning Delivery Grant resources now appear to have also come to an end, leaving current plans outstripping resources by £27.7k – work has begun to peer back expenditure plans for these funds to ensure that they are within the reserves available over the next 3 years.

Government Grants Unapplied – page 25

Government Grants Unapplied brought forward at 1st April 2010 amounted to £578.6k.

Utilisation of these grants will be examined in the coming months, though the balance of the Housing Capital Pot is earmarked for housing-based capital projects.

Responsible Section/Team	Financial Services	Page	2
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Treasury Management and the economic environment - page 26

This is very early in the year to provide meaningful updates on the Treasury Management position, other than to confirm that £8m of temporary investments entered into in 2009/10 remain to date. Cash flow has begun to rise as it does every year until the last Council Tax and NNDR instalment collections in January. No significant Treasury Management transactions have been entered into in 2010/11.

Cash Management - page 27 to 28

Operational cash levels declined to a low of £8.4m at the end of April, with £8m of that invested in temporary fixed term deposits. Careful cash management ensured that the Council did not need to borrow any overnight monies at that time. Cash levels rose again on 1st April and 1st May as revenues for 2010/11 continued to flow in.

Debt collection rates for 2009/10 invoices continued their good performance so that 99.99% of all invoices raised in 2009/10 have now been collected. Just £43k remains outstanding at mid June 2010. Similar efforts are being trained on the 2010/11 invoices to ensure that overall debts outstanding continue to fall.

Following the write off of £12.6k of debts in March, the Bad Debt Provision at the beginning of 2010/11 is £155k. Officers deem this satisfactory, therefore no further contributions are envisioned in 2010/11 at this stage.

Capital Receipts – page 29

Capital receipts to date are just £7k, though there are plans for some surplus assets to be sold at auction in the next couple of months. The target for Right to Buy income from Green Vale Homes is just £100k for 2010/11, which compares favourably to the outcome in 2009/10 of £140k.

Useable Capital Receipts balance carried forward at the end of 2009/10 was £1,354k. Projected requirements to fund the 2010/11 capital programme are £1,020k. The table on page 31 shows that the balance at the end of 2010/11 could be around £704k.

Capital Programme and Funding – page 30 to 31

The 2010/11 Capital Programme was £3,738k but £1,466k of slippage was added to this to give a total revised programme for the year of £5,204k. However, there is great uncertainty at present over potential reductions in the Elevate programme which makes up £2,121k of that total.

Capital expenditure in April and May has centred around £777k of the slippage in the vehicle replacement programme and £136k on Disabled Facilities Grants.

Responsible Section/Team	Financial Services	Page	3
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

General Fund Summary - May 2010 (Period 2)

Service Area	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
Place Directorate					
Communities	1,304.2	1,269.2	35.0	-	35.0
Customer Services and e Government	2,866.5	2,838.1	28.4	-	28.4
Regeneration	467.7	454.3	13.4	-	13.4
Place Operations	4,126.6	4,125.7	0.9	-	0.9
Business Directorate					
Building Control Services	143.6	165.0	(21.5)	-	(21.5)
Environmental Services	899.1	862.8	36.3	-	36.3
Legal & Democratic Services	974.7	918.6	56.1	-	56.1
Planning Services	583.9	577.8	6.0	-	6.0
Local Land Charges	36.6	33.5	3.1	-	3.1
Corporate Support Services					
Corporate Management	140.1	115.1	25.0	-	25.0
Finance & Property Services	319.5	265.5	54.0	-	54.0
People and Policy	188.6	165.1	23.4	-	23.4
Non Distributed Costs	473.2	441.4	31.8	-	31.8
Capital Financing and Interest	(718.9)	(723.9)	5.0	-	5.0
Favourable impact on General Fund	11,805.3	11,508.4	296.9	-	296.9

Revenue activities to note so far in 2010/11 include:

- Total anticipated savings for the year in relation to staff and agency cover costs amount to £266k.
- The Capita contract inflationary increase could cost £10k more than originally anticipated, depending on the inflation rates at September 2010. However, this is more than compensated for by collection rates and income from court costs awarded bringing in £23k more than budget if present levels continue throughout the year.
- Efforts are being made to correct the forecast overspend of £33.3k on operational vehicles and their maintenance. In addition, investigations into fuel consumption levels are part of ongoing actions to combat a predicted £43k adverse variance on fuel.
- Operational savings in other areas include £71k on recycling income. These savings are now being directed into a Vehicle Replacement Provision of £70k.
- Business Directorate income is looking to return an adverse of £35.6k for the year, despite the reduction of budget targets in February.
- Utilities contract renewals for gas and electricity in Operational Buildings looks set to save around £35k when they come into effect in October.
- Audit Commission charges are already to be reduced by £8.3k, with potential for further reductions following the end of CAA and Use of Resources work.
- It is too early to predict any changes to interest income for 2010/11, but interest payable to Trust Funds etc looks set to be £5k lower than budgeted for.

The main areas of movement in April and May can be seen in the table opposite.

Responsible Section/Team	Financial Services	Page	4
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Major Variances in April and May	Favourable /(Adverse)	Net
Communities		
Staffing and agency cover	29.0	
Museum utilities recovery from LCC	7.2	
Christmas lighting	(5.8)	
Markets Income	(7.5)	
Other variances	12.1	35.0
Customer Services and e Government		
Housing Benefits overpayments recovered	9.0	
Court Costs awarded	23.0	
Revenue Collection & Benefits Admin contract	(10.0)	
IT equipment, network & software licences	(4.5)	
Concessionary Fares	15.0	
Other variances	(4.1)	28.4
Regeneration		
Recharges to capital projects funded by grants	3.4	
Other variances	10.0	13.4
Place Operations		
Staffing and agency cover	122.5	
Leased vehicles & associated repairs	(43.3)	
Vehicle replacement provision	(70.0)	
Fuel	(43.0)	
Trade Waste & Tipping Fees	2.9	
Recycling	71.3	
Clinical waste, residual and bulk collections	(27.0)	
Other variances	(12.5)	0.9
Business Directorate		
Staffing and agency cover	84.6	
Building Control fee income	(17.0)	
Legal income	(10.6)	
Environmental Health & Licensing income	(8.0)	
Emergency Planning	13.0	
Elections (shared costs with Parliamentary)	20.0	
Other variances	(2.0)	80.0
Corporate Management		
Staffing and agency cover	11.4	
Subscriptions	13.6	25.0
Finance & Property Services		
Staffing and agency cover	4.0	
Audit Commission charges	8.3	
Operational Buildings Gas, Electric & Water	35.0	
Operational Building Repairs	13.0	
Income from premises	(4.5)	
Other variances	(1.8)	54.0
People & Policy (incl P&P & Comm)		
Staffing and agency cover	14.5	
Other variances	8.9	23.4
Non-Distributed Costs & Capital Financing		
Pensions for past employees	31.7	
Interest Payable	5.0	
Other variances	0.1	36.8
Favourable/(adverse) on General Fund		296.9

