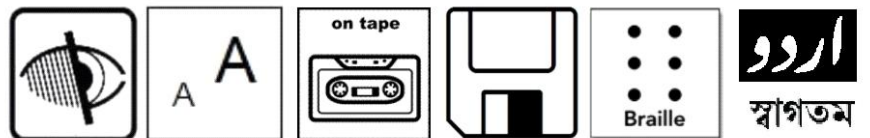


# Monthly Financial Monitoring Report

2010/11 as at end of September 2010 – Period 6

*Including a Glossary of terms on page 32*



## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### General Fund Revenue Operations – pages 4 to 23

The out-turn favourable impact on General Fund in 2010/11 compared to budget is **£277.7k** as at the end of September, a drop of £56k since the August report which showed £333.7k.

It should be explained that £63k of this adverse movement relates to concessionary travel costs for which the Council is reliant upon information from the County Council's data systems.

A favourable variance of £277.7k would potentially result in the General Fund Reserve at 31<sup>st</sup> March 2011 being £1,172.7k (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 £104k may be added to that Reserve at the end of 2010/11 if current predictions continue.

| <b>General Fund Reserves</b>                    | <b>General Fund Reserve<br/>£000</b> | <b>Directorate Investment Reserve<br/>£000</b> |
|---|--------------------------------------|--|
| <b>Balance at 1st April 2010</b>                | 999.0                                | 233.0  |
| <b>Favourable/(adverse) movement in 2010/11</b> | 277.7                                |  |
| 50% transfer to Directorate Investment Reserve  |                                      |  |
| Place Directorate                               | (51.0)                               |  |
| Business Directorate                            | (14.0)                               | 104.0  |
| Corporate Directorate                           | (39.0)                               |  |
| <b>Balance anticipated at 31st March 2011</b>   | <b>1,172.7</b>                       | <b>337.0</b>                                   |

### Earmarked Revenue Reserves – page 24 to 25

The total cash-backed Earmarked Reserves at 1<sup>st</sup> April 2010 were £4,789k, including the above £233k Directorate Investment Reserve.

In September the conclusion of the disposal of Bacup Leisure Hall as led to a decision to create a new Earmarked Revenue Reserve for Bacup neighbourhood activities. A sum equivalent to the disposal value has been transferred from the Leisure Facilities Reserve, in return for the application of the capital receipt monies towards the Leisure Investment Project. To date £15k had been incurred in costs at Bacup Leisure Hall and this value has been applied as an initial cost to the Reserve, leaving £120k for future activities.

A more formal cash flow plan for the Leisure Investment Project should be available shortly, but in the mean time the project has been introduced to the Capital Programme with an estimate of £500k costs funded from the Leisure Facilities Reserve in the final quarter of 2010/11.

### Government Grants Unapplied – page 26

Government Grants Unapplied brought forward at 1<sup>st</sup> April 2010 amounted to £579k.

Confirmation has now been received regarding the level of Elevate grant funding and the reduction has not been as bad as staff anticipated. The revenue element has remained unchanged, funding staff and the neighbourhood management programme. The capital element has reduced by £331k to £1,574k, a fall of 17.5%.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Staff Monitoring – page 26

Payroll savings to month 6 have increased by £24k to £134k total. The number of vacant posts at the end of September was 4.3 FTEs compared to the revised establishment of 215.9 FTEs.

### Treasury & Cash Management - page 27 to 29

Cash Flow has been comparatively neutral during September and there has been no significant Treasury Management activity.

Capital cash payments and receipts have had a neutral impact on cash balances but the £277k of Elevate grant claims for the first six months of the year are due to be received in October.

Debt collection rates for sundry invoices remain very favourable, with the average debtor days in September at 43, compared to 79 days at the same point last year and a target of 80 days. The legal team continues to pursue older debts, receiving interest of £4.1k through the courts on settlement of an old debt brought forward from 2007/08. For current year invoices the Exchequer Team are making every effort to move instalments to direct debit to improve processing efficiencies and collection rates.

The Bad Debt Provision at the end of August remains at £155.6k, though a recommendation to write off £19.3k will be placed before members at the next available Cabinet. Officers deem the remaining £136.6k as satisfactory, therefore no further contributions are envisioned in 2010/11 at this stage.

### Capital Receipts – page 30

Capital receipts to date are £163k, including the disposal proceeds for Bacup Leisure Hall which was concluded on 30<sup>th</sup> September (funds received 1<sup>st</sup> October). Disposal plans have been confirmed on several other properties and the anticipated receipts estimate has been revised up to £350k.

The Right to Buy sale proceeds have picked up considerably, with Green Vale Homes sending the Council a further £125.5k for the Q2 sales. The full year estimate has hence been raised to £150k, which is more comparable with 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 £1,7695k. The table on page 32 shows that the balance at the end of 2010/11 could be around £832k.

### Capital Programme and Funding – page 31 to 32

The Leisure Investment Project and Performance Reward Grant funded capital projects have now been included in the revised Capital Programme. An estimated spend of £500k and £70k respectively have been combined with the £331k reduction in Elevate projects to give a revised total programme of £5.5m for the year.

To date 37% of the revised £5.5m Capital Programme has been spent or committed. Following confirmation of the revised Elevate programme the face-lifting projects have now resumed in October.

Capital expenditure in September centred around a second £66k part-payment for the Services To A Neighbourhood vehicle (STAN), and order of £47k for works to Whitworth Pool and £21k on Disabled Facilities Grants.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### General Fund Summary - September 2010 (Period 6)

| Service Area                             | 2010/11<br>Org Budget<br>£000 | 2010/11<br>Forecast<br>£000 | 2010/11<br>Variance<br>(Adv)/Fav<br>£000 | Variance<br>last<br>reported<br>£000 | Change in<br>August<br>(Adv)/Fav<br>£000 |
|--|-------------------------------|-----------------------------|--|--------------------------------------|--|
| <b>Place Directorate</b>                 |                               |                             |  |                                      |  |
| Communities                              | 1,324.4                       | 1,258.0                     | 66.4                                     | 46.2                                 | 20.2                                     |
| Customer Services and E-Government       | 1,756.8                       | 1,721.0                     | 35.8                                     | 124.5                                | (88.7)                                   |
| Place Operations                         | 4,132.9                       | 4,133.0                     | (0.2)                                    | -                                    | (0.2)                                    |
| <b>Business Directorate</b>              |                               |                             |  |                                      |  |
| Building Control Services                | 159.4                         | 187.7                       | (28.3)                                   | (30.2)                               | 1.9                                      |
| Legal & Democratic Services              | 974.7                         | 927.3                       | 47.4                                     | 34.2                                 | 13.2                                     |
| Planning Services                        | 597.3                         | 572.1                       | 25.3                                     | 29.3                                 | (4.0)                                    |
| Local Land Charges                       | 45.2                          | 61.7                        | (16.4)                                   | (16.9)                               | 0.5                                      |
| Licensing                                | 222.9                         | 218.3                       | 4.6                                      | 3.5                                  | 1.1                                      |
| Health, Housing & Regeneration           | 1,200.8                       | 1,135.1                     | 65.7                                     | 65.0                                 | 0.7                                      |
| <b>Corporate Support Services</b>        |                               |                             |  |                                      |  |
| Corporate Management                     | 136.3                         | 114.2                       | 22.1                                     | 24.8                                 | (2.7)                                    |
| Finance & Property Services              | 319.5                         | 277.0                       | 42.5                                     | 50.3                                 | (7.8)                                    |
| People and Policy                        | 188.7                         | 177.1                       | 11.6                                     | 9.7                                  | 1.9                                      |
| Non Distributed Costs                    | 473.2                         | 484.9                       | (11.7)                                   | (11.7)                               | (0.0)                                    |
| Capital Financing and Interest           | (718.9)                       | (731.8)                     | 12.8                                     | 5.0                                  | 7.8                                      |
| Leisure                                  | 1,109.7                       | 1,109.7                     | -  | -                                    | -  |
| <b>Favourable impact on General Fund</b> | <b>11,923.0</b>               | <b>11,645.3</b>             | <b>277.7</b>                             | <b>333.7</b>                         | <b>(56.1)</b>                            |

Revenue activities to note in the year so far include:

- Total anticipated savings for the year in relation to staff and agency cover costs have increased by £26.3k in September to a total of £295.1k. Most of this month's movement relates to a decision not to fill a vacancy in the Communities Team – see page 7.
- The inflation level applicable to the Revenues and Benefits contract is expected to add £12k to the costs.
- Concessionary Fares costs were reporting a favourable variance, but most recent reports from the central database at County now show a £12.5k adverse (a £63.8k change).
- Operational vehicles maintenance shows an favourable movement of £6.5k in September but additional new vehicles has increased the financing costs by £16.1k (see the MRP note on page 31).
- The volume of recycled paper appears to be dropping, leading to an adverse variance in the income of £14k, reducing the overall recycling variance to £119.2k favourable for the year. This has prompted an article in the upcoming Rossendale Alive newsletter.
- Cemeteries income forecasts have been revised from adverse £6.5k to favourable £3k.
- Professional services for Building Control is being funded from extra fee income earned this month, whilst professional fees in Forward Planning are being funded from previous salary savings in that section.
- Members hardware costs of £4k are being financed from previous budget savings carried forward and Members Allowances have been recalculated downwards by £5.3k following the decision to forgo the October uplift.
- The security contract on the Ski Slope has been extended over the winter months at a cost of £8.8k.

The main areas of movement in September can be seen in the table opposite.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

| Major Variances in August                            | Favourable<br>/(Adverse) | Net           |
|--|--------------------------|---------------|
| <b>Communities</b>                                   |                          |               |
| Salaries   | 15.5                     |               |
| Christmas Lighting                                   | 5.8                      |               |
| Other variances                                      | (1.1)                    | 20.2          |
| <b>Customer Services and e Government</b>            |                          |               |
| Benefits and Revenues contract - inflation           | (12.0)                   |               |
| IT equipment, network & software licences            | (10.0)                   |               |
| Concessionary Fares                                  | (63.8)                   |               |
| Other variances                                      | (2.9)                    | (88.7)        |
| <b>Place Operations</b>                              |                          |               |
| Salaries & agency workers                            | 7.4                      |               |
| Vehicle Financing Costs (MRP)                        | (16.1)                   |               |
| Vehicle Maintenance costs                            | 6.5                      |               |
| Recycling Income                                     | (15.1)                   |               |
| Other Waste income                                   | 8.7                      |               |
| Parks tools & equipment                              | (2.5)                    |               |
| Cemeteries income                                    | 9.5                      |               |
| Other variances                                      | 1.4                      | (0.2)         |
| <b>Business Directorate</b>                          |                          |               |
| Staffing and agency cover                            | (1.0)                    |               |
| Professional Services                                | (4.5)                    |               |
| Building Control income                              | 4.0                      |               |
| Legal income & court fees                            | 3.7                      |               |
| Members Allowances & IT hardware                     | 9.3                      |               |
| Other variances                                      | 1.1                      | 12.6          |
| <b>Business - Health, Housing &amp; Regeneration</b> |                          |               |
| Other variances                                      | 0.7                      | 0.7           |
| <b>Corporate Management</b>                          |                          |               |
| Other variances                                      | (2.7)                    | (2.7)         |
| <b>Finance &amp; Property Services</b>               |                          |               |
| Staffing and agency cover                            | 4.4                      |               |
| Gas & Electricity - amendment to savings anticipated | 1.1                      |               |
| Estimated Water usage                                | (4.0)                    |               |
| Ski Slope security                                   | (8.8)                    |               |
| Business Centre income shortfall less cost savings   | (2.1)                    |               |
| Other variances                                      | 1.6                      | (7.8)         |
| <b>People &amp; Policy (incl P&amp;P &amp; Comm)</b> |                          |               |
| Other variances                                      | 1.9                      | 1.9           |
| <b>Non-Distributed Costs &amp; Capital Financing</b> |                          |               |
| Investment Interest earned                           | 3.6                      |               |
| Other interest received                              | 4.1                      |               |
| Other variances                                      | 0.1                      | 7.8           |
| <b>Favourable/(adverse) on General Fund</b>          |                          | <b>(56.2)</b> |

