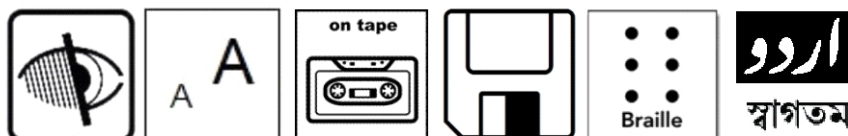


# Monthly Financial Monitoring Report

2011/12 as at end of May 2011 – Period 2

*Including a Glossary of terms on page 33*



## Monthly Financial Monitoring Report 2011/12 – end of May 2011

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

This first full monitoring report on the General Fund for 2011/12 is showing a £54k favourable variance compared to the original budget of £10,547k.

The table below shows how the potential carry forward of favourable Directorate variances might result in an increase in an adverse effect on the General Fund Reserve of £26k, leaving the current prediction for the General Fund reserve at 31<sup>st</sup> March 2012 of £937k against a target of £1m.

General Fund Reserves	General Fund Reserve £000	Directorate Investment Reserve £000
<b>Balance at 1st April 2011</b>	963	352
<b>Favourable/(adverse) movement in 2011/12</b>	60	
50% transfer to Directorate Investment Reserve		
Place Directorate	-	-
Business Directorate	(48)	48
Corporate Directorate	(32)	32
<b>Balance anticipated at 31st March 2012</b>	<b>943</b>	<b>432</b>

During 2011/12 monitoring routines have been strengthened further to provide rigorous examination of the progress towards savings included within the original budget in February, especially the effects of staff restructures and operational changes. The current progress is being reported within each service area on pages 4 to 23.

### Earmarked Revenue Reserves – page 24 to 25

The total cash-backed Earmarked Reserves at 1<sup>st</sup> April 2011 were £4,938k, including the above £352k Directorate Investment Reserve.

As planned in the 2011/12 budget in February, the value of the Transitional Grant following the Comprehensive Spending Review 2010 has been used in part to create a new reserve to help resources over the next two years as the Council works towards balancing its resources and service costs.

The tables on pages 24 and 25 now show the use of reserves planned but not auctioned at the end of 2010/11 alongside the application of reserves included within the original 2011/12 budget. New applications of these reserves are also being identified as the year progresses.

It is currently expected that the closing balance on Earmarked Reserves at 31<sup>st</sup> March 2012 will be reduced to £3,927k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	2
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Government Grants Unapplied – page 26

Government Grants Unapplied brought forward at 1<sup>st</sup> April 2011 amounted to £1,413k.

Disabled Facilities Grants will still be received in 2011/12, though the Housing Capital Pot grant was withdrawn last year in the Comprehensive Spending Review. At the current spending levels the balance available will be exhausted during 2013/14.

The Housing Market Renewal programme of works has been reviewed and final capital projects for 2011/12 are expected to be £462k with an additional £44k for revenue administration costs.

This means that the overall closing balance at 31<sup>st</sup> March 2012 is anticipated to be £618k.

### Staff Monitoring – page 26

The impacts of savings included within the budget have now been reflected in the staffing numbers (FTEs) in the table on page 26.

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

The Council's cash balances at the end of May were £12,220k, higher than expected due to capital works slippage. Officers are investigating options to invest a further £2m for up to 9 months to improve the interest income, though the Council's treasury management continues to out-perform the Sector model portfolio.

Total sundry debts outstanding have dropped to £343k with the collection of 2010/11 invoices now at 98%. This resulted in a drop in the average debtor days indicator to 58 (83 at the end of May 2010) compared to the target of 80 days.

The Bad Debt Provision balance at the end of March was £124k against an anticipated requirement of £98k, therefore no bad debt provision is proposed in 2011/12 at present.

### Capital Receipts – page 30

There was only one minor capital receipt in April & May against the annual target of £100k.

The Council's entitlement to Right-to-Buy income finished in March 2010, but the VAT shelter income continues for a further 5 years. Following a dip in spending by Green Vale Homes the anticipated income for 2011/12 was reduced to £328k in the original budgets (an amount required to fund pensions costs of former housing employees), though latest evidence from GVH predicts £536k. Any additional income will be available for capital projects and will be reported as the year progresses.

The total expected capital receipts in 2011/12 are still anticipated to be £100k, less costs of £8k.

Useable Capital Receipts balance brought forward was £1,224k. The addition of the £92k net receipts above and the anticipated revenue contributions of £849k, as explained on page 32, provide total anticipated funds of £2,165k against requirements from the revised capital programme of £1,810k. The table on page 30 shows that the closing balance is expected to be around £355k. None of this balance is earmarked for housing capital projects.

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

The original capital programme of £6,203k has been added to by the £1,827k slippage brought forward from 2010/11, giving a total revised programme of £8,030k.