Responsible Section/Team	Financial Services	Page	5
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Communities - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
Strategic Functions					
Community Management & Admin	224.9	224.1	0.8	-	0.8
Area Based Grant	31.9	31.9	(0.0)	-	(0.0)
Community Safety	198.9	197.5	1.4	-	1.4
Local Strategic Partnership	6.4	(26.3)	32.7	-	32.7
Area Forum Grant Budgets	20.0	20.0	-	-	-
Voluntary Sector Support					
Grants	319.0	311.8	7.2	-	7.2
Discretionary NNDR	44.8	44.8	-	-	-
Events	32.8	38.7	(5.9)	-	(5.9)
Neighbourhoods					
Environmental Area Teams	308.6	306.4	2.2	-	2.2
Markets	35.7	43.2	(7.5)	-	(7.5)
Pest Control	21.1	17.7	3.5	-	3.5
Dog Warden	36.9	36.3	0.6	-	0.6
Public Conveniences	23.2	23.2	-	-	-
Total	1,304.2	1,269.2	35.0	-	35.0

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Community Safety - Misc admin Exp under spend		1.4	1.4	
LSP - vacancy of LSP manager		29.0	29.0	
LSP - External Printing & misc Exp under spend		3.7	3.7	
Museum - error in budget setting		7.2	7.2	
Events - Xmas lights annual costs		(5.8)	(5.8)	
Area Teams - Comm Development initiative		2.0	2.0	
Markets - income not expected to meet target		(7.5)	(7.5)	
Pest Control Fees		3.5	3.5	
Misc under spends		1.5	1.5	
TOTAL	-	35.0	35.0	

Responsible Section/Team	Financial Services	Page	6
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Communities Highlight Report – Period 2

Historic Issues

- Nothing to report

Current Month Issues

- The Local Strategic Partnership officer left the council in May 2010. The duties performed by the LSP officer are being evaluated to ascertain if they can be absorbed within existing staff structures. The projected under-spend of £29k assumes that this vacancy remains unfilled for the duration of 2010-11.
- As part of the agreement by which Lancashire County Council operates Whittaker Park Museum on behalf of the Council, utility costs incurred by RBC in the first instance are then recharged back to LCC. An original budget for this recovery was overlooked, therefore there is predicted to be a favourable movement of £7k.
- Based on coverage in 2009/10 and anticipated utility costs, expenditure on Christmas lights is projected to exceed budget by £5k.
- Income from pest control fees are predicted to exceed budget by £3.5k, however, climatic factors have a significant bearing on the level of demand for pest control services.
- The forecast income for the markets is currently predicted to be below target; resulting in an adverse impact of £7.5k.

Future Issues

- Nothing to report

Responsible Section/Team	Financial Services	Page	7
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Customer Services & E-Government - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
Strategic Functions					
Management and Support	0.4	0.5	(0.0)	-	(0.0)
Service Assurance Team	42.7	39.8	2.9	-	2.9
Revenues, Benefits and Customer Services					
Local Tax Collection	335.2	311.0	24.2	-	24.2
Benefits Admin	364.9	372.2	(7.3)	-	(7.3)
Shared Contact Centre	51.5	54.0	(2.5)	-	(2.5)
Net - Benefit Payments & Subsidy received	(86.0)	(95.0)	9.0	-	9.0
Leisure Services (from Partnerships)	1,109.7	1,105.7	4.0	-	4.0
Information and Communications Technology	245.1	262.0	(17.0)	-	(17.0)
Concessionary Travel	803.0	787.8	15.1	-	15.1
Total	2,866.5	2,838.1	28.4	-	28.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Cash Recovery of Housing Benefit over payments		9.0	9.0	
Courts Costs Income (net of costs) re non payment of Council Tax and Business Rates		23.0	23.0	
Estimated inflation uplift on outsourced Council Tax & Housing Benefit contract		(10.0)	(10.0)	
Purchase of Computer Equipment		(7.0)	(7.0)	
Software Licenses / Disaster Recovery		(4.0)	(4.0)	
Computer Line Leases		6.5	6.5	
Concessionary Fares		15.0	15.0	
Other minor variances		(4.1)	(4.1)	
TOTAL	-	28.4	28.4	

Responsible Section/Team	Financial Services	Page	8
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Customer Service & E-Government Highlight Report – Period 2

Historic Issues

- Nothing to report.

Current Month Issues

- Cash recovery of Housing benefits over payments are projected to exceed budgets by £9k.
- Court costs awarded to the Council for non payment of Council Tax are projected to exceed budget by £23k, net of any related recovery costs.
- The outsourced contract for revenue collection and housing benefit payments will be uplifted in October by the RPI in September 2010. Based on current inflation rates the estimated contract payment for the second half of 2010-11 will exceed budget by £10k. This projection may move up or down depending upon the actual September RPI.
- Expenditure on computer equipment is currently projected to exceed budget by £7k.
- Based on previous years' activity, and taking into account the cessation of the Lancashire wide pooling arrangement, the projected expenditure on Concessionary Fares is expected to under spend by £15k.

Future Issues

- Housing benefit subsidy is difficult to predict. The Council could incur a shortfall of around £80k in Housing Benefit subsidy relating to supported tenancies, though this may be offset by increases to the collection rate for Council Tax and reduced housing benefit overpayments. As more financial information becomes available a projected position will be provided for housing benefit / council tax subsidy. In previous years' any shortfall within Housing Benefit subsidy has been absorbed within Customer Services and E-Government budgets. Should this not be the case for 2010-11 the budget volatility reserve will be used to meet any shortfall.

Responsible Section/Team	Financial Services	Page	9
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Regeneration - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
Strategic Functions					
Regen Mangt & Admin	(0.3)	(4.0)	3.7	-	3.7
Tourism	64.6	64.4	0.2	-	0.2
Economic Regeneration					
Economic Regeneration	94.9	94.1	0.8	-	0.8
Regen Joint Delivery Team	-	0.0	(0.0)	-	(0.0)
Regeneration Projects	3.3	3.3	-	-	-
Parking	0.3	0.3	-	-	-
Strategic Housing					
Housing Strategy	94.2	90.9	3.3	-	3.3
Homelessness	180.5	181.4	(0.9)	-	(0.9)
Private Sector Renewal	28.0	25.2	2.8	-	2.8
Elevate Project Management	2.3	(1.1)	3.4	-	3.4
Total	467.7	454.3	13.4	-	13.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Housing Strategy - various non pay items		3.6	3.6	
Private Sector Renewals -under spends on non pay budgets		2.8	2.8	
Regeneration Mgmt - under spend on non pay budgets		3.6	3.6	
Housing Market renewal - recharges to capital		3.4	3.4	
TOTAL	-	13.4	13.4	

Responsible Section/Team	Financial Services	Page	10
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Regeneration Highlight Report – Period 2

Historic Issues

- Nothing to report.

Current Month Issues

- The Regeneration budgets are currently predicted to under spend by £13.4k, mainly due to a variety of minor forecast under spends on various non pay budgets.