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Communities - Period 6 (Sept)

| Summary                         | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in Sept (Adv)/Fav<br>£000 |
|---------------------------------|----------------------------|--------------------------|------------------------------------|--------------------------------|----------------------------------|
| <b>Strategic Functions</b>      |                            |                          |                                    |                                |                                  |
| Community Management & Admin    | 224.9                      | 206.1                    | 18.8                               | 1.6                            | 17.2                             |
| Area Based Grant                | 31.9                       | 31.9                     | 0.0                                | -                              | 0.0                              |
| Community Safety                | 198.9                      | 193.2                    | 5.7                                | 2.0                            | 3.7                              |
| Local Strategic Partnership     | 6.4                        | (25.2)                   | 31.6                               | 31.5                           | 0.1                              |
| Area Forum Grant Budgets        | 20.0                       | 20.0                     | -                                  | -                              | -                                |
| <b>Voluntary Sector Support</b> |                            |                          |                                    |                                |                                  |
| Grants                          | 319.0                      | 311.8                    | 7.2                                | 7.2                            | (0.0)                            |
| Discretionary NNDR              | 44.8                       | 44.8                     | -                                  | -                              | -                                |
| <b>Events</b>                   | 32.8                       | 32.9                     | (0.1)                              | (5.9)                          | 5.8                              |
| <b>Neighbourhoods</b>           |                            |                          |                                    |                                |                                  |
| Environmental Area Teams        | 308.6                      | 312.2                    | (3.5)                              | 0.4                            | (3.9)                            |
| Markets                         | 35.7                       | 43.4                     | (7.6)                              | (8.0)                          | 0.4                              |
| Pest Control                    | 21.1                       | 19.9                     | 1.2                                | 1.5                            | (0.3)                            |
| Dog Warden                      | 36.9                       | 36.2                     | 0.7                                | 2.2                            | (1.5)                            |
| Public Conveniences             | 23.2                       | 23.2                     | -                                  | -                              | -                                |
| Emergency Planning              | 20.2                       | 7.7                      | 12.5                               | 13.7                           | (1.2)                            |
| <b>Total</b>                    | <b>1,324.4</b>             | <b>1,258.0</b>           | <b>66.4</b>                        | <b>46.2</b>                    | <b>20.2</b>                      |

| Key changes made during the period to the full year forecast           | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|--|-----------------------|--------------------------|-----------------|-------------|
| Community Admin - Salary saving service Development Officer            | -                     | 17.4                     | 17.4            |             |
| Community Safety - Misc admin Exp under spend                          | 1.4                   |                          | 1.4             |             |
| Community Safety - CCTV Electricity                                    | (0.6)                 |                          | (0.6)           |             |
| LSP - vacancy of LSP manager   | 29.0                  |                          | 29.0            |             |
| LSP - External Printing & misc Exp under spend                         | 3.5                   |                          | 3.5             |             |
| CCTV - Monitoring refund from 2008/09                                  | -                     | 3.8                      | 3.8             |             |
| Museum - error in budget setting                                       | 7.2                   |                          | 7.2             |             |
| Events - Xmas lights to stay within budget                             | (5.8)                 | 5.8                      | -               |             |
| Area Teams - Salary saving (Area Officer) / secondment                 | 3.7                   | (1.9)                    | 1.8             |             |
| Area Teams - printing pamphlets / Legal Fees - fly tipping / misc exp. | (5.9)                 |                          | (5.9)           |             |
| Area Teams - Comm Development initiative closed a/c                    | 2.0                   | (2.0)                    | -               |             |
| Markets - income not expected to meet target                           | (8.1)                 |                          | (8.1)           |             |
| Pest Control Fees  | 2.8                   |                          | 2.8             |             |
| Dog Warden running costs   | 1.4                   | (1.8)                    | (0.4)           |             |
| Misc under spends  | 1.8                   | 0.2                      | 2.0             |             |
| Emergency Planning   | 13.8                  | (1.2)                    | 12.6            |             |
| <b>TOTAL</b>   | <b>46.2</b>           | <b>20.2</b>              | <b>66.4</b>     |             |

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# Monthly Financial Monitoring Report 2010/11 – end of September 2010

## Communities Highlight Report – Period 6

### Historic 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.

### Current Month Issues

- There is a £17.4k salary saving due to the Service Development Officer leaving the authority and not being replaced.
- The CCTV monitoring invoice, payable to Burnley BC, is £4k less than expected. This is due to a refund received, pertaining to 2008/09.
- The Area Teams expenditure has increased by a further £2k to £5.9k due to the organising of events.
- Events – after further discussions it has been decided to maintain the Christmas lights spending at the level of the original budget and hence the previously reported over spend prediction of £5k has been removed.

### Future Issues

- Nothing to report

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Customer Services & E-Government - Period 6 (September)

| Summary  | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in September (Adv)/Fav<br>£000 |
|--|----------------------------|--------------------------|------------------------------------|--------------------------------|---------------------------------------|
| <b>Strategic Functions</b>                       |                            |                          |                                    |                                |                                       |
| Management and Support                           | 0.4                        | (0.4)                    | 0.9                                | 0.4                            | 0.5                                   |
| Service Assurance Team                           | 42.7                       | 39.4                     | 3.3                                | 2.8                            | 0.5                                   |
| <b>Revenues, Benefits and Customer Services</b>  |                            |                          |                                    |                                |                                       |
| Local Tax Collection                             | 335.2                      | 311.7                    | 23.5                               | 27.0                           | (3.5)                                 |
| Benefits Admin                                   | 364.9                      | 388.9                    | (24.0)                             | (12.0)                         | (12.0)                                |
| Shared Contact Centre                            | 51.5                       | 54.0                     | (2.5)                              | (2.5)                          | -                                     |
| Net - Benefit Payments & Subsidy received        | (86.0)                     | (83.8)                   | (2.2)                              | (0.7)                          | (1.5)                                 |
| <b>Information and Communications Technology</b> |                            |                          |                                    |                                |                                       |
| Concessionary Travel                             | 245.1                      | 195.0                    | 50.0                               | 59.0                           | (9.0)                                 |
|  | 803.0                      | 816.2                    | (13.3)                             | 50.5                           | (63.8)                                |
| <b>Total</b>                                     | <b>1,756.8</b>             | <b>1,721.0</b>           | <b>35.8</b>                        | <b>124.5</b>                   | <b>(88.7)</b>                         |

| Key changes made during the period to the full year forecast                        | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|---|-----------------------|--------------------------|-----------------|-------------|
| Cash Recovery of Housing Benefit over payments                                      | 0.4                   |                          | 0.4             |             |
| Courts Costs Income (net of costs) re non payment of Council Tax and Business Rates | 26.6                  |                          | 26.6            |             |
| Estimated inflation uplift on outsourced Council Tax & Housing Benefit contract     | (10.0)                | (12.0)                   | (22.0)          |             |
| Computer Equipment / Computer Circuits  | (9.5)                 | (10.0)                   | (19.5)          |             |
| Software Licenses / Disaster Recovery   | 58.7                  |                          | 58.7            |             |
| Concessionary Fares   | 51.3                  | (63.8)                   | (12.5)          |             |
| Salary underspends - non take up of pension / reduced hours                         | 12.5                  |                          | 12.5            |             |
| Other minor variances   | (5.5)                 | (2.9)                    | (8.4)           |             |
| <b>TOTAL</b>  | <b>124.5</b>          | <b>(88.7)</b>            | <b>35.8</b>     |             |

|                                 |                               |                       |          |
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# Monthly Financial Monitoring Report 2010/11 – end of September 2010

## Customer Service & E-Government Highlight Report – Period 6

### Historic Issues

- The Council has outsourced its Revenue Collection and Housing Benefit payment service to Capita. This contract is subject to inflation uplift (September RPI), effective from 1<sup>st</sup> October. The current estimate (based upon August RPI) is for there to be an adverse variance on this contract of £22k, due to RPI exceeding original budgetary projection.

### Current Month Issues

- The latest information on concessionary fare costs from Lancashire County Council indicates a projected over spend of £12.5k, an adverse movement of £63.8k from the previously reported figure.
- Projected expenditure on Computer equipment has moved adversely by £10k, following investment in increased storage capacity in order to move the Financial systems onto the Council SAN (Storage Area Network).

### 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.
- The Council expenditure on computer circuits is being reviewed, significant recurrent savings are projected via investment in Satellite Internet Access. The current projected under spend for 2010-11 may fund some of the initial investment required

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Place Operations - Period 6 (September)

| Summary                           | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in Sept (Adv)/Fav<br>£000 |
|-----------------------------------|----------------------------|--------------------------|------------------------------------|--------------------------------|----------------------------------|
| <b>Strategic Functions</b>        |                            |                          |                                    |                                |                                  |
| SSL Administration                | 271.1                      | 214.8                    | 56.3                               | 45.3                           | 11.0                             |
| <b>Operational Functions</b>      |                            |                          |                                    |                                |                                  |
| Refuse Collection                 | 1,417.3                    | 1,501.3                  | (84.0)                             | (73.7)                         | (10.3)                           |
| Street Sweeping                   | 910.6                      | 900.5                    | 10.0                               | 17.7                           | (7.7)                            |
| Open Spaces Contracts             | 1,483.0                    | 1,468.3                  | 14.7                               | 17.5                           | (2.8)                            |
| Bereavement Services / Cemeteries | 50.9                       | 48.2                     | 2.8                                | (6.8)                          | 9.6                              |
| <b>Total</b>                      | <b>4,132.9</b>             | <b>4,133.0</b>           | <b>(0.2)</b>                       | <b>-</b>                       | <b>(0.2)</b>                     |

| Key changes made during the period to the full year forecast      | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|---|-----------------------|--------------------------|-----------------|-------------|
| Salaries / Agency   | 113.2                 | 7.4                      | 120.6           |             |
| Subscriptions   | 6.0                   |                          | 6.0             |             |
| Repairs and Fitters   | 1.3                   | 4.3                      | 5.6             |             |
| LCC Income  | 5.8                   |                          | 5.8             |             |
| Tyres   | (0.9)                 |                          | (0.9)           |             |
| Vehicle Related Consumables                                       | 10.5                  |                          | 10.5            |             |
| Vehicle Maintenance - Hire of Tools & Equipment                   | (10.0)                | 2.2                      | (7.8)           |             |
| Purchase of Vehicle Jet Wash                                      | (7.0)                 |                          | (7.0)           |             |
| Fuel  | (71.7)                |                          | (71.7)          |             |
| Purchase of Vehicle Tracking                                      | (7.4)                 |                          | (7.4)           |             |
| Vehicle Leases / Hire / Financing                                 | 32.5                  | (16.1)                   | 16.4            |             |
| Refuse Sacks  | (10.0)                |                          | (10.0)          |             |
| Recycling Income - Paper & Cardboard (net of Tipping off charges) | 83.0                  | (14.0)                   | 69.0            |             |
| Recycling Income - Glass, Cans & Plastics                         | 51.3                  | (1.1)                    | 50.2            |             |
| Bulky Collections   | (9.3)                 | 1.6                      | (7.7)           |             |
| Trade Waste Income  | (29.0)                | 1.7                      | (27.3)          |             |
| Clinical Waste  | (8.0)                 | 5.4                      | (2.6)           |             |
| Bin deliveries  | 2.6                   |                          | 2.6             |             |
| Contribution to Vehicle Replacement Fund                          | (132.0)               | 1.0                      | (131.0)         |             |
| Tipping Fees  | 35.6                  |                          | 35.6            |             |
| Sweeper Brushes   | (3.3)                 |                          | (3.3)           |             |
| Purchase of Parks Vehicles (Excavator and Tractor)                | (25.0)                |                          | (25.0)          |             |
| Tools and Equipment & other parks related expenditure             | (22.3)                | (2.5)                    | (24.8)          |             |
| Cemeteries Income   | (6.5)                 | 9.5                      | 3.0             |             |
| Miscellaneous (over) spends                                       | 0.6                   | 0.4                      | 1.0             |             |
| <b>TOTAL</b>  | <b>(0.0)</b>          | <b>(0.2)</b>             | <b>(0.2)</b>    |             |

|                                 |                               |                       |          |
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# Monthly Financial Monitoring Report 2010/11 – end of September 2010

## Operations Highlight Report – Period 6

### Historic Issues

- New Refuse Vehicles are running at significantly lower MPG than expected, the full extent of this effect on the fuel expenditure is not yet known but best estimates are £31k with the remaining movement on price. Officers are currently undertaking an exercise to compare the new fleet's consumption with historical data.
- Various vacancies/ restructures are forecast to save £122.5k including agency cover.
- Purchase of a skip wagon in 2009/10 has favourably affected the tipping costs this year, current estimates are a £31.9k saving.
- Paper income is currently assumed at £66 per ton but this is subject to market fluctuations. Along with reduced charges and an income of £28 per tonne for tipping glass, cans and plastics, the total favourable variance for recycling was £113k.
- Front Line Vehicle replacement period has been extended from three to five years, expected saving in the year is £35k.