Around £1,128k of capital works have been completed or ordered by the end of May, of which £374k relates to housing market renewal schemes and £204k to the Leisure investment project.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	3
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### General Fund Summary - May 2011 (Period 2)

Service Area	2011/12 Original Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Place Directorate</b>					
Communities	1,685.7	1,656.7	29.0	-	29.0
Customer Services and E-Government	1,288.2	1,400.3	(112.1)	-	(112.1)
Place Operations	1,770.0	1,793.8	(23.8)	-	(23.8)
<b>Business Directorate</b>					
Building Control Services	124.0	120.9	3.1	-	3.1
Legal & Democratic Services	793.9	768.1	25.8	-	25.8
Planning Services	204.4	189.9	14.5	-	14.5
Local Land Charges	10.1	21.6	(11.5)	-	(11.5)
Licensing	110.3	99.4	10.9	-	10.9
Health, Housing & Regeneration	972.3	918.7	53.6	-	53.6
<b>Corporate Support Services</b>					
Corporate Management	409.6	343.2	66.4	-	66.4
Finance & Property Services	1,455.6	1,469.5	(13.9)	-	(13.9)
People and Policy	435.8	428.0	7.7	-	7.7
Non Distributed Costs	550.1	551.0	(0.9)	-	(0.9)
Capital Financing and Interest	58.9	53.9	5.0	-	5.0
Leisure	678.6	678.6	-	-	-
<b>Favourable impact on General Fund</b>	<b>10,547.4</b>	<b>10,493.5</b>	<b>53.9</b>	<b>-</b>	<b>53.9</b>

The revenue position at the end of May includes significant favourable and adverse variances.

Total anticipated variance compared to the original budget in relation to staff is £133k favourable. In the Place Directorate this includes net favourable effects after the restructure between Communities and Operations of £36k. In the Business Directorate the variance is £54k favourable and £43k favourable in the Corporate Directorate.

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

- In Revenues and Benefits there is an anticipated shortfall in the subsidy of £50k with an additional £33k costs due to variations in the Capita contract and £10k less income expected in the court costs recovered.
- IT services are anticipating £44k extra costs in software and delays in the implementation of satellite circuits and disaster recovery plans.
- The Operations team is expecting a £25k overspend in relation to refuse collection as trade waste income falls and costs of refuse sacks and holders emerge.
- At present no additional contribution to the vehicle replacement provision is expected as overall vehicle maintenance costs are estimated at £29k above the original budget.
- New Homes Bonus Grant is a new incentive scheme estimated in the original budget at £80k. The final allocation for 2011/12 has come in at £22k above this.
- In property services the Business Centre income is expected to be £31k below target and a further £12k of rent-free grants have been made against other Council properties.
- On a favourable note running costs and repairs/maintenance of Council properties is expected to underspend by £30k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	4
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

Major Variances in April & May	Favourable /(Adverse)	Net
<b>Communities</b>		
Salaries & agency workers	15.9	
External grants and contributions (net)	2.2	
Cemeteries fee income	16.9	
Other variances	(6.0)	29.0
<b>Customer Services and e Government</b>		
Benefits Subsidy shortfall	(50.0)	
Revenues & Benefits Contract variations	(33.0)	
Court Costs income	(10.0)	
Software and IT projects	(44.0)	
Concessionary Fares	16.0	
Other variances	8.9	(112.1)
<b>Place Operations</b>		
Salaries & agency workers	20.2	
Fuel	8.6	
Trade waste income	(14.4)	
Refuse sacks & holders	(10.6)	
Vehicles (hire, maintenance, tyres & tools)	(28.9)	
Other minor variances	1.3	(23.8)
<b>Business Directorate</b>		
Staffing and agency cover	25.0	
Members Allowances (non take-up)	10.3	
Land Charges income	(12.5)	
Other variances	20.1	42.9
<b>Business - Health, Housing &amp; Regeneration</b>		
Staffing and agency cover	28.9	
Homelessness set-up costs	11.4	
Other variances	13.3	53.6
<b>Corporate Management</b>		
Staffing and agency cover	33.4	
New Homes Bonus incentive grant (above budget figure)	22.0	
Other Staff budget u/spends	5.0	
Other variances	6.0	66.4
<b>Finance &amp; Property Services</b>		
Insurance premiums council-wide	(8.7)	
Financial Services misc variances	3.7	
Business Centre income	(31.5)	
Rent-free grants to voluntary groups	(12.5)	
Offices running costs	18.4	
Repairs & Maintenance	11.4	
Communications (ISDN lines)	(13.0)	
Other property variances	18.3	(13.9)
<b>People &amp; Policy (incl P&amp;P &amp; Comm)</b>		
Staffing and agency cover	10.0	
Other variances	(2.3)	7.7
<b>Non-Distributed Costs &amp; Capital Financing</b>		
Interest payable	5.0	
Other variances	(0.9)	4.1
<b>Favourable/(adverse) on General Fund</b>		<b>53.9</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	5
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Communities - Period 2 (May)

Summary	2011/12 Org Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Strategic Functions</b>					
Community Management & Admin	131.6	129.6	1.9	-	1.9
Community Engagement	-	-	-	-	-
Community Safety	31.6	38.1	(6.5)	-	(6.5)
Local Strategic Partnership	(42.2)	(38.8)	(3.4)	-	(3.4)
Area Forum Grant Budgets	-	-	-	-	-
Grants	125.9	125.9	-	-	-
Discretionary NNDR	18.9	18.9	-	-	-
<b>Xmas Lights</b>	20.1	20.2	(0.1)	-	(0.1)
Area Team - Residual budget	20.9	24.4	(3.5)	-	(3.5)
Haslingden, Helmshore & Edenfield Locality	311.0	309.3	1.7	-	1.7
Rawtenstall Locality	400.1	383.9	16.2	-	16.2
Bacup & Whitworth Locality	322.3	313.2	9.1	-	9.1
Parks & Open Spaces	323.8	322.8	1.0	-	1.0
Street Cleansing	232.7	233.5	(0.8)	-	(0.8)
Cemetries	(128.3)	(145.3)	17.0	-	17.0
Markets	(120.7)	(109.5)	(11.1)	-	(11.1)
Dog Warden	30.4	29.7	0.7	-	0.7
Emergency Planning	7.7	0.8	6.9	-	6.9
<b>Total</b>	<b>1,685.7</b>	<b>1,656.7</b>	<b>29.0</b>	<b>-</b>	<b>29.0</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Community safety - Redundancy costs for Comm Safety Manager		(13.8)	(13.8)	
Community safety - Income from grants from Police		7.0	7.0	
LSP - Income from PCT not being allocated		(8.0)	(8.0)	
LSP 2nd homes income more than budget		3.2	3.2	
Locality Areas - Exhibitions and Special Events through the year		(3.4)	(3.4)	
Locality Areas - Salary saving		27.0	27.0	
Parks - Agency costs		(6.0)	(6.0)	
Parks - saving on tipping fees (in house)		7.0	7.0	
Open Spaces - Vehicles		2.2	2.2	
Street Sweeping - Salary Costs under spend		23.7	23.7	
Street Sweeping - Agency costs		1.9	1.9	
Street Sweeping - Modern Apprentices		(22.9)	(22.9)	
Street Sweeping - Vehicles		(2.3)	(2.3)	
Cemetries - Income increase in fees		16.9	16.9	
Misc costs		(3.5)	(3.5)	
			-	
<b>TOTAL</b>		<b>-</b>	<b>29.0</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	6
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>h</sup> June 2011	<b>Due for review</b>	July 2011

# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Communities Highlight Report – Period 2

### Historic Issues

- Nothing reported.

### Current Month Issues

- The Communities budgets have been amended to reflect the changes in management arrangements arising from the Operations and Communities restructure, the overall projection is for a £29k under spend.
- As a result of the recent Operations and Communities restructure, the post of Community Safety officer post has been disestablished; there is a redundancy cost of £13.8k relating to the disestablishment of this post which was not in the base budget.
- It is anticipated that RBC will receive un-budgeted grant income of circa £7k from the Police Authority.
- The Local Strategic Partnership budget is projected to over spend by £4.8k. This is due to the lost of £8k funding from the Primary Care Trust; however 2<sup>nd</sup> homes income is above budget by £3.2k.
- The Salary costs on the 3 Locality areas are under spending by £27k, primarily due to vacancies within what was formerly the Parks budget.
- The Street Sweeping budget transferred to Communities is forecast to under spend by £1.5k; The forecast assumes the appointment of 2 modern apprentices from 1<sup>st</sup> July, negating the need for 2 positions currently filled by Agency.
- Based on income received to-date Cemeteries income is anticipated to over achieve by £16.9k, this is partly due to increased fee charges not fully reflected in the budgets.
- The Parks budget is forecast to over spend by £6k on agency staff over summer.

### Future Issues

- Nothing to report

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	7
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>h</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Customer Services & E-Government - Period 2 (May)

Summary	2011/12 Org Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Strategic Functions</b>					
Management and Support	77.1	77.1	(0.0)	-	(0.0)
Service Assurance Team	146.7	144.1	2.6	-	2.6
<b>Revenues, Benefits and Customer Services</b>					
Local Tax Collection	(340.8)	(340.6)	(0.2)	-	(0.2)
Benefits Admin	822.1	854.8	(32.7)	-	(32.7)
Net - Benefit Payments & Subsidy received	(78.5)	(31.6)	(46.9)	-	(46.9)
<b>Information and Communications Technology</b>					
Concessionary Travel	602.0	653.1	(51.1)	-	(51.1)
Pest Control	40.0	23.9	16.1	-	16.1
	19.5	19.5	0.0	-	0.0
<b>Total</b>	<b>1,288.2</b>	<b>1,400.3</b>	<b>(112.1)</b>	-	<b>(112.1)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Projected shortfall - Housing Benefit Subsidy		(50.0)	(50.0)	
Cash Recovery of Housing Benefit over payments		3.0	3.0	
Revenue collection debit/credit card charges		8.0	8.0	
Income from Court Costs awarded		(10.0)	(10.0)	
Software Licenses / Purchase of Computer Equipment		(16.0)	(16.0)	
Delayed implementation of Satellite Circuits		(24.0)	(24.0)	
Delayed implementation of Disaster Recovery		(4.0)	(4.0)	
Capita - Inflation & delayed contract variations		(33.0)	(33.0)	
Concessionary Fares		16.0	16.0	
Other variances		(2.1)	(2.1)	
<b>TOTAL</b>	-	<b>(112.1)</b>	<b>(112.1)</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	8
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011



# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Customer Service & E-Government Highlight Report – Period 2 (May)

### Historic Issues

- Nothing reported.

### Current Month Issues

- The housing benefit subsidy budget is projected to have a shortfall of £50k. This projection is based upon the financial performance of the last two financial years. The primary reasons being that in respect of supported tenancies the council is not able to fully recover Housing Benefit it has paid in the first instance from the DWP. The anticipated shortfall in Housing Benefit paid in respect of supported housing tenancies is circa £80k
- The Council's contract with Capita for the collection of council tax and payment of housing benefit is indexed linked to inflation in September. Continuing high levels of inflation (circa 4.6%) and delays implementing contract variations are predicted to have an adverse impact of £33k.
- The 2011-12 budget was set on the understanding that the Council would introduce Satellite communication between its offices and new arrangements for its Disaster Recovery. The annual expenditure on Computer Circuits, Internet Access and Disaster Recovery was expected to be reduced by £77k.

The project has been delayed due to infrastructure issues with the buildings which have prevented the deployment of the new fibre circuit forming the back bone of the technology. A recovery plan has been developed to remedy the current issues and bring the project back on line. The projected go-live date is 1<sup>st</sup> September which leads officer to anticipate that there will be a projected shortfall of £44k.