Futures Issues

- The Homelessness Service currently provided by Greenvale Homes has been put out to tender. It is currently envisaged that the service will be brought back in-house. This should result in a significant saving to the Council, however, these saving are likely to accrue in 2011-12 onwards.
- The Council has recently been informed that it will provisionally receive a 17.5% cut to its Housing Renewal funding. However, staff currently envisaged that the Council will still be able to deliver on the vast majority of its planned face-lifting projects.

Responsible Section/Team	Financial Services	Page	11
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Place Operations - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
Strategic Functions					
SSL Administration	271.1	232.3	38.8	-	38.8
Operational Functions					
Refuse Collection	1,417.3	1,488.4	(71.1)	-	(71.1)
Street Sweeping	910.6	875.7	34.9	-	34.9
Open Spaces Contracts	1,481.7	1,478.6	3.0	-	3.0
Bereavement Services / Cemeteries	46.0	50.7	(4.6)	-	(4.6)
Total	4,126.6	4,125.7	0.9	-	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
Vehicle Leases / Hire	-	(21.3)	(21.3)	
Tools and Equipment	-	(34.0)	(34.0)	
Repairs and Fitters	-	12.0	12.0	
Subscriptions	-	6.0	6.0	
Tipping Fees	-	31.9	31.9	
Recycling - paper and co-mingled	-	71.3	71.3	
Fuel	-	(43.0)	(43.0)	
Salaries / Agency	-	122.5	122.5	
Trade Waste Tipping Fee's	-	(29.0)	(29.0)	
Photocopying	-	(7.0)	(7.0)	
PPE	-	(2.9)	(2.9)	
Rechargeable Works	-	(6.0)	(6.0)	
Cemeteries Income	-	(4.6)	(4.6)	
Bin deliveries	-	4.5	4.5	
Trees, Seeds and Plants	-	(2.5)	(2.5)	
Residual Collection	-	(10.0)	(10.0)	
Clinical Waste Collection	-	(7.7)	(7.7)	
Bulks Collection	-	(9.3)	(9.3)	
Contribution to Vehicle Replacement Fund	-	(70.0)	(70.0)	
TOTAL	-	0.9	0.9	

Responsible Section/Team	Financial Services	Page	12
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Operations Highlight Report – Period 2

Historic Issues

- Nothing to report.

Current Month Issues

- The Operations budgets are currently predicted to break even, after transferring £70k to a vehicle replacement provision.
- The new front line fleet is running at significantly lower MPG than expected, the causes of the poor fuel efficiency are being investigated. Dennis Eagle, who provided the vehicles, are currently reviewing the engine management system. In addition to the issue of fuel efficiency, recent fuel price increases have resulted in a projected over spend on fuel of £43k. The budget for fuel was set at 92p per litre, the current spot price is £1 per litre, each 1p rise in the cost of a litre of diesel costs the Council approximately £2.5k.
- Various vacancies and re-structures within operations are forecasted to result in an under spend of £123k, including the cost of agency cover.
- Tools and equipment expenditure across the whole of operations is projected to over spend by £34k. Operations management is reviewing expenditure patterns in order to reduce the current predicted levels of expenditure.
- Trade waste income is forecast to be £29k below target, however, capacity has been identified within the existing residual waste collection rounds and new customers are being actively sought.
- The purchase of the skip wagon has allowed the Council to collect its own street sweeping waste and so eliminate the payments previously made to external contractors. The anticipated saving are £32k.
- Paper income was budgeted at £25 per ton but the current market price is £50 a ton, income is expected to exceed target by £55k. In addition the dropping off of co mingled recyclates (glass, cans & plastics) is currently being charged at £7.50 a ton following the re-tender of the contract, as opposed to the budgeted £12.50, resulting in a cost saving of £16k for the year.
- A one-off purchase of vehicle trackers for the street sweeping vehicles has negatively impacted the budget by £7.9k, however, this will reduce leasing costs in the future.

Futures Issues

- The fluctuating nature of cemeteries income is problematic for forecasting, income has been assumed on a straight line basis.
- In March 2010 the Council brought back in house the maintenance of its vehicle fleet and an estimated budget was set up to provide for this function, matched against part of the former costs of leasing. The validity of these budgets will become apparent as the financial year progresses.

Responsible Section/Team	Financial Services	Page	13
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Business Services - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
Strategic Functions					
Executive Director of Business	0.4	0.4	-	-	-
Planning					
Development Control	402.7	405.4	(2.6)	-	(2.6)
Forward Planning	181.1	172.5	8.7	-	8.7
Land Charges	36.6	33.5	3.1	-	3.1
Building Control					
Building Control Trading Account	24.9	40.1	(15.2)	-	(15.2)
Building Control - Statutory Function	110.7	116.9	(6.3)	-	(6.3)
Building Control - Street Signs	8.0	8.0	-	-	-
Legal Services	29.8	25.8	3.9	-	3.9
Democratic Services					
Electoral Registration	76.6	75.3	1.3	-	1.3
Elections	92.3	73.6	18.7	-	18.7
Democratic Representation	645.2	630.7	14.4	-	14.4
Mayoralty	119.0	101.3	17.7	-	17.7
Town Twinning	11.5	11.5	-	-	-
Environmental Health					
Env Health	668.6	648.4	20.3	-	20.3
Emergency Planning	20.2	7.2	13.0	-	13.0
Licensing	210.2	207.2	3.1	-	3.1
Total	2,637.8	2,557.8	80.1	-	80.1

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Development Control - document scanning	-	(2.5)	(2.5)	
Forward Planning - staff vacancy		11.9	11.9	
Forward Planning - External Printing & publicity		(2.8)	(2.8)	
Building Control general fee income		(17.0)	(17.0)	
Building Control Other Income		(2.1)	(2.1)	
Building Control computer licenses		(3.9)	(3.9)	
Land Charges Income		3.1	3.1	
Legal - staff vacancies		23.9	23.9	
Legal Court Fees		(8.0)	(8.0)	
Legal Income		(10.6)	(10.6)	
Democratic Services - staff vacancies and advertisements		8.1	8.1	
Democratic Services - Local Democracy Week		4.0	4.0	
Democratic Services - Members Allowance		2.5	2.5	
Mayoralty - Agency / staff		17.6	17.6	
Elections - Saving on Local and Parliamentary		20.0	20.0	
Environmental Health - Restructure & staff vacancies		17.6	17.6	
Environmental Health other contractors		11.0	11.0	
Environmental Health Consultancy Fees		(3.2)	(3.2)	
Environmental Health - Permitted Processes & Other Income		(4.8)	(4.8)	
Emergency Planning		13.0	13.0	
Licensing - Salaries		5.5	5.5	
Licensing - Various Income		(3.2)	(3.2)	
TOTAL	-	80.1	80.1	

Responsible Section/Team	Financial Services	Page	14
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Business Highlight Report – Period 2

Historic Issues

- The 2010-11 budgets for Planning Income, Land Charges & Building Control were reduced to reflect the downturn in the wider economy.