### Current Month Issues

- The Operations budgets are currently predicted to break even. This is after £131k of cumulative savings identified are to be transferred to a vehicle replacement provision, a reduction of £1k within the month.
- The level of internal borrowing required to fund the vehicle fleet had previously been understated by £16.1k due to the asset values of the new fleet.
- A review of the paper tonnage recycled within the borough has resulted in a reduction in forecast income by £14k; the reduction in tonnage was previously masked by the increase in prices.
- The fluctuating nature of cemeteries income makes this area inherently difficult to forecast therefore a straight line projection is used. The increase over the various cemeteries has led to an improvement of £9.5k in the forecast.
- Expenditure on clinical waste collection has gradually reduced over the year, saving £5.4k on the annual estimate.

### Futures Issues

- Income from recycling activities is subject to market fluctuations, all projections are based on current prices.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Business Services - Period 6 (September)

| Summary                                | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in Sept (Adv)/Fav<br>£000 |
|--|----------------------------|--------------------------|------------------------------------|--------------------------------|----------------------------------|
| <b>Strategic Functions</b>             |                            |                          |                                    |                                |                                  |
| Executive Director of Business         | 0.4                        | 0.4                      | -                                  | -                              | -                                |
| <b>Planning</b>                        |                            |                          |                                    |                                |                                  |
| Development Control                    | 402.7                      | 382.2                    | 20.5                               | 20.4                           | 0.1                              |
| Forward Planning                       | 194.6                      | 189.9                    | 4.8                                | 8.9                            | (4.1)                            |
| <b>Land Charges</b>                    | 45.2                       | 61.7                     | (16.4)                             | (16.9)                         | 0.5                              |
| <b>Building Control</b>                |                            |                          |                                    |                                |                                  |
| Building Control - Fee Earning Account | 34.5                       | 49.2                     | (14.7)                             | (16.4)                         | 1.7                              |
| Building Control - Statutory Function  | 116.9                      | 131.6                    | (14.8)                             | (15.3)                         | 0.5                              |
| Building Control - Street Signs        | 8.0                        | 6.8                      | 1.2                                | 1.5                            | (0.3)                            |
| <b>Legal Services</b>                  | 29.8                       | 23.3                     | 6.5                                | 2.8                            | 3.7                              |
| <b>Democratic Services</b>             |                            |                          |                                    |                                |                                  |
| Electoral Registration                 | 76.6                       | 75.3                     | 1.3                                | 1.3                            | (0.0)                            |
| Elections                              | 92.3                       | 94.7                     | (2.4)                              | (2.5)                          | 0.1                              |
| Democratic Representation              | 645.2                      | 622.3                    | 22.9                               | 13.6                           | 9.3                              |
| Mayoralty                              | 119.0                      | 99.9                     | 19.2                               | 19.0                           | 0.2                              |
| Town Twinning                          | 11.5                       | 11.5                     | -                                  | -                              | -                                |
| <b>Licensing</b>                       | 222.9                      | 218.3                    | 4.6                                | 3.5                            | 1.1                              |
| <b>Total</b>                           | <b>1,999.5</b>             | <b>1,967.0</b>           | <b>32.5</b>                        | <b>19.9</b>                    | <b>12.6</b>                      |

| Key changes made during the period to the full year forecast     | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|--|-----------------------|--------------------------|-----------------|-------------|
| Development Control - document scanning                          | (3.4)                 |                          | (3.4)           |             |
| Development Control - Computer Software                          | (7.5)                 |                          | (7.5)           |             |
| Development Control - Professional Services                      | 16.0                  |                          | 16.0            |             |
| Development Control - Restructure                                | 4.1                   |                          | 4.1             |             |
| Development Control - miscellaneous                              | 11.5                  |                          | 11.5            |             |
| Forward Planning - staff vacancy                                 | 10.4                  | (1.0)                    | 9.4             |             |
| Forward Planning - External Printing & publicity                 | (3.3)                 | (0.5)                    | (3.8)           |             |
| Forward planning - Professional Services                         | -                     | (2.5)                    | (2.5)           |             |
| Forward Planning - One off saving                                | 4.2                   |                          | 4.2             |             |
| Building Control - Salaries                                      | (1.7)                 |                          | (1.7)           |             |
| Building Control - Income  | (24.4)                | 4.0                      | (20.4)          |             |
| Building Control - Professional Services                         | -                     | (2.0)                    | (2.0)           |             |
| Building Control - Computer licenses                             | (3.9)                 |                          | (3.9)           |             |
| Land Charges - Redundancy related expenditure                    | (1.0)                 |                          | (1.0)           |             |
| Land Charges - Income  | (19.4)                | 0.4                      | (19.0)          |             |
| Legal - Staff restructure / recruitment costs                    | 14.8                  |                          | 14.8            |             |
| Legal - Court Fees   | (12.0)                | 0.7                      | (11.3)          |             |
| Legal - Income   | (6.9)                 | 3.0                      | (3.9)           |             |
| Democratic Services - staff vacancies and advertisements         | 9.1                   | -                        | 9.1             |             |
| Democratic Services - Local Democracy Week                       | 4.0                   |                          | 4.0             |             |
| Democratic Services - Members Allowances & expenses              | 6.4                   | 5.3                      | 11.7            |             |
| Democratic Services - Computer Hardware - funded from provisions | (4.0)                 | 4.0                      | -               |             |
| Democratic Services - Misc                                       |                       | (0.8)                    | (0.8)           |             |
| Mayoralty - Agency / staff                                       | 18.5                  |                          | 18.5            |             |
| Mayoralty - misc   |                       | 0.8                      | 0.8             |             |
| Elections - Saving on Local and Parliamentary                    | 5.3                   |                          | 5.3             |             |
| Elections - Two By-Elections                                     | (6.6)                 |                          | (6.6)           |             |
| Licensing - Salaries   | 3.5                   |                          | 3.5             |             |
| Licensing - Postage  |                       | 0.8                      | 0.8             |             |
| Licensing - Various Income                                       | (1.9)                 | 0.3                      | (1.6)           |             |
| Other Miscellaneous under spends                                 | 8.1                   | 0.1                      | 8.2             |             |
| <b>TOTAL</b>   | <b>19.9</b>           | <b>12.6</b>              | <b>32.5</b>     |             |

|                                 |                               |                       |          |
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# Monthly Financial Monitoring Report 2010/11 – end of September 2010

## Business Highlight Report – Period 6

### Historic Issues

- The 2010-11 budgets for Planning Income, Land Charges & Building Control were reduced to reflect the downturn in the wider economy.
- In August the organisational restructure of the Environmental Health services was reflected in the accounts as follows:

|                      | Formerly             | Moved to                                     |
|----------------------|----------------------|--|
| Emergency Planning   | Business Directorate | Place - Communities                          |
| Licensing            | Business Directorate | Remains in Business Directorate              |
| Regeneration         | Place Directorate    | Business - Health, Housing<br>& Regeneration |
| Environmental Health | Business Directorate |  |

### Current Month Issues

- The business directorate is currently forecast to under spend by £32.5k, which represents an adverse movement of £12.6k in relation to last month.
- Forward planning non core strategy related professional services spend has increased by £2.5k due to a Gypsy & Traveller assessment study commissioned last month, this is a one off spend therefore the revised expenditure has not been projected forward.
- September's Building Control income was uncharacteristically high due to a £15k fee pertaining to a new Health Centre. The forecast Building Control income 2010-11 has increased by £4k, however this has been partially offset by an increase in professional services expenditure of £2k.
- This month has seen a saving within the members' allowances of £5.3k, previous forecasts assumed an uplift in October in line with the minimum wage, this has been forgone, as per the adjustment tabled during the Full Council debate on the 2010/11 Budgets in February 2010.
- Computer software expenditure for members was previously forecast at £4k adverse, however, this is to be funded from monies set aside from the 2009/10 under spend.
- There has been a one off increase within Legal income which has altered the projections favourably by £3k.

### 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 balances held in reserves.
- Planning Income does not follow a regular pattern and is therefore difficult to predict with any accuracy. Current projection are as per the original budget based on the fact that income received for the first 6 months is in line with the half-year budgets.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Health, Housing & Regeneration - Period 6 (September)

| Summary                      | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in Sept (Adv)/Fav<br>£000 |
|------------------------------|----------------------------|--------------------------|------------------------------------|--------------------------------|----------------------------------|
| <b>Strategic Functions</b>   |                            |                          |                                    |                                |                                  |
| Regen Mangt & Admin          | (0.3)                      | (3.0)                    | 2.7                                | 2.8                            | (0.1)                            |
| Tourism                      | 64.6                       | 64.9                     | (0.3)                              | (0.0)                          | (0.3)                            |
| <b>Economic Regeneration</b> |                            |                          |                                    |                                |                                  |
| Economic Regeneration        | 94.9                       | 93.7                     | 1.2                                | 1.0                            | 0.2                              |
| Regen Joint Delivery Team    | 64.5                       | 64.9                     | (0.4)                              | (0.6)                          | 0.2                              |
| Regeneration Projects        | 3.3                        | 3.3                      | (0.0)                              | (0.0)                          | (0.0)                            |
| Parking                      | 0.3                        | 3.2                      | (3.0)                              | -                              | (3.0)                            |
| <b>Strategic Housing</b>     |                            |                          |                                    |                                |                                  |
| Housing Strategy             | 94.2                       | 92.5                     | 1.6                                | 1.3                            | 0.3                              |
| Homelessness                 | 180.5                      | 179.0                    | 1.5                                | 1.5                            | (0.0)                            |
| Private Sector Renewal       | 16.3                       | 13.3                     | 3.0                                | 2.1                            | 0.9                              |
| Elevate Project Management   | 14.1                       | 11.0                     | 3.0                                | 3.0                            | 0.0                              |
| <b>Environmental Health</b>  |                            |                          |                                    |                                |                                  |
| Environmental Health         | 668.6                      | 612.2                    | 56.5                               | 54.1                           | 2.4                              |
| <b>Total</b>                 | <b>1,200.8</b>             | <b>1,135.1</b>           | <b>65.7</b>                        | <b>65.0</b>                    | <b>0.7</b>                       |

| Key changes made during the period to the full year forecast | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|--|-----------------------|--------------------------|-----------------|-------------|
| Regeneration Mgmt - under spend on non pay budgets           | 2.9                   | (0.2)                    | 2.7             |             |
| Parking - Stickers and Parking Discs                         | -                     | (3.0)                    | (3.0)           |             |
| Housing Strategy - various non pay items                     | 1.4                   | 0.2                      | 1.6             |             |
| Homelessness   | 2.4                   |                          | 2.4             |             |
| Private Sector Renewals -under spends on non pay budgets     | 1.8                   | 0.9                      | 2.7             |             |
| Housing Market renewal - recharges to capital                | 2.5                   |                          | 2.5             |             |
| Various Other Movements and prior period adjustment          | (0.2)                 | 0.5                      | 0.3             |             |
| Environmental Health - Restructure & staff vacancies         | 62.3                  |                          | 62.3            |             |
| Environmental Health - External Contractors                  | 1.6                   |                          | 1.6             |             |
| Environmental Health - Land Charge Enquiry                   | -                     | 0.8                      | 0.8             |             |
| Environmental Health - Conference and Publicity              | -                     | 1.5                      | 1.5             |             |
| Environmental Health - Noise Equipment                       | (5.0)                 |                          | (5.0)           |             |
| Environmental Health - Permitted Processes & Other Income    | (4.7)                 |                          | (4.7)           |             |
| <b>TOTAL</b>   | <b>65.0</b>           | <b>0.7</b>               | <b>65.7</b>     |             |

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Business - Health, Housing & Regeneration Highlight Report – Period 6

#### Historic Issues

- Environmental Health has now been incorporated with Regeneration to form Health, Housing and Regeneration as a sub-section of the Business Directorate.
- Environmental Health is predicted to under spend by £54k; this is primarily due to the consolidation of Environmental Health and Housing Market Renewal management. This projected under spend has previously been reported within the business directorate.