- The Concessionary Fares budget is anticipated to under spend by £17k, as the Council is left with a small residual budget and responsibility for Concessionary Fares has transferred to Lancashire County Council. The Council has agreed at a cost of £6k to temporarily fund the late evening operation of the 464 bus service.
- Currently there is a projected shortfall of £10k with regards to Court Costs awarded to the Council for non payment of Council Tax; however there has only been one court date in the current financial year.

Due to the relocation / re-organisation of the Magistrates courts, there was no court in March 2011. The court costs awarded so far in 2011-12 do not appear to show any "catch up" for the missing court date. This position will become clearer once the figures are available from the June court.

### Future Issues

- The shortfall on Housing Benefit subsidy (circa £50k) may be met from the Council's Budget Volatility Reserve, depending upon the overall financial position of the Council later in the financial year.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	9
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Place Operations - Period 2 (May)

Summary	2011/12 Org Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Strategic Functions</b>					
Operations Admin / Vehicle Maintenance	542.0	559.5	(17.5)	-	(17.5)
<b>Operational Functions</b>					
Refuse Collection	803.5	791.3	12.1	-	12.1
Street Sweeping	424.6	442.9	(18.4)	-	(18.4)
<b>Total</b>	<b>1,770.0</b>	<b>1,793.8</b>	<b>(23.8)</b>	<b>-</b>	<b>(23.8)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Salary Costs - Operations HQ & Admin Support		(19.3)	(19.3)	Red
Salary Costs - Refuse		31.5	31.5	Green
Modern Apprentices Refuse		(68.8)	(68.8)	Red
Agency		67.2	67.2	Green
Income from Bulky Collections		(6.7)	(6.7)	Yellow
Recycling Contractors		3.6	3.6	Green
Recycling income		137.0	137.0	Green
Contribution to recycling volatility reserve		(137.0)	(137.0)	Red
Trade Waste Income		(14.4)	(14.4)	Red
Refuse sacks&Holders		(10.6)	(10.6)	Red
Fuel		8.6	8.6	Green
Street Sweeping - Staffing & agency costs		9.6	9.6	Green
Vehicle Rental - Street Sweeping		(16.0)	(16.0)	Red
Fleet Maintenance - staffing costs		9.0	9.0	Green
Tyres		(8.8)	(8.8)	Yellow
Protective Clothing		(4.6)	(4.6)	Yellow
Vehicle Consumables		5.0	5.0	Green
Vehicle Maintenance costs		(9.1)	(9.1)	Yellow
Miscellaneous under/(over) spends			-	Green
<b>TOTAL</b>	<b>-</b>	<b>(23.8)</b>	<b>(23.8)</b>	<b>Red</b>

Responsible Section/Team	Financial Services	Page	10
Responsible Author	Finance Manager	Version	1
Date last amended	10 <sup>h</sup> June 2011	Due for review	July 2011

# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Operations Highlight Report – Period 2 (May)

### Historic Issues

- Some savings identified for 2011/12 have been delayed; namely revised farms and outlying property collection rounds as well as extended alternative weekly collections. Consequently some additional costs are expected within the current financial year.
- Operations and Communities have been subject to a restructure and as a result responsibilities for parks, playing fields and some elements of street sweeping (mainly litter picking) have been transferred to the Communities department.
- Income from recycling activities is subject to market fluctuations. In an attempt to successfully manage any future price drops, monies received over and above the budget will be transferred into an income volatility provision. Based upon current income rates and volumes it is anticipated that an additional £137k will be received compared to the base budget and subsequently transferred to this income volatility provision in 2011-12.

### Current Month Issues

- Salary costs within operations head quarters are forecast to over spend by £19.3k due to timing variances on implementation of the new structure, and pay protection.
- Trade waste income is down £14.4k (a shortfall of 10% on the 2010-11 out-turn).
- The delayed implementation of farms and outlying property collection rounds has resulted in:
  - a delay in savings on refuse salary and agency costs, though other staff savings are leading to an overall staffing under spend of £30.3k.
  - a delay on collecting the additional 650 properties will result in £4.6k less cost share income received from LCC in the year.
  - the proposed new rounds will require an additional £8k for the purchase of general waste sacks not included in the original savings proposal.
- The overall staffing under spend quoted above assumes 9 Modern Apprentices being appointed 1<sup>st</sup> October which would negate the requirement for agency workers to cover absence/ holidays on the refuse puller function. Cover for drivers are still required.
- After taking into account the agency requirement of street sweeping, salary costs are forecast to be under spend by £9.6k, due to a post being filled from agency.
- Officers are currently investigating the operational requirements for road sweepers. In the interim one additional road sweeper is on hire which was not featured into the 2011/12 budget. Current estimations of the annual hire costs are £23k.
- Due to the divisional split of vehicles, an equitable allocation of fuel costs has been under taken. Current forecasts are for fuel expenditure to be below budget by £8.6k (based on current fuel prices and 2010/11 usage levels).
- Current income forecasts for bulky collections are £6.7k below target due to lower than expected levels of collections.