Current Month Issues

- Legal income and court fees for enforcement issues are projected to result in an adverse variance of £18k, however, this has been negated by a vacant part time senior solicitor position saving £23.9k.
- The part time principal forward planning officer was budgeted to become full time as of the 1st June 2010, however, the individual will be changing from 22 hrs a week to 30 hrs a week as of November, saving £11.9k.
- Based on a combination of income received in the current financial year and the performance in 2009-10, Building Control fee income is projected to under achieve by £17k. However, the validity of this projection is to be reviewed with the Head of Department.
- Due to the Local and Parliamentary elections being held on the same night, approximately 50% of the premises and staff costs were reclaimable from central government. This should provide a favourable variance on the costs of holding the local election of £20k.
- Vacancies within the Environmental Health team are predicted to save £17.6k.
- A restructure of the Democratic Services team should result in an under spend of £29.7k. This saving has been divided between Democratic Services and Mayoralty.
- The emergency planning department is projected to under spend by £13k.

Futures Issues

- 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). However, following recent central government funding cuts further receipts of Planning Delivery Grant will not now occur, which may result in changes to the use of the balance on the Reserve.
- Planning Income does not follow a regular pattern, the projected planning income for 2010-11 is currently as per budget; as the financial year progresses a more detailed projection will be produced.

Responsible Section/Team	Financial Services	Page	15
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Corporate Management - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Corporate Management					
Executive Office	(58.5)	(69.8)	11.4	-	11.4
Corporate Contingency	33.8	33.8	0.0	-	0.0
Executive Support & Corporate Subscriptions	164.8	151.2	13.6	-	13.6
Total	140.1	115.1	25.0	-	25.0

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Corporate Subscriptions		13.6	13.6	
Corporate Management Salaries - no pay award for 2010-11		6.0	6.0	
Miscellaneous non pay budgets		5.4	5.4	
TOTAL	-	25.0	25.0	

Responsible Section/Team	Financial Services	Page	16
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Corporate Management Highlight Report – Period 2

Historic Issues

- Nothing to report.

Current Month Issues

- The Corporate subscriptions budget is projected to under spend by £13.6k, due to some subscriptions being cancelled and two renewals for 2010-11 (Lancashire Economic Partnership and Local Management Association) being at significantly reduced levels.
- The salary budgets for Corporate Management are predicted to under spend by £6k. This is due to a combination of two factors, namely an appointment being made at lesser salary scale point than budgeted for and the consequences of a national agreement not to allocate a pay award for Chief Officers in 2010-11.
- Details of plans to date for the Corporate Contingency are shown in the table below.

Corporate Contingency	£000
Original Budget	33.8
Allocated	
Agency support for planning enforcement	8.7
Total Allocated	8.7
Balance available	25.1

Futures Issues

- The 2010/11 budget included a significant reduction in the Corporate Contingency to £30k. However, the £38k balance at the end of 2009/10 was transferred to provisions and this will now also be available.

Responsible Section/Team	Financial Services	Page	17
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Finance and Property Services - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
Financial Services Team	(2.8)	(12.5)	9.6	-	9.6
Internal Audit	87.0	87.0	-	-	-
Corporate Costs					
External Audit Fee	122.8	114.5	8.3	-	8.3
Bank Charges	20.2	24.0	(3.8)	-	(3.8)
Treasury Management	73.6	74.0	(0.4)	-	(0.4)
Property Services					
Property Services Team	(378.7)	(387.0)	8.3	-	8.3
Corporate Estates	(72.4)	(69.6)	(2.9)	-	(2.9)
Non Domestic Estates	(28.9)	(19.8)	(9.1)	-	(9.1)
Office Accommodation	40.4	38.1	2.3	-	2.3
Operational Properties	392.4	369.5	22.9	-	22.9
Leisure Properties	38.2	7.4	30.8	-	30.8
Bus Shelters	25.6	24.3	1.3	-	1.3
Business Centre	2.2	15.5	(13.3)	-	(13.3)
Total	319.5	265.5	54.0	-	54.0

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Audit Commission Charges		8.3	8.3	
Bank charges		(3.8)	(3.8)	
Financial Services Artwork and Printing of Statements etc		4.0	4.0	
Salaries & Agency Cover		4.0	4.0	
Secure Cash Collection (following a collaborative procurement)		1.2	1.2	
Electricity - new contract effective 1st October 2010		17.0	17.0	
Gas - new contract effective 1st October 2010		18.0	18.0	
Repairs & Maintenance		13.0	13.0	
Income from shared premises		18.0	18.0	
Business Centre - Income shortfall		(13.0)	(13.0)	
Income from Industrial Units		(9.5)	(9.5)	
Estimated Water usage		(4.0)	(4.0)	
Other minor facilities variances		0.8	0.8	
TOTAL	-	54.0	54.0	

Responsible Section/Team	Financial Services	Page	18
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Finance & Property Services - Monitoring Highlight Report – Period 2

Financial Services

Historic Issues

- Following on from reductions in the 2009/10 audit fees, the Audit Commission have now proposed a reduction in their fees of £8.3k.

Current Month Issues

- Bank Charges are expected to be higher than original budgets by around £3.8k, mainly in relation to the cost of collecting credit and debit card payments.
- All statutory publications, such as the Statement of Accounts, Budget Book and Annual Report, are now produced wholly in-house and printing is kept to an absolute minimum by publication on the internet. This will save the authority £4k.
- Salary savings and reduced need for agency cover will save £4k.
- A collaborative procurement exercise for the secure collection of cash and cheques from our facilities has produced savings of around 50%, which equate to £1.2k

Futures Issues

- Following the central government withdrawal of CAA and Use of Resources, there are likely to be further reductions in the Audit Commission charges later in the year.

Property Services

Historic Issues

- Nothing to report

Current Month Issues

- The electricity and gas contracts have been tendered with the new rates coming into effect from 1st October 2010. Based on current estimated usage there will be saving to the budgets of £17k & £18k respectively.
- The repairs & maintenance budget is currently predicted to under spend by £13k.
- Recovery of costs from two Council premises occupied by third parties is predicted to have a favourable impact on the budgets of £18k.
- A shortfall on income for the Business Centre, due to recent tenancy terminations, is predicted to have an adverse effect on budgets of £13k.
- Due to voids there is a predicted loss of income from Industrial Units of £9.5k

Futures Issues

- The Council Chamber has recently moved to the Council's Futures Park office, located in Bacup. Previously the Council Chamber was located within rented accommodation located at Hardman's Mill in Rawtenstall. There are on-going dilapidation and vacant possession disputes with the landlord of Hardman's Mill, following on from the relocation. The current projections do not include any estimated liability to the Council for dilapidation.