#### Current Month Issues

- The decision to implement parking discs on the local car parks has resulted in additional spend of £3k on parking discs and display stickers previously not forecast.
- The overall position of Health, Housing and Regeneration is a forecast under spend of £66k.
- The Council has received formal notification of the 17.5% cut to the capital element of its Elevate Grant for 2010-11, though there is no change to the revenue element. As a consequence a revised capital face-lifting scheme covering domestic properties has recommenced. Cash is anticipated in October to cover the claims made in the first half of the year.

#### Futures Issues

- The Homelessness Service currently provided by Greenvale Homes has been put out to tender. It is envisaged that the service will be brought back in-house which should result in a significant saving to the Council (current estimate circa £30k). However, these savings are likely to accrue in 2011-12 onwards.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Corporate Management - Period 6 (September)

| Summary                                     | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in Sept (Adv)/Fav<br>£000 |
|---|----------------------------|--------------------------|------------------------------------|--------------------------------|----------------------------------|
| <b>Corporate Management</b>                 |                            |                          |                                    |                                |                                  |
| Executive Office                            | (58.5)                     | (69.3)                   | 10.8                               | 13.4                           | (2.6)                            |
| Corporate Contingency                       | 30.0                       | 30.0                     | -                                  | -                              | -                                |
| Executive Support & Corporate Subscriptions | 164.8                      | 153.5                    | 11.3                               | 11.4                           | (0.1)                            |
| <b>Total</b>                                | <b>136.3</b>               | <b>114.2</b>             | <b>22.1</b>                        | <b>24.8</b>                    | <b>(2.7)</b>                     |

| Key changes made during the period to the full year forecast   | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|--|-----------------------|--------------------------|-----------------|-------------|
| Corporate Subscriptions  | 15.6                  |                          | 15.6            |             |
| Corporate Management Salaries - no pay award for 2010-11       | 6.0                   |                          | 6.0             |             |
| Corporate Management Salaries Increments                       |                       | (1.0)                    | (1.0)           |             |
| Professional Fees  | 3.8                   |                          | 3.8             |             |
| Corporate Personal Accident/Travel Insurance                   |                       | (1.9)                    | (1.9)           |             |
| Contribution to East Lancs Railway - Future Capital Investment | (5.0)                 |                          | (5.0)           |             |
| Miscellaneous non pay budgets                                  | 4.4                   | 0.2                      | 4.6             |             |
| <b>TOTAL</b>   | <b>24.8</b>           | <b>(2.7)</b>             | <b>22.1</b>     |             |

|                          |                               |                |          |
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# Monthly Financial Monitoring Report 2010/11 – end of September 2010

## Corporate Management Highlight Report – Period 6

### Historic Issues

- The Corporate subscriptions budget is projected to under spend by £11.5k, due to subscription cancellation 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.

### Current Month Issues

- Business travel & personal accident insurance for staff whilst on official duties is predicted to over spend by £1.9k.
- There has also been an adverse movement of £1k due to a Salary increment.
- Details of plans to date for the Corporate Contingency are shown in the table below.

| <b>Corporate Contingency</b>  | <b>£000</b> |
|---|-------------|
| <b>Balance brought forward 1<sup>st</sup> April 2010</b>                          | 37.9        |
| <b>Original Budget</b>  | 30.0        |
| <b>Total Funds Available</b>  | <b>67.9</b> |
| <b>Allocated</b>  |             |
| Planning enforcement – agency cover   | 11.0        |
| Works to prevent unauthorised vehicular access to Cherry Tree Lane Playing Fields | 5.0         |
| <b>Total Allocated</b>  | <b>16.0</b> |
| <b>Balance Available</b>  | <b>51.9</b> |

### Futures Issues

- Nothing to report

|                                 |                               |                       |          |
|---------------------------------|-------------------------------|-----------------------|----------|
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# Monthly Financial Monitoring Report 2010/11 – end of September 2010

## Finance and Property Services - Period 6 (Sept)

| Summary                        | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in Sept (Adv)/Fav<br>£000 |
|--------------------------------|----------------------------|--------------------------|------------------------------------|--------------------------------|----------------------------------|
| <b>Financial Services Team</b> | (2.8)                      | (12.4)                   | 9.6                                | 9.6                            | (0.0)                            |
| <b>Internal Audit</b>          | 87.0                       | 73.9                     | 13.1                               | 13.1                           | -                                |
| <b>Corporate Costs</b>         |                            |                          |                                    |                                |                                  |
| 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)                          | -                                |
| <b>Property Services</b>       |                            |                          |                                    |                                |                                  |
| Property Services Team         | (376.7)                    | (390.0)                  | 13.3                               | 10.0                           | 3.3                              |
| Corporate Estates              | (69.6)                     | (69.0)                   | (0.6)                              | (2.6)                          | 2.0                              |
| Non Domestic Estates           | (31.8)                     | (29.5)                   | (2.2)                              | (2.9)                          | 0.7                              |
| Office Accommodation           | 40.4                       | 36.8                     | 3.6                                | 3.7                            | (0.1)                            |
| Operational Properties         | 390.4                      | 389.0                    | 1.4                                | 5.7                            | (4.3)                            |
| Leisure Properties             | 38.2                       | 17.0                     | 21.2                               | 30.4                           | (9.2)                            |
| Bus Shelters                   | 25.6                       | 24.7                     | 0.9                                | 0.9                            | (0.0)                            |
| Business Centre                | 2.2                        | 23.9                     | (21.7)                             | (21.7)                         | (0.0)                            |
| <b>Total</b>                   | <b>319.5</b>               | <b>277.0</b>             | <b>42.5</b>                        | <b>50.3</b>                    | <b>(7.8)</b>                     |

18.7                      3.0                      15.7                      23.5                      -7.8

| Key changes made during the period to the full year forecast      | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|---|-----------------------|--------------------------|-----------------|-------------|
| Audit Commission Charges  | 8.3                   |                          | 8.3             |             |
| Bank charges  | (3.8)                 |                          | (3.8)           |             |
| Financial Services Artwork and Printing of Statements etc         | 3.2                   |                          | 3.2             |             |
| Salaries & Agency Cover   | 4.8                   |                          | 4.8             |             |
| Secure Cash Collection (following a collaborative procurement)    | 1.2                   |                          | 1.2             |             |
| Internal Audit - saving on 2009/10 year-end accrual               | 13.1                  |                          | 13.1            |             |
| Electricity - new contract effective 1st October 2010             | 10.0                  | (1.1)                    | 8.9             |             |
| Gas - new contract effective 1st October 2010                     | 6.2                   | 2.2                      | 8.4             |             |
| Repairs & Maintenance   | 18.5                  | 1.5                      | 20.0            |             |
| Estimated Water usage   | (7.5)                 | (4.0)                    | (11.5)          |             |
| Legionella / Asbestos savings                                     | 5.0                   |                          | 5.0             |             |
| Income from shared premises                                       | 16.2                  |                          | 16.2            |             |
| Hardmans Mill - Termination costs                                 | (8.0)                 |                          | (8.0)           |             |
| Ski Rossendale - extended security contract                       |                       | (8.8)                    | (8.8)           |             |
| Business Centre - Sal saving - Rec mngr not receiving Occ Mat pay | 6.7                   |                          | 6.7             |             |
| Business Centre - savings Elec, Landscaping, Admin                | 10.8                  |                          | 10.8            |             |
| Business Centre - Misc income adhoc room hire                     | (1.0)                 |                          | (1.0)           |             |
| Business Centre - Income shortfall                                | (34.9)                | 1.3                      | (33.6)          |             |
| Business Centre - New Burglar alarm due to storm damage           |                       | (3.4)                    | (3.4)           |             |
| Corporate Estates - Insurance claim, Land Search Fees             | (2.1)                 |                          | (2.1)           |             |
| Estates - salary saving   |                       | 4.4                      | 4.4             |             |
| Industrial Estates - income                                       | 0.7                   | 2.5                      | 3.2             |             |
| Other minor facilities variances                                  | 2.9                   | (2.4)                    | 0.5             |             |
|   |                       |                          |                 |             |
|   |                       |                          |                 |             |
| <b>TOTAL</b>  | <b>50.3</b>           | <b>(7.8)</b>             | <b>42.5</b>     |             |

|                                 |                               |                       |          |
|---------------------------------|-------------------------------|-----------------------|----------|
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| <b>Date last amended</b>        | 15 <sup>th</sup> October 2010 | <b>Due for review</b> | Nov 2010 |

# Monthly Financial Monitoring Report 2010/11 – end of September 2010

## Finance & Property Services - Monitoring Highlight Report – Period 5

### Financial Services

#### Historic Issues

- Following reductions in the 2009/10 audit fees, the Audit Commission are expected to reduce their fees by £8.3k.
- LCC Audit costs for 2009/10 Q4 were £13k lower than the year-end accrual
- Bank Charges for collecting credit and debit card payments are forecast at adverse £3.8k.
- All statutory publications are now produced wholly in-house, saving the authority £4k.
- Salary savings and reduced need for agency cover will save £4k.
- A collaborative procurement for the secure collection of cash and cheques saves £1.2k

#### Current Month Issues

- Nothing to report

#### 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.

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### Property Services

#### Historic Issues

- Recovery costs from two council premises occupied by third parties is predicted to have a favourable impact on the budgets of £16.2k

#### Current Month Issues

- The electricity and gas contracts have been tendered with the new rates coming into effect from 1st October 2010. Continuing detailed analysis of current usage patterns has led to a slight amendment to the projected savings for 2010/11 to £8.9k & £8.4k respectively.
- Repair & maintenance – the projected under spend has improved by a further £1.5k to £20k.
- The occupancy rate in the Business Centre has declined, creating a shortfall of income of £33.6k. This is partly offset by savings in salary costs of £6.7k and savings of £10.8k in the running costs of the Business Centre.
- There is a saving of approximately £4.4k within Estates due to the Estates Assistant being seconded to Communities. The vacant position is not being filled and the work is being absorbed within the Property and Finance team.
- The security at Ski Rossendale has been extended over the winter months costing approximately a further £8.8k

#### Futures Issues

- Nothing to report.

|                                 |                               |                       |          |
|---------------------------------|-------------------------------|-----------------------|----------|
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### People and Policy - Period 6 (September)

| Summary  | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in August (Adv)/Fav<br>£000 |
|--|----------------------------|--------------------------|------------------------------------|--------------------------------|------------------------------------|
| <b>People &amp; Organisational Development</b> |                            |                          |                                    |                                |                                    |
| Human Resources                                | (63.3)                     | (65.6)                   | 2.3                                | 0.2                            | 2.1                                |
| Training                                       | 2.5                        | 2.5                      | -                                  | -                              | -                                  |
| <b>Policy &amp; Performance</b>                |                            |                          |                                    |                                |                                    |
| Policy & Performance Team                      | 106.6                      | 103.1                    | 3.5                                | 3.4                            | 0.1                                |
| Communications                                 | 142.9                      | 137.1                    | 5.8                                | 6.1                            | (0.3)                              |
| <b>Total</b>                                   | <b>188.7</b>               | <b>177.1</b>             | <b>11.6</b>                        | <b>9.7</b>                     | <b>1.9</b>                         |

| Key changes made during the period to the full year forecast | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|--|-----------------------|--------------------------|-----------------|-------------|
| People & Policy - Staffing & Agency                          | 11.0                  |                          | 11.0            |             |
| People & Policy - subscriptions                              | 2.7                   |                          | 2.7             |             |
| People & Policy - Audit fees payslip printing                | (3.0)                 |                          | (3.0)           |             |
| People & Policy - Legal Fees relating to Job Evaluation      | (11.3)                |                          | (11.3)          |             |
| People & Policy - various non pay expenses                   | 0.8                   | 2.2                      | 3.0             |             |
| Policy & Performance - staffing & agency                     | 3.5                   |                          | 3.5             |             |
| Communications - various non-pay expenses                    | 6.0                   |                          | 6.0             |             |
| Communications - Excess Travel                               |                       | (0.3)                    | (0.3)           |             |
| <b>TOTAL</b>   | <b>9.7</b>            | <b>1.9</b>               | <b>11.6</b>     |             |

|                          |                               |                |          |
|--------------------------|-------------------------------|----------------|----------|
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| Date last amended        | 15 <sup>th</sup> October 2010 | Due for review | Nov 2010 |

## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### People & Policy Highlight Report – Period 6

#### Historic 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%.

#### Current Month Issues

- There has been a favourable movement in the HR budget of £1.9k, relating to a software license subscription previously incorrectly charged to HR, instead of the Corporate ICT software license budget.