### Futures Issues

- Following the closure of the 2010/11 accounts the Vehicle Replacement Provision stands at £227k and the Vehicle Maintenance Provision is £35k. The original budget for 2011/12 plans to contribute a further £35k to the Maintenance Provision. No other contributions or utilisations are expected at present.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	11
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Business Services - Period 2 (May)

Summary	2011/12 Org Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Strategic Functions</b>					
Executive Director of Business	0.4	0.4	-	-	-
<b>Planning</b>					
Development Control	53.0	38.7	14.2	-	14.2
Forward Planning	151.5	151.1	0.3	-	0.3
<b>Land Charges</b>	10.1	21.6	(11.5)	-	(11.5)
<b>Building Control</b>					
Building Control - Fee Earning Account	15.5	10.7	4.8	-	4.8
Building Control - Statutory Function	100.5	102.2	(1.8)	-	(1.8)
Building Control - Street Signs	8.0	8.0	-	-	-
<b>Legal Services</b>	202.3	199.9	2.4	-	2.4
<b>Democratic Services</b>					
Electoral Registration	55.9	57.7	(1.7)	-	(1.7)
Elections	70.8	67.8	3.0	-	3.0
Democratic Representation	376.5	359.3	17.2	-	17.2
Mayoralty	80.5	79.0	1.5	-	1.5
Town Twinning	7.5	4.0	3.5	-	3.5
<b>Licensing</b>	110.3	99.4	10.9	-	10.9
<b>Total</b>	<b>1,242.7</b>	<b>1,199.8</b>	<b>42.9</b>	<b>-</b>	<b>42.9</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Legal - income		(1.5)	(1.5)	
Legal - Reference books		1.6	1.6	
Members Allowances - Non take up of entitlement/ no uplift		10.3	10.3	
Committee Servicing Staffing - Reduced Hours		4.8	4.8	
Mayoral - Salary cost relating to Mayor Attendants		1.7	1.7	
Twinning Twinning - under spend		3.5	3.5	
Elections - saving on Local / Referendum Elections		3.0	3.0	
Development Control - Staffing Vacancy		11.6	11.6	
Development Control - Vehicle Hire		1.3	1.3	
Development Control - Bus fares		1.0	1.0	
Land Charges - Income		(12.5)	(12.5)	
Land Charges - Misc		1.0	1.0	
Building Control - Fee Income		2.4	2.4	
Licensing - non take up of pension & Other Salary Costs		8.6	8.6	
Licensing - Car Allowances		3.1	3.1	
Licensing - Non Taxi Income		0.5	0.5	
Licensing - Income from registration of Taxis		(1.6)	(1.6)	
Misc		4.1	4.1	
<b>TOTAL</b>	<b>-</b>	<b>42.9</b>	<b>42.9</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	12
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Business Highlight Report – Period 2

### Historic Issues

- Nothing reported.

### Current Month Issues

- The Business directorate is currently forecast to under spend by £42.9k.
- Members Allowances and Expenses are forecasting a favourable variance of £10.3k due both to some members declining their entitlement and an agreement not to apply any uplift on allowances for a second year. Therefore the applicable rates for October 2011 to October 2012 remain based on minimum wage as at October 2009.
- Committee servicing salary costs are showing a saving of £4.8k following the reduced working hours of one officer.
- Town Twinning is expected to under spend by £3.5k.
- There is a saving within Development Control of £11.6k due to a vacancy which is assumed to be filled in September 2011.
- The income forecasts for Local Land Charges are currently £12.5k below the target set for this year. Expected market improvements have yet to feed through to the number of searches made.
- Licensing staff costs are below the budget for the year due to two members of staff not being in the pension scheme (saving £10k).

### Futures Issues

- Expenditure on the Core Strategy continues to be funded from the Earmarked Reserves as originally 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 have ceased, which may result in changes to the programme of works to ensure that costs are limited to the specific balances held in earmarked reserves.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	13
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Health, Housing & Regeneration - Period 2 (May)

Summary	2011/12 Org Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Strategic Functions</b>					
Regen Mangt & Admin	71.6	70.6	1.0	-	1.0
Tourism	52.1	13.2	38.8	-	38.8
<b>Economic Regeneration</b>					
Economic Regeneration	57.9	59.0	(1.1)	-	(1.1)
Museum	107.0	107.4	(0.4)	-	(0.4)
Regen Joint Delivery Team	1.7	2.5	(0.9)	-	(0.9)
Regeneration Projects	2.6	2.4	0.1	-	0.1
Parking	0.3	0.3	-	-	-
<b>Strategic Housing</b>					
Housing Strategy	58.6	54.0	4.6	-	4.6
Homelessness	71.0	68.8	2.2	-	2.2
Private Sector Renewal	63.1	59.4	3.7	-	3.7
<b>Environmental Health</b>					
Environmental Health	486.6	481.1	5.5	-	5.5
<b>Total</b>	<b>972.3</b>	<b>918.7</b>	<b>53.6</b>	<b>-</b>	<b>53.6</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Regen Management - Subscriptions		1.0	1.0	
Tourism - salary vacancy		38.8	38.8	
Econ Regen - External printing		(2.6)	(2.6)	
Econ Regen - Misc		1.5	1.5	
Housing Strat - Allowances		1.5	1.5	
Housing Strat - Publicity		2.0	2.0	
Housing Strat - Misc		0.9	0.9	
Private Sector Renewals - reduced hours		2.6	2.6	
Env Health - Maternity leave and Pension		27.8	27.8	
Env Health - Additional post		(28.0)	(28.0)	
Env Health - Misc		4.6	4.6	
Homelessness - Bonus payments		(1.0)	(1.0)	
Homelessness - Increments		(2.1)	(2.1)	
Homelessness - Training		4.0	4.0	
Homelessness - Misc		1.3	1.3	
Other variances		1.3	1.3	
<b>TOTAL</b>	<b>-</b>	<b>53.6</b>	<b>53.6</b>	

Responsible Section/Team	Financial Services	Page	14
Responsible Author	Finance Manager	Version	1
Date last amended	10 <sup>th</sup> June 2011	Due for review	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Business - Health, Housing & Regeneration Highlight Report – Period 2 (May)

#### Historic Issues

- Nothing reported.