Responsible Section/Team	Financial Services	Page	19
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

People and Policy - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
People & Organisational Development					
Human Resources	(63.4)	(77.2)	13.7	-	13.7
Training	2.5	2.5	-	-	-
Policy & Performance					
Policy & Performance Team	106.6	103.1	3.5	-	3.5
Communications	142.9	136.7	6.2	-	6.2
Total	188.6	165.1	23.4	-	23.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Vacancies - People & Policy section -		11.0	11.0	
other miscellaneous underspends		2.7	2.7	
various non pay budgets within Communications		6.2	6.2	
Policy & Performance Employee leaving the Council pension scheme		3.5	3.5	
TOTAL	-	23.4	23.4	

Responsible Section/Team	Financial Services	Page	20
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

People & Policy Highlight Report – Period 2

Historic Issues

- Nothing to report

Current Month Issues

- There is a part time vacancy within the HR team for which it is not anticipated to make an appointment during 2010-11, the saving arising from this vacancy will be £11k.
- Policy budgets are predicted to under spend by £3.5k mainly due to an employee leaving the Council pension scheme, and thus saving the Council pension contributions of 18.1%.
- The Communications budget is projected to under spend by £6k, the under spends are spread across several non pay budgets. The Communication team's publicity and printing budgets are currently being reviewed.

Futures Issues

- The current projection for People & Policy budgets assumes that the training budgets will be fully spent. A more detailed projection of training costs will be produced once the Personal Development Reviews for council staff have been received and the total training needs identified.

Responsible Section/Team	Financial Services	Page	21
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Non-distributed Costs and Corporate Resources - Period 2

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	209.6	177.9	31.7	-	31.7
Non-distributed Office Costs	196.0	196.0	-	-	-
Other Costs / Income	67.6	67.5	0.1	-	0.1
Capital Financing					
Minimum Revenue Provision	124.5	124.5	-	-	-
Investment Interest	(65.7)	(70.7)	5.0	-	5.0
Reversal of Capital Charges	(777.8)	(777.8)	-	-	-
Total	(245.7)	(282.5)	36.8	-	36.8

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Pensions - Past employees		31.7	31.7	
Interest Payable		5.0	5.0	
Other Variances		0.1	0.1	
TOTAL	-	36.8	36.8	

Responsible Section/Team	Financial Services	Page	22
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Non-Distributed Costs & Capital Financing - Highlight Report – Period 2

Historic Issues

- Nothing to report.

Current Month Issues

- Pension payments for former employees has reduced by £9.9k and pension strain payments for staff who retired early were paid off in 2009/10, giving a further saving of £21.8k.
- Interest payable to Trust Funds has declined in parallel with interest rates, leading to a saving of £5k

Futures Issues

- Nothing to report.

Responsible Section/Team	Financial Services	Page	23
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Earmarked Reserves (cash-backed items only)	Economic Regen Reserves																	Total
	Change Manag't	Director Invest Reserve	Planning LABGIS	PlanningP DG	Core Strategy	Econ' Regen'	Budget Volatility	Single Status	Perform' Manage't	Health & Wellbeing Projects	Contam Land	IT Reserve	Pension Fund Reserve	Leisure Reserves	Perform Reward Grant	Aread Based Grants	Plan for Climate Change	
Balance at 01/04/10	329.5	233.0	139.3	128.6	225.0	800.6	314.0	430.2	65.0	85.0	6.5	83.0	356.0	1,139.6	228.0	211.2	14.9	4,789.4
Funds Received 2010/11																		
2010/11 grants received										30.0						206.5	22.5	259.0
Other Revenue Contributions																		0.0
Total Funds Available	329.5	233.0	139.3	128.6	225.0	800.6	314.0	430.2	65.0	115.0	6.5	83.0	356.0	1,139.6	228.0	417.7	37.4	5,048.4
2010/11 Utilisation Plans																		
One-Off plans																		
Job Evaluation								(70.0)										(70.0)
Valley Centre Project						(197.0)												(197.0)
Business Start up grants						(31.6)												(31.6)
Healthy Workplaces Officer										(27.0)								(27.0)
Various Health projects										(47.8)								(47.8)
Appraisal of 7 Conservation Areas			(20.0)															(20.0)
Tourism Study			(9.0)			(10.0)												(19.0)
2008-09 Capita Performance									(6.0)									(6.0)
Planning - Core Strategy				(15.7)														(15.7)
Planning - Allocations				0.0														0.0
Planning - Evidence Gathering				(37.0)														(37.0)
PRG - CCTV (2 locations)														(40.0)				(40.0)
PRG - Community Allotment														(28.0)				(28.0)
PRG - Adrenalin Gateway														(90.0)				(90.0)
PRG - Improvements to Signage														(70.0)				(70.0)
Re-curring plans																		0.0
Contributions for former HRA staff												(350.0)						
Tourism Support						(15.0)												(15.0)
Matched funding NWDA grant						(26.4)												(26.4)
Business Start up (PLLACE)						(5.0)												(5.0)
Community Engagem't Officer																(32.5)		(32.5)
Community Events																(20.0)		(20.0)
Planning for Climate Change Officer																	(21.0)	(21.0)
Conversation Officers			(36.3)															(36.3)
Transfers to/from Revenue																		0.0
Reserve Estimates 31/3/11	329.5	233.0	74.0	75.9	225.0	515.6	314.0	360.2	59.0	40.2	6.5	83.0	6.0	1,139.6	0.0	365.2	16.4	4,193.1
Future Utilisation Plans																		
2011/12 Plans			(23.8)	(75.9)	(174.1)	(51.4)		(290.0)	(10.0)				(953.6)		(41.7)	(15.8)		(1,636.2)
2012/13 Plans			(14.2)	(27.7)	(50.9)	(13.1)			(10.0)				(186.0)					(301.9)
2013/14 Plans									(10.0)									(10.0)
2014/15 Plans									(10.0)									(10.0)
Potential Reserve Balances	329.5	233.0	36.0	(27.7)	0.0	451.1	314.0	70.2	29.0	40.2	6.5	83.0	6.0	0.0	0.0	323.5	0.6	2,245.0

Following announcement of cuts to central government grants available, there is likely to be no further receipts of Housing Planning Delivery Grant or Performance Reward Grant. Consequently the future plans for utilisation of Reserves funded through these grants will be reviewed carefully in the coming months as more information is released from central government, particularly in relation to planning.

Responsible Section/Team	Financial Services	Page	24
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Government Grants Unapplied	Communities for Habitats	Mortgage Rescue	Empty shops revival	Housing Capital Pot	Sports Council	Big Lottery Grants	Communitites for Health	Total
	AL030114	AL030115	AL030116	AL030117	AL030118	AL030118	AL030131	
Balance at 01/04/10	16.8	48.7	52.6	218.0	0.0	63.0	179.5	578.6
New Funds Received 2010/11 2010/11 grant received to date								0.0
Total Funds Available	16.8	48.7	52.6	218.0	0.0	63.0	179.5	578.6
Year-to-date Utilisation in 2010/2011								
Community Engagement Officer								0.0
Community Events								0.0
Core Strategy Work								0.0
Employment Study								0.0
Retail Study								0.0
Tourism Study								0.0
Renewable Energy studies/costs								0.0
Natural Environment Study								0.0
Strategic Housing Land Assessment								0.0
Digitisation Costs								0.0
Plannng for Climate Officer								0.0
Sport for England								0.0
Healthy Workplace officer								0.0
Computer Equipment								0.0
Various transfers to Revenue a/c								0.0
Transfer via I&E to Earmarked Reserves								0.0
Anticipated Balance 31/3/11	16.8	48.7	52.6	218.0	0.0	63.0	179.5	578.6
Future Utilisation Plans								
2011/12								0.0
2012/13								0.0
2013/14								0.0
Potential Reserve Balances	16.8	48.7	52.6	218.0	0.0	63.0	179.5	578.6

Responsible Section/Team	Financial Services	Page	25
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Treasury and Cash Flow Management

Deposits and Interest Earned

All our treasury management activity continues to be in accordance with our treasury advisor's recommendations. In March the Council acquired a 25-year loan of £4.6m from the Public Works Loans Board (PWLB) at 4.49% as detailed at the foot of this page. Clear understanding of the weekly and monthly cash flow forecast has allowed staff to make several investment changes in March, placing a further £2m with the Bank of Scotland for 364 days at 1.9% and two £1.5m deposits with Barclays for 364 days at 1.7% and 1.5%.