#### 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.

|                                 |                               |                       |          |
|---------------------------------|-------------------------------|-----------------------|----------|
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Non-distributed Costs, Corporate Resources & Leisure Services

**Period 6 (September)**

| Summary                      | 2010/11 Org Budget<br>£000 | 2010/11 Forecast<br>£000 | 2010/11 Variance (Adv)/Fav<br>£000 | Variance last reported<br>£000 | Change in August (Adv)/Fav<br>£000 |
|------------------------------|----------------------------|--------------------------|------------------------------------|--------------------------------|------------------------------------|
| <b>Non Distributed Costs</b> |                            |                          |                                    |                                |                                    |
| Employee & Pension Costs     | 209.6                      | 221.4                    | (11.8)                             | (11.8)                         | (0.0)                              |
| Non-distributed Office Costs | 196.0                      | 196.0                    | -                                  | -                              | -                                  |
| Other Costs / Income         | 67.6                       | 67.5                     | 0.1                                | 0.1                            | (0.0)                              |
| <b>Capital Financing</b>     |                            |                          |                                    |                                |                                    |
| Minimum Revenue Provision    | 124.5                      | 124.5                    | -                                  | -                              | -                                  |
| Investment Interest          | (65.7)                     | (78.5)                   | 12.8                               | 5.0                            | 7.8                                |
| Reversal of Capital Charges  | (777.8)                    | (777.8)                  | -                                  | -                              | -                                  |
| <b>Leisure</b>               | 1,109.7                    | 1,109.7                  | -                                  | -                              | -                                  |
| <b>Total</b>                 | <b>864.0</b>               | <b>862.9</b>             | <b>1.1</b>                         | <b>(6.7)</b>                   | <b>7.8</b>                         |

| Key changes made during the period to the full year forecast | Variance Bfwd<br>£000 | Variance this Pd<br>£000 | Full-Yr<br>£000 | R<br>A<br>G |
|--|-----------------------|--------------------------|-----------------|-------------|
| Employees - target for in-year savings                       | (40.0)                |                          | (40.0)          |             |
| Pensions - Past employees                                    | 28.5                  |                          | 28.5            |             |
| Interest Payable   | 5.0                   |                          | 5.0             |             |
| Bank Interest Earned   |                       | 3.6                      | 3.6             |             |
| Other Interest received                                      |                       | 4.1                      | 4.1             |             |
| Other Variances  | (0.2)                 | 0.1                      | (0.1)           |             |
| Leisure - Follow up to 2009-10 Lesiure Review                | -                     |                          | -               |             |
| <b>TOTAL</b>   | <b>(6.7)</b>          | <b>7.8</b>               | <b>1.1</b>      |             |

|                                 |                               |                       |          |
|---------------------------------|-------------------------------|-----------------------|----------|
| <b>Responsible Section/Team</b> | Financial Services            | <b>Page</b>           | 22       |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Non-Distributed Costs & Capital Financing - Highlight Report – Period 6

#### Historic 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.

#### Current Month Issues

- There is a favourable movement this month of £3.7k on Interest income from bank investments and a one-off receipt of £4.1k interest in relation to a former debt now recovered through the courts.

#### Futures Issues

- Nothing to report.

|                                 |                               |                       |          |
|---------------------------------|-------------------------------|-----------------------|----------|
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Earmarked Reserves

| Earmarked Reserves<br>(cash-backed items only)  | Economic Regen Reserves |                               |                    |                 |                  |                 |                      |                  |                      |
|---|-------------------------|-------------------------------|--------------------|-----------------|------------------|-----------------|----------------------|------------------|----------------------|
|   | Change<br>Manag't       | Director<br>Invest<br>Reserve | Planning<br>LABGIS | PlanningP<br>DG | Core<br>Strategy | Econ'<br>Regen' | Budget<br>Volatility | Single<br>Status | Perform'<br>Manage't |
|   | AN060103                | an060123                      | AN060107           | AN060122        | AN060108         | AN060109        | AN060110             | AN060111         | AN060112             |
| <b>Balance at 01/04/10</b>  | <b>329.5</b>            | <b>233.0</b>                  | <b>139.3</b>       | <b>128.6</b>    | <b>225.0</b>     | <b>800.6</b>    | <b>314.0</b>         | <b>430.2</b>     | <b>65.0</b>          |
| <b>Funds Received 2010/11</b><br>2010/11 grants received<br>Other Revenue Contributions |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| <b>Total Funds Available</b>  | <b>329.5</b>            | <b>233.0</b>                  | <b>139.3</b>       | <b>128.6</b>    | <b>225.0</b>     | <b>800.6</b>    | <b>314.0</b>         | <b>430.2</b>     | <b>65.0</b>          |
| <b>2010-11 Utilisation Agreed</b>   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Job Evaluation  |                         |                               |                    |                 |                  |                 |                      | (70.0)           |                      |
| 2008-09 Capita Performance  |                         |                               |                    |                 |                  |                 |                      |                  | (6.0)                |
| NWDA ISUS Contribution  |                         |                               |                    |                 |                  | (5.0)           |                      |                  |                      |
| <b>2010/11 Utilisation Planned</b>  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| <b>One-Off plans</b>  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Valley Centre Project   |                         |                               |                    |                 |                  | (197.0)         |                      |                  |                      |
| Business Start up grants  |                         |                               |                    |                 |                  | (31.6)          |                      |                  |                      |
| Healthy Workplaces Officer  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Various Health projects   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Appraisal of 7 Conservation Areas   |                         |                               | (20.0)             |                 |                  |                 |                      |                  |                      |
| Tourism Study   |                         |                               | (9.0)              |                 |                  | (10.0)          |                      |                  |                      |
| Planning - Core Strategy  |                         |                               |                    | (15.7)          |                  |                 |                      |                  |                      |
| Planning - Allocations  |                         |                               |                    | 0.0             |                  |                 |                      |                  |                      |
| Planning - Evidence Gathering   |                         |                               |                    | (37.0)          |                  |                 |                      |                  |                      |
| PRG - CCTV (2 locations)  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| PRG - Community Allotment   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| PRG - Adrenalin Gateway   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| PRG - Improvements to Signage   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Transfer re Bacup Leisure Hall  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Costs re Bacup Leisure Hall   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Leisure Building Project  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Members IT hardware   |                         | (4.0)                         |                    |                 |                  |                 |                      |                  |                      |
| <b>Recurring plans</b>  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Contributions for former HRA staff  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Tourism Support   |                         |                               |                    |                 |                  | (15.0)          |                      |                  |                      |
| Matched funding NWDA grant  |                         |                               |                    |                 |                  | (26.4)          |                      |                  |                      |
| Community Engagem't Officer   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Community Events  |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Planning for Climate Change Officer   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| Conversation Officers   |                         |                               | (36.3)             |                 |                  |                 |                      |                  |                      |
| Transfers to/from Revenue   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| <b>Reserve Estimates 31/3/11</b>  | <b>329.5</b>            | <b>229.0</b>                  | <b>74.0</b>        | <b>75.9</b>     | <b>225.0</b>     | <b>520.6</b>    | <b>314.0</b>         | <b>430.2</b>     | <b>65.0</b>          |
| <b>Future Utilisation Plans</b>   |                         |                               |                    |                 |                  |                 |                      |                  |                      |
| 2011/12 Plans   |                         |                               | (23.8)             | (75.9)          | (174.1)          | (51.4)          |                      | (290.0)          | (10.0)               |
| 2012/13 Plans   |                         |                               | (14.2)             |                 | (50.9)           | (13.1)          |                      |                  | (10.0)               |
| 2013/14 Plans   |                         |                               |                    |                 |                  |                 |                      |                  | (10.0)               |
| 2014/15 Plans   |                         |                               |                    |                 |                  |                 |                      |                  | (10.0)               |
| <b>Potential Reserve Balances</b>   | <b>329.5</b>            | <b>229.0</b>                  | <b>36.0</b>        | <b>(0.0)</b>    | <b>0.0</b>       | <b>456.1</b>    | <b>314.0</b>         | <b>140.2</b>     | <b>35.0</b>          |

**Note:** This table has now been produced in portrait format covering two pages in an effort to make it more readable. This now also provides an area below each half of the table for some notes to explain any movements each month. The Government Grants Unapplied table now follows on page 26.

### Directorate Investment Reserve

As noted on page 13, former revenue under spend in the Directorate Investment Reserve is being used to support the cost of IT hardware for Members, to the value of £4k.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Earmarked Reserves (continued)