#### Current Month Issues

- The overall position of Health, Housing and Regeneration is a forecast to under spend by £53.6k.
- Currently the tourism officer post is vacant and there are no plans to make an appointment to this during the current financial year, saving £38.8k. Any change to this assumption would have an adverse impact.
- Housing Strategy is forecast to under spend by £4.6k mainly on publicity (£2k), and car allowances (£1.5k).
- The new in-house homelessness function is currently forecast to over spend on salaries due to the payment of a bonus relating to their time within Greenvale Homes (£1k), and two employees transferring on higher increment points than anticipated (£2.3k). Conversely, the new function is forecast to under spend on non pay elements by £5.3k. (Officers are investigating the potential to recover some costs from Green Vale Homes).
- The Environmental Health team is forecast to under spend on salary costs due to one member being on maternity leave (due back mid August) and another not taking the option to join the pension scheme. An employee previously forecast as funded from earmarked reserves will be funded from the saving in year.

#### Futures Issues

- Nothing to report.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	15
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Corporate Management - Period 2 (May)

Summary	2011/12 Org Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	290.9	256.6	34.3	-	34.3
Corporate Contingency	-	-	-	-	-
Executive Support & Corporate Subscriptions	118.7	86.6	32.1	-	32.1
<b>Total</b>	<b>409.6</b>	<b>343.2</b>	<b>66.4</b>	<b>-</b>	<b>66.4</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Executive Officer - Admin Support		31.0	31.0	
Executive Office - annual leave buy back scheme		2.4	2.4	
Executive Office - New Homes Bonus		22.0	22.0	
Miscellaneous non pay budgets		6.0	6.0	
<b>TOTAL</b>	<b>-</b>	<b>61.4</b>	<b>61.4</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	16
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>h</sup> June 2011	<b>Due for review</b>	July 2011



# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Corporate Management Highlight Report – Period 2 (May)

### Historic Issues

- Nothing reported.

### Current Month Issues

- A current vacancy in the Exec support office is not expected to be filled, resulting in a saving of £31k for the year.
- The first year allocation of the New Homes Bonus Grant was included in the Council's original budgets at £80k. The final allocation of this new grant for 2011/12 is £22k higher than that budgeted, this additional income has been allocated centrally to the Executive office.
- The Chief Exec Contingency monies are held in provision; the balance at the start of the financial year was £104.7k, to-date there is only commitment against this provision.

<b>Corporate Contingency</b>	<b>£000</b>
<b>Balance brought forward 1<sup>st</sup> April 2011</b>	<b>104.7</b>
East Lancs Railway Commuted Sum	(5.0)
<b>Total Funds Available</b>	<b>99.7</b>

### Futures Issues

- Nothing to report

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	17
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Finance and Property Services - Period 2 (May)

Summary	2011/12 Org Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Financial Services Team</b>	409.3	411.0	(1.7)	-	(1.7)
<b>Internal Audit</b>	80.0	80.0	-	-	-
<b>Corporate Costs</b>					
External Audit Fee	122.8	122.8	-	-	-
Bank Charges (net of fees)	13.4	16.7	(3.3)	-	(3.3)
Treasury Management	6.6	6.6	-	-	-
<b>Property Services</b>					
Property Services Team	243.0	255.8	(12.8)	-	(12.8)
Corporate Estates	(73.2)	(64.3)	(8.9)	-	(8.9)
Non Domestic Estates	(56.2)	(66.4)	10.3	-	10.3
Office Accommodation	263.0	246.4	16.6	-	16.6
Operational Properties	358.5	356.7	1.8	-	1.8
Leisure Properties	86.8	77.6	9.2	-	9.2
Bus Shelters	(17.5)	(18.1)	0.7	-	0.7
Business Centre	19.1	44.8	(25.7)	-	(25.7)
<b>Total</b>	<b>1,455.6</b>	<b>1,469.5</b>	<b>(13.9)</b>	-	<b>(13.9)</b>

823.6      832.5      -8.9      0.0      -8.9

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Financial Services Team - increase in insurance council-wide		(8.7)	(8.7)	Yellow
Financial Services Team - miscellaneous savings		7.0	7.0	Green
Corporate Costs - Bank Charges (net of credit card fees)		(3.3)	(3.3)	Yellow
Business Centre Income		(31.5)	(31.5)	Red
Business Centre Staffing saving		5.6	5.6	Green
Business Centre - Misc expenditure		1.1	1.1	Green
Business Rates Refund - Astoria / Old Town Hall		24.0	24.0	Green
Business Rates - empty properties Kay St		(6.0)	(6.0)	Yellow
Surveyor/ Valuer salary costs to be funded from Capital Receipts		2.3	2.3	Green
Staffing under spends - One Stop Shop		4.0	4.0	Green
Rent Free Allowances - various voluntary groups		(12.5)	(12.5)	Red
Valuation fees		(5.0)	(5.0)	Yellow
Industrial Units		7.6	7.6	Green
Rental Income from Misc Properties		(3.0)	(3.0)	Yellow
Repair & Maintenance		11.4	11.4	Green
Water		7.6	7.6	Green
Gas		(2.8)	(2.8)	Yellow
Electric		(4.4)	(4.4)	Yellow
Asbestos Saving		1.0	1.0	Green
Delays in cancelling ISDN Lines		(13.0)	(13.0)	Red
Other facilities variances		4.7	4.7	Green
<b>TOTAL</b>	-	<b>(13.9)</b>	<b>(13.9)</b>	Red

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	18
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Finance & Property Services - Monitoring Highlight Report – Period 2

### Financial Services

#### Historic Issues

- Nothing reported.