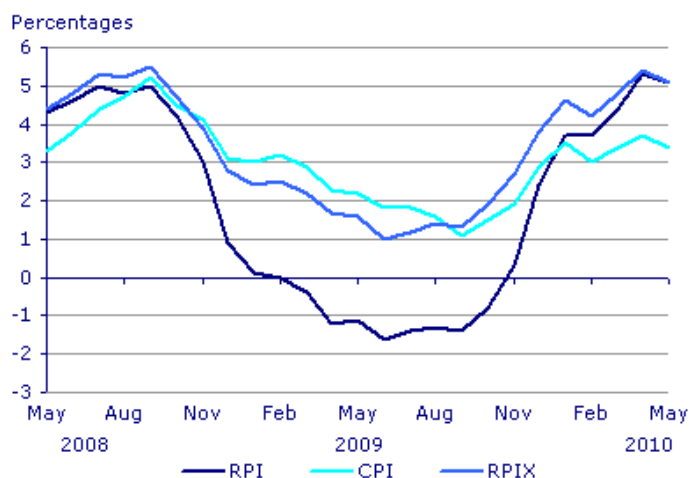
Interest Forecast	Budget 10/11	F'cast 10/11	Variance Fav/(Adv)
Interest Paid	(19)	(14)	5
Interest Received	82	82	0
Total	37	68	5

as at 30th May 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	£1 +	0.51	Monthly
Bank of Scotland	£3m 364 days	1.80	Oct 2010
	£2m 364 days	1.90	Mar 2011
Barclays	£1.5m 364 days	1.70	Mar 2011
	£1.5m 364 days	1.50	Mar 2011
Royal Bank of Scotland			now ended

Economic Outlook

CPI annual inflation – the Government's target measure – was 3.4 per cent in May, down from 3.7 per cent in April. In the year to May, RPI annual inflation was 5.1 per cent, down from 5.3 per cent in April.

The largest downward pressures came from food and non-alcoholic drinks, mainly due to meat and fruit prices which fell between April and May this year but rose between the same two months a year ago; transport where the price of petrol rose by 0.3 pence per litre this year but by 2.8 pence a year ago and alcoholic drinks and tobacco where prices fell by 0.2 per cent between April and May this year but rose by 1.6 per cent a year ago. The only large upward pressure came from household services where domestic electricity rose slightly between April and May this year but fell a year ago.



Economists remain wary about forecasting this as a long-term trend and the current UK economic outlook remains uncertain, awaiting the 22 June budget announcement.

Interest Rate Forward Predictions

In May, our treasury advisors, Sector, revised their forecast of future base rates, delaying the prediction of any increase for a further six months until at least January 2011.

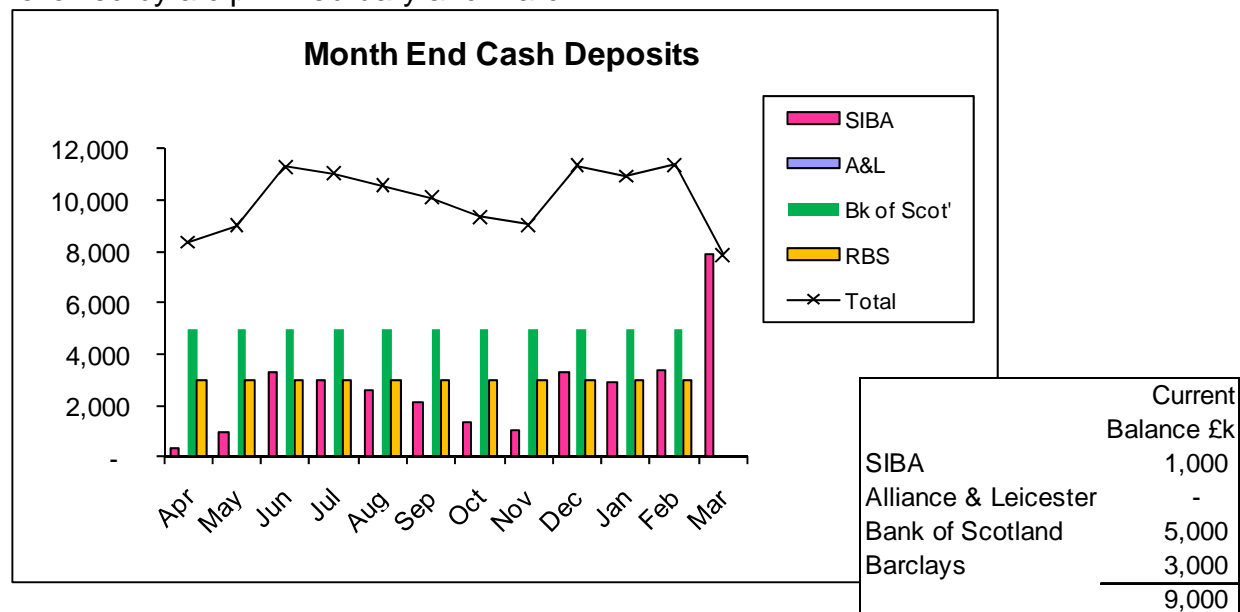
as at	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2	Q/E3
May 2010	2010	2010	2010	2011	2011	2011
Base Rate	0.50%	0.50%	0.50%	0.75%	1.00%	1.50%
25yr PWLB	4.65%	4.70%	4.75%	4.75%	4.85%	4.90%

Responsible Section/Team	Financial Services	Page	26
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Cash Flow Management

In line with capital spending and revenues income profiles the Council's cash flow is beginning to creep upward as revenues are collected over 10 instalments from April to January, to then be followed by a dip in February and March.