| Earmarked Reserves<br>(cash-backed items only) | Health & Wellbeing Projects | Contam Land | IT Reserve  | Pension Fund Reserve | Leisure Reserves | Bacup N'hood Reserve | Perform Reward Grant | Aread Based Grants | Plan for Climate Change | Total            |
|--|-----------------------------|-------------|-------------|----------------------|------------------|----------------------|----------------------|--------------------|-------------------------|------------------|
|  | AN060113                    | AN060114    | AN060115    | AN060117             | AN060118/19      | AN0601               | AN060120             | AN060121           | AN060121                |                  |
| <b>Balance at 01/04/10</b>                     | <b>85.0</b>                 | <b>6.5</b>  | <b>83.0</b> | <b>356.0</b>         | <b>1,139.6</b>   | <b>0.0</b>           | <b>228.0</b>         | <b>211.2</b>       | <b>14.9</b>             | <b>4,789.4</b>   |
| <b>Funds Received 2010/11</b>                  |                             |             |             |                      |                  |                      |                      |                    |                         |                  |
| 2010/11 grants received                        |                             |             |             |                      |                  |                      |                      | 206.5              | 22.5                    | <b>229.0</b>     |
| Other Revenue Contributions                    |                             |             |             | 148.1                |                  |                      |                      |                    |                         | <b>148.1</b>     |
| <b>Total Funds Available</b>                   | <b>85.0</b>                 | <b>6.5</b>  | <b>83.0</b> | <b>504.1</b>         | <b>1,139.6</b>   | <b>0.0</b>           | <b>228.0</b>         | <b>417.7</b>       | <b>37.4</b>             | <b>5,166.5</b>   |
| <b>2010-11 Utilisation Agreed</b>              |                             |             |             |                      |                  |                      |                      |                    |                         |                  |
| Job Evaluation                                 |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(70.0)</b>    |
| 2008-09 Capita Performance                     |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(6.0)</b>     |
| NWDA ISUS Contribution                         |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(5.0)</b>     |
| <b>2010/11 Utilisation Planned</b>             |                             |             |             |                      |                  |                      |                      |                    |                         |                  |
| <b>One-Off plans</b>                           |                             |             |             |                      |                  |                      |                      |                    |                         |                  |
| Valley Centre Project                          |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(197.0)</b>   |
| Business Start up grants                       |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(31.6)</b>    |
| Healthy Workplaces Officer                     |                             |             |             |                      |                  |                      |                      |                    |                         | <b>0.0</b>       |
| Various Health projects                        | (48.8)                      |             |             |                      |                  |                      |                      |                    |                         | <b>(48.8)</b>    |
| Appraisal of 7 Conservation Areas              |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(20.0)</b>    |
| Tourism Study                                  |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(19.0)</b>    |
| Planning - Core Strategy                       |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(15.7)</b>    |
| Planning - Allocations                         |                             |             |             |                      |                  |                      |                      |                    |                         | <b>0.0</b>       |
| Planning - Evidence Gathering                  |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(37.0)</b>    |
| PRG - CCTV (2 locations)                       |                             |             |             |                      |                  |                      | (40.0)               |                    |                         | <b>(40.0)</b>    |
| PRG - Community Allotment                      |                             |             |             |                      |                  |                      | (28.0)               |                    |                         | <b>(28.0)</b>    |
| PRG - Adrenalin Gateway                        |                             |             |             |                      |                  |                      | (90.0)               |                    |                         | <b>(90.0)</b>    |
| PRG - Improvements to Signage                  |                             |             |             |                      |                  |                      | (70.0)               |                    |                         | <b>(70.0)</b>    |
| Transfer re Bacup Leisure Hall                 |                             |             |             |                      | (135.0)          | 135.0                |                      |                    |                         | <b>0.0</b>       |
| Costs re Bacup Leisure Hall                    |                             |             |             |                      |                  | (15.0)               |                      |                    |                         | <b>(15.0)</b>    |
| Leisure Building Project                       |                             |             |             |                      | (500.0)          |                      |                      |                    |                         | <b>(500.0)</b>   |
| Members IT hardware                            |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(4.0)</b>     |
| <b>Recurring plans</b>                         |                             |             |             |                      |                  |                      |                      |                    |                         | <b>0.0</b>       |
| Contributions for former HRA staff             |                             |             |             | (350.0)              |                  |                      |                      |                    |                         | <b>(350.0)</b>   |
| Tourism Support                                |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(15.0)</b>    |
| Matched funding NWDA grant                     |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(26.4)</b>    |
| Community Engagem't Officer                    |                             |             |             |                      |                  |                      |                      | (32.5)             |                         | <b>(32.5)</b>    |
| Community Events                               |                             |             |             |                      |                  |                      |                      | (20.0)             |                         | <b>(20.0)</b>    |
| Planning for Climate Change Officer            |                             |             |             |                      |                  |                      |                      |                    | (21.0)                  | <b>(21.0)</b>    |
| Conversation Officers                          |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(36.3)</b>    |
| Transfers to/from Revenue                      |                             |             |             |                      |                  |                      |                      |                    |                         | <b>0.0</b>       |
| <b>Reserve Estimates 31/3/11</b>               | <b>36.2</b>                 | <b>6.5</b>  | <b>83.0</b> | <b>154.1</b>         | <b>504.6</b>     | <b>120.0</b>         | <b>0.0</b>           | <b>365.2</b>       | <b>16.4</b>             | <b>3,549.2</b>   |
| <b>Future Utilisation Plans</b>                |                             |             |             |                      |                  |                      |                      |                    |                         |                  |
| 2011/12 Plans                                  |                             |             |             | (102.1)              | (318.6)          |                      |                      | (41.7)             | (15.8)                  | <b>(1,103.3)</b> |
| 2012/13 Plans                                  |                             |             |             |                      | (186.0)          |                      |                      |                    |                         | <b>(274.2)</b>   |
| 2013/14 Plans                                  |                             |             |             |                      |                  |                      |                      |                    |                         | <b>(10.0)</b>    |
| 2014/15 Plans                                  |                             |             |             |                      |                  |                      |                      |                    |                         |                  |
| <b>Potential Reserve Balances</b>              | <b>36.2</b>                 | <b>6.5</b>  | <b>83.0</b> | <b>52.0</b>          | <b>0.0</b>       | <b>120.0</b>         | <b>0.0</b>           | <b>323.5</b>       | <b>0.6</b>              | <b>2,161.6</b>   |

### Leisure Reserves

Following the transfer of Bacup Leisure Hall, revenue monies are being set aside to a new Reserve for Bacup Neighbourhood Projects, in recognition of the capital receipts now being used to top up the Leisure Capital Investment Project.

The capital project has now been introduced to the Capital Programme with an initial estimate of £500k required during the last quarter of 2010/11.

### Pension Fund Reserve

The income to the Pension Fund Reserve now reflects the VAT Shelter receipts for Q1 and Q2 as well as the balance of the 2009/10 entitlement.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Government Grants Unapplied

| Government Grants Unapplied                  | Communities for Habitats | Mortgage Rescue | Empty shops revival | Housing Capital Pot | Sports Council | Big Lottery Grants | Communities for Health | Total          |
|--|--------------------------|-----------------|---------------------|---------------------|----------------|--------------------|------------------------|----------------|
|  | AL030114                 | AL030115        | AL030116            | AL030117            | AL030118       | AL030118           | AL030131               |                |
| <b>Balance at 01/04/10</b>                   | <b>16.8</b>              | <b>48.7</b>     | <b>52.6</b>         | <b>218.0</b>        | <b>0.0</b>     | <b>63.0</b>        | <b>179.5</b>           | <b>578.6</b>   |
| <b>New Funds Received 2010/11</b>            |                          |                 |                     |                     |                |                    |                        |                |
| 2010/11 grant received to date               |                          |                 |                     | 515.0               |                |                    |                        | 515.0          |
| <b>Total Funds Available</b>                 | <b>16.8</b>              | <b>48.7</b>     | <b>52.6</b>         | <b>733.0</b>        | <b>0.0</b>     | <b>63.0</b>        | <b>179.5</b>           | <b>1,093.6</b> |
| <b>Year-to-date Utilisation in 2010/2011</b> |                          |                 |                     |                     |                |                    |                        |                |
| 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            |
| Planning for Climate Officer                 |                          |                 |                     |                     |                |                    |                        | 0.0            |
| Sport for England                            |                          |                 |                     |                     |                |                    |                        | 0.0            |
| Healthy Workplace officer                    |                          |                 |                     |                     |                |                    |                        | 0.0            |
| Computer Equipment                           |                          |                 |                     |                     |                |                    |                        | 0.0            |
| Housing Capital Programme (incl Elevate)     |                          |                 |                     | (733.0)             |                |                    |                        | (733.0)        |
| Transfer via I&E to Earmarked Reserves       |                          |                 |                     |                     |                |                    |                        | 0.0            |
| <b>Anticipated Balance 31/3/11</b>           | <b>16.8</b>              | <b>48.7</b>     | <b>52.6</b>         | <b>0.0</b>          | <b>0.0</b>     | <b>63.0</b>        | <b>179.5</b>           | <b>360.6</b>   |
| <b>Future Utilisation Plans</b>              |                          |                 |                     |                     |                |                    |                        |                |
| 2011/12                                      |                          |                 |                     |                     |                |                    |                        | 0.0            |
| 2012/13                                      |                          |                 |                     |                     |                |                    |                        | 0.0            |
| 2013/14                                      |                          |                 |                     |                     |                |                    |                        | 0.0            |
| <b>Potential Reserve Balances</b>            | <b>16.8</b>              | <b>48.7</b>     | <b>52.6</b>         | <b>0.0</b>          | <b>0.0</b>     | <b>63.0</b>        | <b>179.5</b>           | <b>360.6</b>   |

Following the confirmation of the Elevate grant entitlement for 2010/11 the usage of the Housing Capital Pot funds will now be reviewed. Further information will be available next month.

### Staff Costs

One of the major cash flows of the Council is the payment of salaries to staff. In the first 6 months of the year the Council has saved £134k in terms of the expected costs of employees, an increase of £24k since the August report. At the end of September 4.3 posts remain vacant.

| Employment Costs<br>Period 6 - September 2010 | YTD            |                    | Variance<br>(Adv)/Fav<br>£000 | Movement<br>(Adv)/Fav<br>£000 | Original<br>Budget<br>Staff FTEs | Revised<br>Staff FTEs | Current<br>Vacant<br>Posts |
|---|----------------|--------------------|-------------------------------|-------------------------------|----------------------------------|-----------------------|----------------------------|
|   | Budget<br>£000 | YTD Actual<br>£000 |                               |                               |                                  |                       |                            |
| <b>Place Directorate</b>                      |                |                    |                               |                               |                                  |                       |                            |
| Communities Service                           | 290            | 281                | 9                             | 3                             | 17.3                             | 16.3                  | 1.0                        |
| Customer Services                             | 248            | 246                | 2                             | (2)                           | 13.8                             | 13.8                  | 0.0                        |
| Operations Service                            | 1,293          | 1,221              | 72                            | (6)                           | 86.6                             | 86.6                  | 1.0                        |
| <b>Business Directorate</b>                   |                |                    |                               |                               |                                  |                       |                            |
| Building Control Services                     | 101            | 104                | (3)                           | (0)                           | 5.0                              | 5.0                   | 0.0                        |
| Legal & Democratic Services                   | 222            | 198                | 24                            | 5                             | 14.3                             | 14.3                  | 0.5                        |
| Planning Services                             | 214            | 217                | (3)                           | 0                             | 12.5                             | 12.5                  | 0.0                        |
| Local Land Charges                            | 40             | 40                 | (0)                           | (0)                           | 2.5                              | 2.0                   | 0.0                        |
| Licensing                                     | 99             | 101                | (2)                           | (13)                          | 6.6                              | 6.6                   | 0.8                        |
| Health, Housing & Regeneration                | 471            | 459                | 12                            | 2                             | 23.0                             | 22.0                  | 0.0                        |
| <b>Corporate Services</b>                     |                |                    |                               |                               |                                  |                       |                            |
| Corporate Management                          | 183            | 181                | 2                             | 12                            | 6.0                              | 6.0                   | 0.0                        |
| Finance & Property Services                   | 334            | 327                | 7                             | 3                             | 21.7                             | 21.7                  | 1.0                        |
| People & Org. Performance                     | 162            | 157                | 5                             | 1                             | 9.1                              | 9.1                   | 0.0                        |
| Non-Distributed Costs                         | 105            | 97                 | 8                             | 18                            | -                                | -                     | -                          |
| <b>Total</b>                                  | <b>3,762</b>   | <b>3,628</b>       | <b>134</b>                    | <b>24</b>                     | <b>218.4</b>                     | <b>215.9</b>          | <b>4.3</b>                 |

|                                 |                               |                       |          |
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# Monthly Financial Monitoring Report 2010/11 – end of September 2010

## Treasury Management & Cash Flow Monitoring

### Deposits and Interest Earned

All our treasury management activity continues to be in accordance with our treasury advisor's (Sector) recommendations. No further investment activity was conducted in September. All cash surpluses are being held in the instant access SIBA account at Natwest and the Alliance & Leicester account, both of which have maintained their 0.8% interest rates during September.

Sector have reiterated their interest rate forecast, below, which is likely to affect the rate available on 15<sup>th</sup> October when officers look to reinvest the £3m currently on deposit with the Bank of Scotland for potentially a further 6 to 12 months. Forecasts for the annual interest earned have risen by £3.6k above the original budget, based on this £3m being placed on deposit for 6 months at the rate currently available of around 1.2%. Officers are now reviewing cash flow predictions for the end of 2010/11 and into 2011/12 to determine the affordability of a longer term deposit to earn a higher rate of interest.