#### Current Month Issues

- Insurance premiums across the Council have increased by £8.7k, partly due to increased Insurance Premium Tax. This variance is shown collectively against Finance where officers have begun to identify savings to mitigate these costs.

#### Futures Issues

- Whilst the current overspend on bank charges is currently forecast to be £3.3k, staff are closely monitoring the change in payment patterns and costs following the introduction of credit card charges.

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### Property Services

#### Historic Issues

- Nothing reported.

#### Current Month Issues

- Repair & maintenance budget is forecast to under spend by £11.4k
- Gas and Electricity charges are likely to over spend by £2.8k and £4.4k
- Water costs are likely to under spend by £7.6k. New charges by United Utilities for waste water are being successfully challenged by officers and costs are being reduced across the borough.
- The council has received a business rate refund for the Astoria and the Old Town Hall totalling £24k. Changes in legislation have now made the Kay St properties liable to Business rates, the cost in 2011-12 is £6.2k.
- Predictions for rent income at the Business Centre show a shortfall of £31.5k. Office facilities are facing fierce competition with a wide range of empty properties across the region.
- Due to the new Grant allocation in 2011/12 three voluntary groups have a rent free period for one year. This cost is being absorbed within the Revenue budgets
- A new contract led by the IT team regarding the replacement for the ISDN communication line has been delayed resulting in an over spend of £13k. This matter is linked to those highlighted in the Customer Services & E-Government.

#### Futures Issues

- RBC has responsibility the road to the Haslingden Tip which is in need of urgent repairs. The Council is responsible for 20% and LCC is responsible for 80% of repair work. It is likely the total costs are to be in the region of £40k. It is hoped that once the repairs have been done the road will become adopted and LCC will take over full responsibility.
- The Council is continuing to bear the costs of security and maintenance at Rossendale Ski Slop, until a final decision is made regarding the viability of another organisation taking over the running of the ski slope. The projected costs for the continued maintenance of the Ski Rossendale are £23.5k (up until the end of July). Funding will come from the Change Management Reserve.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	19
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### People and Policy - Period 2 (May)

Summary	2011/12 Org Budget £000	2011/12 Forecast £000	2011/12 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
People & Organisational Development Human Resources	435.8	428.0	7.7	-	7.7
<b>Total</b>	<b>435.8</b>	<b>428.0</b>	<b>7.7</b>	<b>-</b>	<b>7.7</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
People & Policy - Salary under spends		10.0	10.0	Green
Legal Fees - Single Status Claims		(2.3)	(2.3)	Yellow
<b>TOTAL</b>	<b>-</b>	<b>7.7</b>	<b>7.7</b>	Green

Responsible Section/Team	Financial Services	Page	20
Responsible Author	Finance Manager	Version	1
Date last amended	10 <sup>h</sup> June 2011	Due for review	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### People & Policy Highlight Report – Period 2 (May)

#### Historic Issues

- Nothing reported

#### Current Month Issues

- Staffing costs are expected to be £10k lower than the budget as cover for maternity leave has been absorbed within the department.
- Following the settlement of an equal pay claim the remaining legal fees are expected to be £2.3k.

#### Futures Issues

- Nothing to report

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	21
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

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

Period 2 (May)

Summary	2010/11 Org Budget £000	2010/11 Forecast £000	2010/11 Variance (Adv)/Fav £000	Variance last reported £000	Change in May (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	488.7	488.7	-	-	-
Other Non-distributed Costs	61.4	62.3	(0.9)	-	(0.9)
<b>Capital Financing</b>					
Minimum Revenue Provision	124.5	124.5	-	-	-
Investment Interest	(65.7)	(70.7)	5.0	-	5.0
<b>Leisure</b>	678.6	678.6	-	-	-
<b>Total</b>	<b>1,287.5</b>	<b>1,283.4</b>	<b>4.1</b>	<b>-</b>	<b>4.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Miscellaneous income		(0.9)	(0.9)	
Interest payable		5.0	5.0	
			-	
<b>TOTAL</b>	<b>-</b>	<b>4.1</b>	<b>4.1</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	22
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Non-Distributed Costs & Capital Financing - Highlight Report – Period 2 (May)

#### Historic Issues

- Grant funding to Rossendale Leisure Trust and CLAW was previously reported within Customer Services & E-Government.

#### Current Month Issues

- Costs related to the collection of old Mortgages has fallen by £0.9k.
- With the transfer of Trust Funds to the Community Foundation for Lancashire to a separately administered fund, the council is no longer required to budget for interest credits.