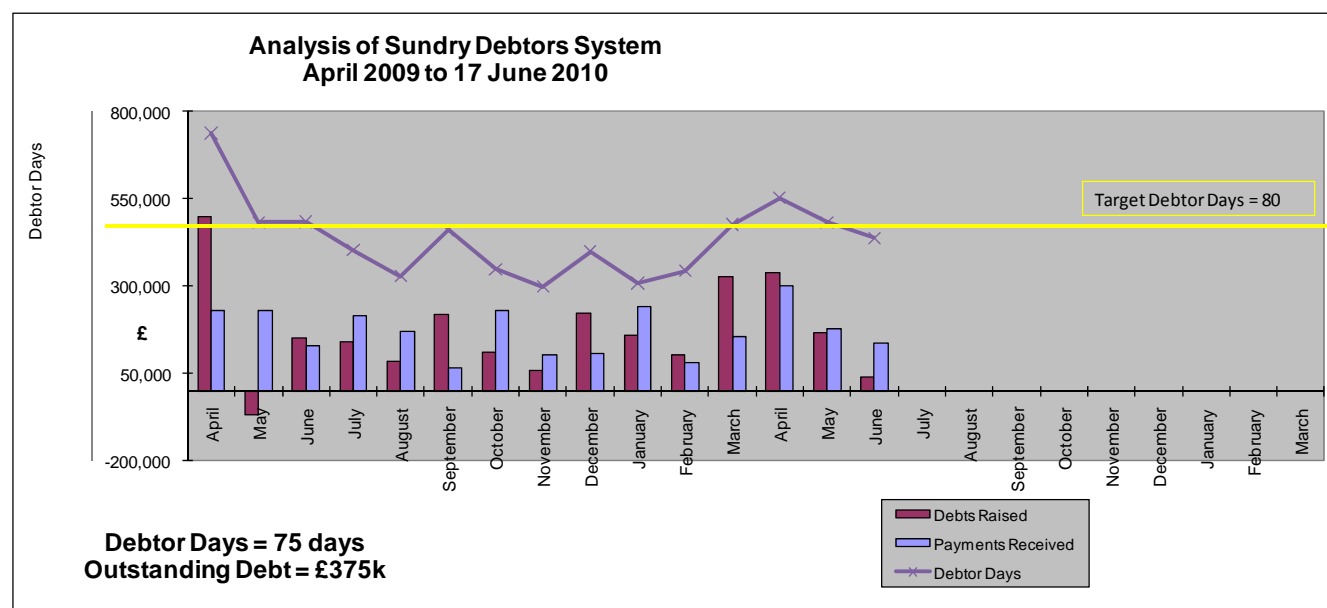
One of the major cash flows of the Council is the payment of salaries to staff. In the first 2 months of the year the Council has saved over £55k in terms of the expected costs of employees.

Employment Costs Period 2 - May 2010	YTD		Variance (Adv)/Fav £000	Movement (Adv)/Fav £000	Budgeted Staff FTEs	Current Vacant Posts
	Budget £000	YTD Actual £000				
Place Directorate						
Communities Service	97	98	(1)	(1)	17.3	1.0
Customer Services	83	83	(0)	(0)	13.8	0.0
Regeneration Service	79	83	(4)	(4)	12.0	0.0
Operations Service	431	395	36	36	86.6	3.0
Business Directorate						
Building Control Services	34	35	(1)	(1)	5.0	0.0
Environmental Services	111	98	13	13	17.6	2.0
Legal & Democratic Services	74	66	8	8	14.3	0.5
Planning Services	85	91	(6)	(6)	15.0	0.0
Corporate Services						
Corporate Management	62	64	(2)	(2)	6.0	0.0
Finance & Property Services	111	109	2	2	21.7	0.0
People & Org. Performance	54	55	(1)	(1)	9.1	0.0
Non-Distributed Costs	35	24	11	11	-	-
Total	1,256	1,201	55	55	218.4	6.5

Responsible Section/Team	Financial Services	Page	27
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

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



The information on debts outstanding is as at 17th June, when the outstanding balance was £387.7k. Of the balances at the end of March 2010 just £100.8 remain outstanding. The total collection rate to date for debts raised in 2009/10 is 99.99%. New debts raised in 2010/11 to date are £545k, of which 49.7% remain at the 17th June

The concentration on collection efforts shown above have contributed to a Debtor Days figure of 75 compared to the target of 80 days and 83 days in June 2009.

Following write-offs in March, the Doubtful Debt Provision at the beginning of 2010/11 stands at £156.6k. At June 2010 the estimated requirement for the Doubtful Debt Provision is £120.3k, including full provision for debts originating in Q1 2009/10 or before. Therefore, no further provision for doubtful debts is required during 2010/11.

	Mar 2009	31 Mar 2010		17 June 2010		Doubtful Debt Prov'n	
	£k	£k	£k	£k	£k	rate	value
2005/06 Debt	0.2		0.2		0.2	1	0.2
2006/07 Debt	5.3		2.6		2.6	1	2.6
2007/08 Debt	102.3		37.6		37.1	1	37.1
2008/09 Debt	397.5		21.5		17.6	1	17.6
2009/10 Debt							
Q1		7.3		1.9		1	1.9
Q2		12.0		11.1		0.75	8.3
Q3		10.6	29.9	10.0	23.0	0.75	7.5
Q4 - Jan		12.3		0.4		0.1	0.0
Q4 - Feb		44.2		8.2		0.1	0.8
Q4 - Mar		311.7	368.2	11.7	20.3	0.1	1.2
2010/11 Debt							
Q1 - Apr				114.1		0.1	11.4
Q1 - May				132.5		0.1	13.3
Q1 - June				24.3	270.9	0.1	2.4
Other Debts o/s					16.0	1	16.0
Total Debt o/s	505.3		460.0		387.7		120.3

Responsible Section/Team	Financial Services	Page	28
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Capital Receipts Monitoring

Major Receipts:	Original	Surplus /	
	Expect'ns £000	Received £000	(Deficit) £000
Capital Receipts			
Land & Property Sales	100	7	(93)
CPO Reclaims	-	-	-
Equity Release/Elevate	-	-	-
GVH - RTB	100	-	(100)
Revenue Receipts			
GVH - Vat Shelter	520	-	(520)
	720	7	(713)

Cash received relating to asset sales to the end of May is £7k, though this is obviously very early in the year. Some assets are being sent for auction in the next 2 months and receipts will be updated as they occur.

The legal section staff are still pursuing the refund of old Compulsory Purchase Order (CPO) deposits from the Courts along with compound interest and progress will be monitored.

The total RTB receipts from Green Vale Homes (GVH) for 2009/10 were £140k, therefore the estimate income above is not unrealistic in the months ahead.

The level of VAT shelter receipts in 2009/10 was £429k. 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 remaining balance is then planned to be transferred to support capital spending as Revenue Contribution to Capital Outlay (RCCO) in the table on page 32.

When added to the balance brought forward at 1st April 2010 of £1,354k, the Useable Capital Receipts available in 2010/11 is £1,724k, as shown on page 32. Planned usage is shown in the table on page 31.

Section 106 Receipts Monitoring

Deposits received in 2010/11 to the end of May were £48k, bringing the total held to £476k. The table below shows further details. As yet no allocations have been made in 2010/11.