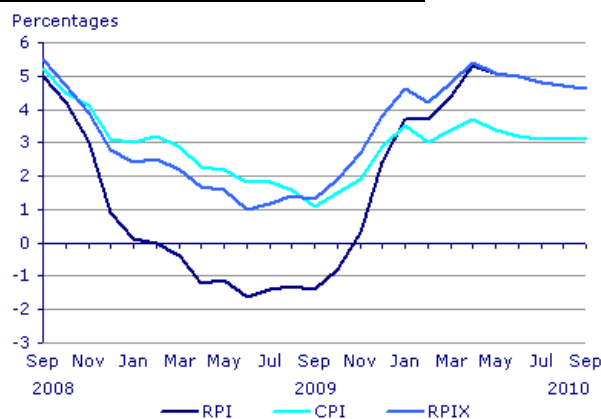
| Interest Forecast | Budget<br>10/11 | F'cast<br>10/11 | Variance<br>Fav/(Adv) |
|-------------------|-----------------|-----------------|-----------------------|
| Interest Paid     | (19.3)          | (14.3)          | 5.0                   |
| Interest Received | 82.0            | 85.7            | 3.6                   |
| <b>Total</b>      | <b>62.7</b>     | <b>71.4</b>     | <b>8.6</b>            |

| as at 30 September 2010         |                | Gross<br>Rate % | Interest<br>Paid |
|---------------------------------|----------------|-----------------|------------------|
| <b>NatWest</b>                  | £1M+           | 0.80            | Quarterly        |
| <b>Abbey National</b>           | £500+          | 0.80            | Quarterly        |
| <b>Alliance &amp; Leicester</b> | £500+          | 0.80            | Monthly          |
| <b>Bank of Scotland</b>         | £1+            | 0.51            | Monthly          |
| <b>Bank of Scotland</b>         | £3m 364 days   | 1.80            | Oct 2010         |
|                                 | £2m 364 days   | 1.90            | Mar 2011         |
| <b>Barclays</b>                 | £1.5m 364 days | 1.70            | Mar 2011         |
|                                 | £1.5m 364 days | 1.50            | Mar 2011         |

### Economic Outlook (at 13<sup>th</sup> October 2010)

CPI annual inflation (the Government's target measure) was 3.1 per cent in September, unchanged since July. RPI annual inflation was 4.6 per cent, down from 4.7 per cent in August.

The main drivers were the same as in August - costs of air transport, second-hand cars and fuel were the main downward pressures whilst increases came from clothing, footwear and food.



### Interest Rate Forward Predictions

Sector, have maintained their estimate of future base rates at those forecast last month. Any increase in base rate is predicted to be delayed until at least July 2011 whilst 25-year PWLB rates are not likely to recover to the 4.5% levels until the end of 2011.

| as at            | Q/E3  | Q/E4  | Q/E1  | Q/E2  | Q/E3  | Q/E4  |
|------------------|-------|-------|-------|-------|-------|-------|
| 30 Sept 2010     | 2010  | 2010  | 2011  | 2011  | 2011  | 2011  |
| <b>Base Rate</b> | 0.50% | 0.50% | 0.50% | 0.50% | 0.75% | 1.00% |
| <b>25yr PWLB</b> | 4.20% | 4.20% | 4.30% | 4.30% | 4.40% | 4.50% |

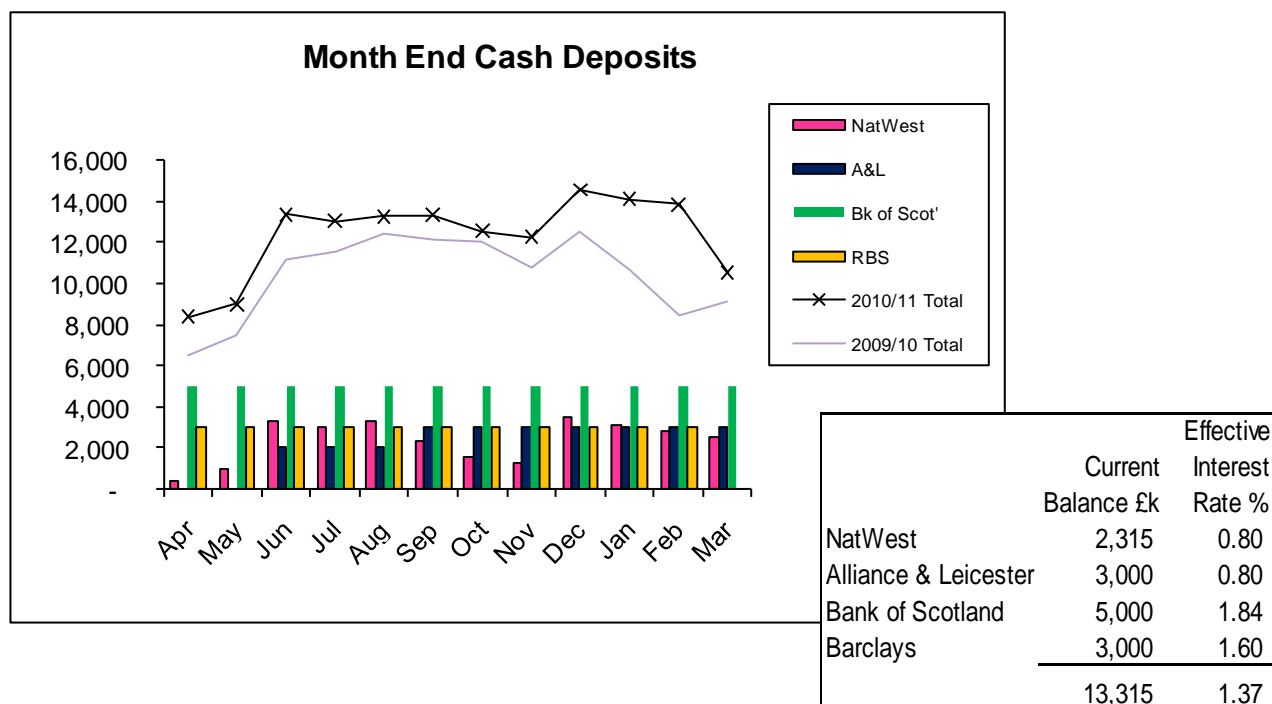
Such a slow-down is likely to adversely affect the estimates for interest income in 2011/12 by as much as £45k per annum.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Cash Flow Management

The Council's cash flow is closely following the 2009/10 pattern (as shown in the table below). The pattern of balances show how the precept payment 'holiday' in June and December each year affects the Council's cash levels. Timing of capital payments and the delay of grant receipts such as Elevate will have an impact on the balances until late autumn.



The current investments are resulting in an effective interest rate yield of 1.37% compared to the Sector model short-term portfolio of 0.92%.

### Treasury Management Practices and Prudential Indicators

Each year the Council updates its Treasury Management Strategy and Treasury Management Practices. All the Council's investments continue to follow the policies laid down in the Strategy document, only using UK high street banks with high credit ratings and/or assisted by government funding.

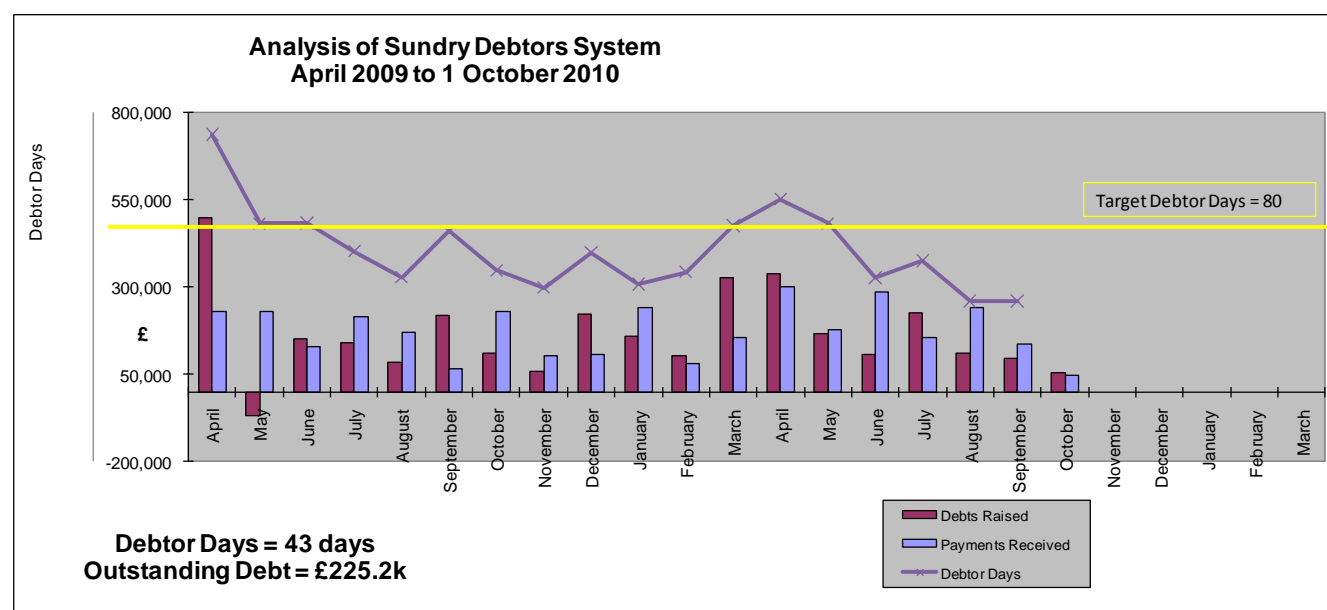
The Treasury Management Practices stipulate a maximum of £5m with any single institution, and £10m across a single group. In the first half of 2010/11 the amounts on overnight instant access deposit with the NatWest Special Interest Business Account (SIBA) have gone over this £5m limit on 7 separate occasions with a total duration of 12 days. In September the account reached £6.877m for one night before payments were made the following day. In response a further £1m has been transferred to the Alliance and Leicester account to hopefully avoid these occurrences in the future.

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Sundry Debts Monitoring

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



On the 1<sup>st</sup> October the debts outstanding balance was £225.2k. New debts raised in 2010/11 to date are £1,121.9k, of which 13.3% remain outstanding at the 1<sup>st</sup> October, a further improvement of 5.4% during September.

The legal team have maintained their debt collection efforts contributing to a Debtor Days figure of 43 compared to the target of 80 days and 79 days at the end of September 2009. Notable in September was the successful recovery of a 2007/08 debt including interest of £4.1k (page 23).

The Doubtful Debt Provision at the beginning of the year was £155.6k. A report is being submitted to the next available Cabinet recommending write-offs of £19.3k which will reduce the provision to £136.3k against an estimated requirement of £85.1k as shown below.

|                       | Mar 2009     | Mar 2010     | 1 Sept 2010 |              | 1 Oct 2010 |              | Doubtful Debt Prov'n |             |
|-----------------------|--------------|--------------|-------------|--------------|------------|--------------|----------------------|-------------|
|                       | £k           | £k           | £k          | £k           | £k         | £k           | rate                 | value       |
| <b>2005/06 Debt</b>   | 0.2          | 0.2          |             | 0.2          |            | 0.2          | 1                    | 0.2         |
| <b>2006/07 Debt</b>   | 5.3          | 2.6          |             | 2.5          |            | 2.4          | 1                    | 2.4         |
| <b>2007/08 Debt</b>   | 102.3        | 37.6         |             | 24.4         |            | 15.8         | 1                    | 15.8        |
| <b>2008/09 Debt</b>   | 397.5        | 21.5         |             | 16.0         |            | 15.5         | 1                    | 15.5        |
| <b>2009/10 Debt</b>   |              |              |             |              |            |              |                      |             |
| Q1                    |              | 7.3          | 1.6         |              | 1.5        |              | 1                    | 1.5         |
| Q2                    |              | 12.0         | 9.8         |              | 9.8        |              | 1                    | 9.8         |
| Q3                    |              | 10.6         | 6.0         |              | 5.0        |              | 0.75                 | 3.8         |
| Q4                    |              | 368.2        | 10.7        | 28.1         | 10.3       | 26.6         | 0.5                  | 5.2         |
| <b>2010/11 Debt</b>   |              |              |             |              |            |              |                      |             |
| Q1 - Apr              |              |              | 77.3        |              | 63.6       |              | 0.1                  | 6.4         |
| Q1 - May              |              |              | 2.5         |              | 1.2        |              | 0.1                  | 0.1         |
| Q1 - June             |              |              | 3.4         | 83.2         | 1.0        | 65.8         | 0.1                  | 0.1         |
| Q2 - July             |              |              | 20.8        |              | 5.1        |              | 0.1                  | 0.5         |
| Q2 - Aug              |              |              | 63.3        |              | 21.3       |              | 0.1                  | 2.1         |
| Q2 - Sept             |              |              | 0.8         | 84.9         | 50.0       | 76.4         | 0.1                  | 5.0         |
| Q3 - Oct              |              |              |             |              | 6.5        |              | 0.1                  | 0.7         |
| Q3 - Nov              |              |              |             |              |            |              | 0.1                  | 0.0         |
| Q3 - Dec              |              |              |             |              |            | 6.5          | 0.1                  | 0.0         |
| Other Debts o/s       |              |              |             | 16.0         |            | 16.0         | 1                    | 16.0        |
| <b>Total Debt o/s</b> | <b>505.3</b> | <b>460.0</b> |             | <b>255.3</b> |            | <b>225.2</b> |                      | <b>85.1</b> |

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Capital Programme

From September the Leisure Facilities Projects and other Performance Reward Grant projects have been included within both the capital expenditure and income tables on the following pages. In addition the position of the Elevate grant programme has now been confirmed.

### Capital Receipts Monitoring

| Major Receipts:         | Original  | Surplus / |           |
|-------------------------|-----------|-----------|-----------|
|                         | Expect'ns | Received  | (Deficit) |
|                         | £000      | £000      | £000      |
| <b>Capital Receipts</b> |           |           |           |
| Land & Property Sales   | 100       | 163       | 63        |
| CPO Reclaims            | -         | 83        | 83        |
| Equity Release/Elevate  | -         | -         | -         |
| GVH - RTB               | 100       | 126       | 26        |
| <b>Revenue Receipts</b> |           |           |           |
| GVH - Vat Shelter       | 520       | 148       | (372)     |
|                         | 720       | 520       | (200)     |

Receipts from the sale of assets to date include monies received on 1<sup>st</sup> October in relation to the disposal of Bacup Leisure Hall and monies received during September for the Station Road, Whitworth site. Other ongoing land transactions have prompted a review of the expected income to at least £350k, as shown on page 32.

Progress by legal section staff pursuing the refund of old Compulsory Purchase Order (CPO) deposits from the Courts means that the Council received a further £8k in September. With just a handful of cases left to settle, the full year forecast remains at £90k.

Green Vale Homes have confirmed that Right to Buy entitlement to Q2 has picked up significantly and they have set in process a payment of £125.5k. Therefore the estimate of income on page 32 has been revised upwards to £150k.

In addition to the £96k received so far from Greenvale Homes for VAT Shelter payments, the Q2 estimate is just £52k. Based upon this, the overall forecast for the year has been reduced by £120k to £400k. Following the transfer of the first £350k to the Pension Fund earmarked reserve for payments required to LCC Pension Fund this leaves only £50k to support capital spending as Revenue Contribution to Capital Outlay (RCCO) in the table on page 32.

The Useable Capital Receipts available in 2010/11 is estimated to reach £1,944k, with a further £657k being contributed from revenue resources and earmarked reserves to make a total of £2,601k, as shown on page 32.

### **Section 106 Receipts Monitoring**

There has been no movements in the S106 Deposits during September. Receipts in 2010/11 remained at £83k to fund future RBC capital projects and allocations at £26.9k relating to the Scour Moor site, bringing the balance held to £484k. The table below shows further details.

| Section 106 Agreements          | Third    | RBC      | RBC      | Total |
|---------------------------------|----------|----------|----------|-------|
|                                 | Party    | Revenue  | Capital  |       |
|                                 | Projects | Projects | Projects | Held  |
|                                 | £000     | £000     | £000     | £000  |
| Balance b fwd at 1st April 2010 | 157      | 215      | 56       | 428   |
| Deposits received in 2010/11    |          |          | 83       | 83    |
| Deposits applied in 2010/11     |          |          | (27)     | (27)  |
| Current Balance                 | 157      | 215      | 112      | 484   |

|                                 |                               |                       |          |
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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Capital Programme Spending

Actual capital expenditure, compared to budget, is as follows:

| SERVICE AREA                      | 2010/11<br>Budget<br>including<br>slippage | Period 6<br>MONITORING |                 | Full YR<br>Forecast | % spend<br>fo full yr<br>forecast | Funding Arrangements |                     |             |                  |                   |               |
|-----------------------------------|--|------------------------|-----------------|---------------------|-----------------------------------|----------------------|---------------------|-------------|------------------|-------------------|---------------|
|                                   | Total<br>£000                              | Spend<br>£000          | Committ<br>£000 | Forecast<br>£000    | to date<br>£000                   | Grants/<br>Insurance | Capital<br>Receipts | RBC<br>RCCO | External<br>Loan | RBC Int<br>Borrow | MRP<br>Effect |
| <b>Place Directorate</b>          |  |                        |                 |                     |                                   |                      |                     |             |                  |                   |               |
| Place Operations                  | 1,313                                      | 896                    | 32              | 1,493               | 62%                               | 0                    | 604                 | 87          | 0                | 802               | 158           |
| Customer Services & e Govt        | 0  | 136                    | 0               | 136                 | 100%                              | 136                  | 0                   | 0           | 0                | 0                 | 0             |
| Communities                       | 252  | 2                      | 30              | 246                 | 13%                               | 194                  | 37                  | 0           | 0                | 15                | 0             |
| Regeneration                      | 30   | 1                      | 0               | 30                  | 3%                                | 0                    | 0                   | 0           | 0                | 30                | 1             |
| <b>Corporate Support Services</b> |  |                        |                 |                     |                                   |                      |                     |             |                  |                   |               |
| Finance & Property Services       | 361  | 93                     | 57              | 368                 | 41%                               | 0                    | 199                 | 0           | 0                | 169               | 7             |
| Leisure Facilities                | 0  | 2                      | 0               | 500                 | 0%                                | 0                    | 0                   | 500         | 0                | 0                 | 0             |
| Other PRG Projects                | 0  | 0                      | 38              | 70                  | 54%                               | 0                    | 0                   | 70          | 0                | 0                 | 0             |
| <b>Housing</b>                    | 3,032                                      | 746                    | 1               | 2,707               | 28%                               | 2,435                | 272                 | 0           | 0                | 0                 | 0             |
|                                   | <b>4,988</b>                               | <b>1,876</b>           | <b>158</b>      | <b>5,550</b>        | <b>37%</b>                        | <b>2,765</b>         | <b>1,112</b>        | <b>657</b>  | <b>0</b>         | <b>1,016</b>      | <b>166</b>    |

The capital programme has seen three major changes in September which have resulted in a revised total of over £5.5m.

- Inclusion of an estimated spend of £500k on the Leisure Facilities Project – though the bulk of this project and its funding will occur in 2011/12, the exact split is not clear at present.
- Inclusion of Other Performance Reward Grants Projects, currently approved to spend £70k of the Earmarked Reserves brought forward.
- Revision of the Elevate programme downwards by £331k, as now confirmed, will mean a review of the facelifting schemes planned, but the results are not as bad as originally anticipated. All grant due in relation to 2010/11 spend to date is now expected to be received in October and a revised domestic face-lifting scheme has recommenced.

At the end of September 37% of the revised forecast had either been spent or committed, mainly in relation to vehicles and DFG works.

Significant capital activity during September included:

- £21k on Disabled Facilities Grants to bring year-to-date spend to 51% of programme.
- All payments have been made now for the £132k mobile One Stop Shop, with just some smaller equipment items to be paid for in October ahead of the launch on 12<sup>th</sup> October.
- Cemetery digitisation orders have been placed totalling £21k
- An order has been placed for £47k of works to Whitworth Pool.
- Only one vehicle remains on the order list now, all others are received and operating.

### Future issues

Council Officers are currently in dispute over the use of historic Section 106 monies. Should the Council be deemed liable, then an unbudgeted outlay of £35k will be incurred.

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## Monthly Financial Monitoring Report 2010/11 – end of September 2010

### Capital Programme Funding

The right hand side of the table at the top of the previous page shows how the full £5.55m capital programme is to be funded. Funds for the STAN and the 17.5% reduction in Elevate capital grants have contributed to a revised grant income of just under £2.8m. This leaves an intention to fund £1,112k from capital receipts, and £657k from revenue contributions (total £1,769k as shown in the table below). There is also a requirement to fund just over £1m of the capital programme from internal borrowing (largely in relation to vehicles – see MRP note below). The PWLB Loan for the Leisure Facilities Project has been held over to fund the bulk of the project in 2011/12.

Following the use of £1,769k to the 2010/11 capital programme revised expectation of capital at the 31<sup>st</sup> March 2011 is £832k. £86k was received from equity returns and VAT refunds on Facilities Grants and the usage of funds has therefore been reserved housing capital works. This £747k to support the general programme in future years.

| <b>Useable Capital Receipts Forecast</b>     | <b>£ 000</b>   |   |
|--|----------------|---|
| Useable Capital Receipts B'fwd 01/04/10      | 1,354          | finance costs, the resources Of this release Disabled these for future leaves capital |
| Capital Receipts expected in 2010/11         |                |   |
| Land & Property Sales                        | 350            |   |
| CPO Reclaims                                 | 90             |   |
| RTB Capital Receipt                          | 150            |   |
|  | <u>1,944</u>   |   |
| Revenue Contributions to Capital (RCCO)      |                |   |
| VAT Shelter Balance after Pensions           | 50             |   |
| from Leisure Facilities Reserves             | 500            |   |
| from other Earmarked Reserves                | 70             |   |
| from Revenue Operations                      | 37             |   |
| <b>Total Capital Resources Available</b>     | <b>2,601</b>   |   |
| Requirements of Capital Programme 2010/11    | <b>(1,769)</b> |   |
| <b>Capital Resources at 31st March 2011</b>  | <b>832</b>     |   |
| Receipts reserved for housing capital wks    | <b>(86)</b>    |   |
| <b>Remaining unreserved Capital Receipts</b> | <b>747</b>     | over the Revenue Provision  |

### Minimum Revenue Provision

Internal borrowing is paid back life of the assets from the Account (known as the Minimum or MRP) and the original budget for this in 2010/11 was £124.5k.

| <b>MRP Summary for 2010/11</b>           | <b>Budget</b> | <b>Charge</b> | <b>Available</b> |
|--|---------------|---------------|------------------|
|  | <b>£000</b>   | <b>£000</b>   | <b>£000</b>      |
| <b>Capital Financing (misc activity)</b> |               |               |                  |
| Activity Bfwd                            |               | 105.5         |                  |
| New charges in 2010/11                   |               | 8.0           |                  |
|  | <u>124.5</u>  | <u>113.5</u>  | <u>11.0</u>      |
| <b>Operations - Vehicles</b>             |               |               |                  |
| Charge re 2009/10 vehicles               |               | 269.4         |                  |
| Charge re 2010/11 vehicles               |               | 158.1         |                  |
|  | <u>496.9</u>  | <u>427.5</u>  | <u>69.4</u>      |
| <b>Total</b>                             | <b>621.4</b>  | <b>541.0</b>  | <b>80.4</b>      |

MRP charges relating to the purchase of the vehicle fleet have added £427.5k to the total charge and these are being met from the operations budgets in direct replacement of the former leasing costs. This has contributed £69.4k to the figure currently being transferred to the Vehicle Replacement Provision, as shown on page 10.

|                                 |                               |                       |          |
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# Monthly Financial Monitoring Report 2010/11 – end of September 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.

|                                 |                               |                       |          |
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### 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) and (RPIX)

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

RPIX is the RPI excluding mortgage interest payments.

### 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.

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