Section 106 Agreements	Third Party Projects £000	RBC Revenue Projects £000	RBC Capital projects £000	Total Held £000
Balance b fwd at 1st April 2010	157	215	56	428
w/off			0	0
Deposits received in 2010/11			48	48
Deposits applied in 2010/11			0	0
Current Balance	157	215	104	476

Responsible Section/Team	Financial Services	Page	29
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Capital Programme Monitoring

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

SERVICE AREA	2010/11 Budget including slippage	Period 2 MONITORING		Full YR Forecast	% spend fo full yr forecast	Funding Arrangements					
	Total £000	Spend £000	Committ £000	Forecast £000	to date £000	Grants/ Insurance	Capital Receipts	RBC RCCO	External Loan	RBC Int Borrow	MRP Effect
Place Directorate											
Place Operations	1,313	538	265	1,507	53%	0	499	155	0	853	153
Customer Services & e Govt	0	0	0	0	0%	0	0	0	0	0	0
Communities	252	1	41	252	17%	200	37	15	0	0	0
Regeneration	30	1	0	30	3%	0	0	0	0	30	1
Corporate Support Services											
Finance & Property Services	361	75	13	363	24%	0	197	0	0	166	7
Housing											
	3,248	232	3	3,248	7%	2,961	287	0	0	0	0
	5,204	847	322	5,400	22%	3,161	1,020	170	0	1,049	161

The capital programme for 2010/11 is £5,204k, comprising £3,738k of original programme and £1,466k of slippage from the 2009/10 programme (shown in the table opposite). With adjustments to the vehicle maintenance programme the revised forecast currently stands at £5.4m.

At the end of May 22% of the revised forecast had either been spent or committed, mainly in relation to vehicles.

Following central government announcements in June, staff understand that the capital element of the Elevate programme is likely to be reduced by 17.5%, though confirmation has yet to be received. Just £101k of capital has been spent and claimed to date on Elevate housing and environmental projects (the remainder of the £232k actual spend on housing projects being on Disabled Facilities Grants), and there is £11k of commitments outstanding or in progress. It is currently envisaged that the Council will still be able to deliver on the vast majority of its planned domestic face-lifting projects, with some reductions to commercial face-lifting and environmental improvements.

Other capital grant monies expected for 2010/11 have already been received, these include £353k for Disabled Facilities Grants and £515k for the Housing Capital Pot.

Other significant activity during March included.

- £101k on ELEVATE projects to bring year-to-date spend to 4.7% of the programme.
- £139k on Disabled Facilities Grants to bring year-to-date spend to 12.5% of programme.
- £12k of building maintenance retentions have been released.
- £15k has been spent on emergency works from the £77k slippage regarding Rochdale Rd.
- £40k has been spent in completing the Council Chamber works, furniture and removals.
- In the vehicle replacement programme £521k has been spent and a further £256k committed in purchase orders, leaving just 2 intended vehicles still not ordered to date.

Slippage items	'£000
Decent Homes / DFG works	120
CPO Sales	120
Rochdale Road Emergency Works	77
Property Maintenance Projects	79
CCTV	37
Wheeled Bins	17
Vehicle Replacement Programme	659
Cemetery & Pathway works	107
PRIDE Environmental Programme	139
Sports playing fields	111
	1,466

Responsible Section/Team	Financial Services	Page	30
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

Capital Programme Funding

The right hand side of the table at the top of the previous page shows how the full capital programme is to be funded. Around £3.1m grants were anticipated prior to the central government funding cuts. Further information on the position of Elevate grants should be known soon. This left an intention to fund £1,020k from capital receipts, £170k from revenue receipts and £1m from internal borrowing (largely in relation to vehicles – see note below).

Useable Capital Receipts Forecast	£ 000
Useable Capital Receipts B'fwd 01/04/10	1,354
Capital Receipts expected in 2010/11	
Land & Property Sales	100
CPO Reclaims	-
RTB Capital Receipt	100
Revenue Contributions to Capital (RCCO)	
VAT Shelter Balance after Pensions	170
from Revenue Operations	-
Capital Resources Available	1,724
Requirements of Capital Programme 2010/11	(1,020)
Capital Resources at 31st March 2011	704
Commitments - Housing Capital Works	(373)
Remaining uncommitted Capital Receipts	332

RCCO is Revenue Contribution to Capital Outlay

Minimum Revenue Provision

Internal borrowing is 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 2010/11 was £124.5k.

Care is being taken at present to ensure that where the vehicle replacement programme increases the Minimum Revenue Provision charge to the General Fund, the operations budgets cover that cost as a direct replacement for the leasing costs of the former vehicles.

The MRP costs of vehicles acquired in March 2010 will be charged to revenue for the first time in 2010/11, along with the remaining items purchased in 2010/11. These will add £472.8k to the MRP requirement, making a total charge in 2010/11 of £586.8k. MRP relating to the vehicles will be financed by contributions from the operational services budgets, replacing the leasing costs formerly paid for the old vehicles.

Responsible Section/Team	Financial Services	Page	31
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

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.

Consumer Price Index (CPI)

The 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.

Earmarked Reserves

Cash-backed funds identified to fund specific projects in the future.

East-Lancs e-Partnership (ELeP)

A group of East Lancashire authorities which formed a guiding support network for the implementation of electronic service delivery improvements, including electronic purchasing, payments and consultation. This group has now been rolled up into the Lancashire Partnership Procurement Team and the experience and expertise gained locally over the past six years is being spread across the county.

General Fund

The main revenue fund of the Council. 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.

Government Grants Unapplied

Grants received in advance – these will be released into capital or revenue once projects come online.

International Financial Reporting Standards (IFRS)

The International Accounting Standards which will apply to all local government bodies from the financial year commencing 1st April 2010, replacing the previous Statement of Recommended Practice.

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.

Local Strategic Partnership (LSP)

The Local Strategic Partnership brings together local representatives from the public, private, community, voluntary and faith sectors to deliver a better quality of life in Rossendale, as set out in the Sustainable Community Strategy 2008-2018.

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.

Responsible Section/Team	Financial Services	Page	32
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

Monthly Financial Monitoring Report 2010/11 – end of May 2010

National non-domestic rates (NDR)

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.

Provision

Cash 'put aside' for expenditure on an intended project which is not commenced or complete at the year-end. This may include accumulating provisions, such as a vehicle replacement provision, and one-off projects.

Provisional

Best forecast given current knowledge.

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.

Retail Price index (RPI)

The 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

Section 106 Agreement

Planning agreement whereby developers make a contribution towards specific projects linked to their development as a condition of planning application approval. Deposits may be for revenue or capital schemes, but application of the funds are dependent on firstly the developer, and then the Council, pursuing the projects specified within the agreement.

Sector

Sector is the company which provides the Council with Treasury Management advice, including daily market reports and predictions, credit rating updates, interest rate forecasts and annual reviews of our strategy and practices ahead of the February reports to Full Council. Sector also update their model investment portfolio on a monthly basis, which is the benchmark by which we measure our investment performance.

Responsible Section/Team	Financial Services	Page	33
Responsible Author	Finance Manager	Version	1
Date last amended	17 June 2010	Due for review	July 2010