#### Futures Issues

- Included in the budget is the anticipated receipt of £328k in relation to the Greenvale Homes VAT Share. This is received quarterly therefore at the time of writing no funds have been received.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	23
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Economic Regen Reserves									
	Change Manag't	Director Invest Reserve	Planning LABGIS	Core Strategy	Econ' Regen'	Budget Volatility	Single Status	Perform' Manage't	Homeless' Reserve	Health & Wellbeing Projects
	AN060103	an060123	AN060107	AN060108	AN060109	AN060110	AN060111	AN060112	AN060127	AN060113
<b>Balance at 01/04/11</b>	<b>271.6</b>	<b>352.0</b>	<b>95.0</b>	<b>303.4</b>	<b>635.9</b>	<b>348.4</b>	<b>248.2</b>	<b>64.5</b>	<b>186.9</b>	<b>63.9</b>
<b>Funds Received 2011/12</b>										
2011/12 grants										
Revenue income received										
Revenue income anticipated					50.0					
<b>Total Funds Available</b>	<b>271.6</b>	<b>352.0</b>	<b>95.0</b>	<b>303.4</b>	<b>685.9</b>	<b>348.4</b>	<b>248.2</b>	<b>64.5</b>	<b>186.9</b>	<b>63.9</b>
<b>2010/11 Utilisation Deferred</b>										
2008-09 Capita Performance								(6.6)		
Costs Bacup Leisure Hall/Ski Slope										
Appraisal of 7 Conservation Areas			(11.5)							
Tourism Study					(15.0)					
PRG - CCTV (2 locations)										
PRG - Improvements to Signage										
Planning - Core Strategy				(153.0)						
<b>2011-12 Published Budget Utilisation</b>										
Community Engagement Officer (ABG)										
Single Status - Revenue Support							(40.0)			
NWDA Officer (LABGI)					(45.0)					
NWDA Admin (LABGI)					(20.0)					
Climate Change Officer (ABG)										
Conservation officer			(23.8)							
Planning Conservation (LABGI)			(12.4)							
Env Health Officer (Health Monies)										(28.1)
CPSO (£35k is Unapplied Grant)										(35.0)
Elevate Commitment (Regen grant)										
Area Forums - local Grants										
<b>2011-12 Other Utilisation Plans</b>										
Leisure Trust Management										
Leisure Building costs										
Valley Centre Spend					(110.9)					
Single Status - Settlement payments							(14.0)			
Rossendale against recession					(10.0)					
Other Grants					(10.0)					
Map Allocations				(17.0)						
Core Strategy Printing				(6.2)						
Site Allocations Development Plan Doc				(20.0)						
Letter Drop				(7.4)						
Supplementary Planning Doc				(5.0)						
Evidence Gathering				(11.0)						
Employment Study				(6.2)						
Retail Study				(10.5)						
Digitisation				(3.8)						
<b>Reserve Estimates 31/3/12</b>	<b>271.6</b>	<b>352.0</b>	<b>47.3</b>	<b>63.3</b>	<b>475.0</b>	<b>348.4</b>	<b>194.2</b>	<b>57.9</b>	<b>186.9</b>	<b>0.8</b>
<b>Future Utilisation Plans</b>										
2011/12 Plans									(186.9)	
2012/13 Plans				(63.3)	(77.0)					
2013/14 Plans										
2014/15 Plans										
<b>Potential Reserve Balances</b>	<b>271.6</b>	<b>352.0</b>	<b>47.3</b>	<b>0.0</b>	<b>398.0</b>	<b>348.4</b>	<b>194.2</b>	<b>57.9</b>	<b>0.0</b>	<b>0.8</b>

Directorate Investment Reserve	April 2011
Place Directorate	120.0
Business Directorate	93.0
Corporate Directorate	139.0
<b>Opening Balance 2011/12</b>	<b>352.0</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	24
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>h</sup> June 2011	<b>Due for review</b>	July 2011



## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Contam		Pension	Leisure	Bacup	PRIDE	Perform	Transitional	Area	Total
	Land	IT Reserve	Fund Reserve	Reserves	N'hood Reserve	Reserve	Reward Grant	Budgetary Support	Based Grants	
	AN060114	AN060115	AN060117	AN060118	AN060125	AN060126	AN060120	AN060129	AN060121	
<b>Balance at 01/04/11</b>	<b>6.5</b>	<b>60.1</b>	<b>356.0</b>	<b>844.8</b>	<b>135.0</b>	<b>177.0</b>	<b>397.0</b>	<b>0.0</b>	<b>392.2</b>	<b>4,938.4</b>
<b>Funds Received 2010/11</b>										
2011/12 grants										0.0
Revenue income received										0.0
Revenue income anticipated								548.0		598.0
<b>Total Funds Available</b>	<b>6.5</b>	<b>60.1</b>	<b>356.0</b>	<b>844.8</b>	<b>135.0</b>	<b>177.0</b>	<b>397.0</b>	<b>548.0</b>	<b>392.2</b>	<b>5,536.4</b>
<b>2010/11 Utilisation Deferred</b>										
2008-09 Capita Performance										(6.6)
Costs Bacup Leisure Hall/Ski Slope					(15.0)					(15.0)
Appraisal of 7 Conservation Areas										(11.5)
Tourism Study										(15.0)
PRG - CCTV (2 locations)							(50.0)			(50.0)
PRG - Improvements to Signage							(32.0)			(32.0)
Planning - Core Strategy										(153.0)
<b>2011-12 Published Budget Utilisation</b>										
Community Engagement Officer (ABG)									(33.4)	(33.4)
Single Status - Revenue Support										(40.0)
NWDA Officer (LABGI)										(45.0)
NWDA Admin (LABGI)										(20.0)
Climate Change Officer (ABG)									(23.9)	(23.9)
Conservation officer										(23.8)
Planning Conservation (LABGI)										(12.4)
Env Health Officer (Health Monies)										(28.1)
CPSO (£35k is Unapplied Grant)										(35.0)
Elevate Commitment (Regen grant)										0.0
Area Forums - local Grants						(70.0)				(70.0)
<b>2011-12 Other Utilisation Plans</b>										
Leisure Trust Management				(137.4)						(137.4)
Leisure Building costs				(625.0)						(625.0)
Valley Centre Spend										(110.9)
Single Status - Settlement payments										(14.0)
Rossendale against recession										(10.0)
Other Grants										(10.0)
Map Allocations										(17.0)
Core Strategy Printing										(6.2)
Site Allocations Development Plan Doc										(20.0)
Letter Drop										(7.4)
Supplementary Planning Doc										(5.0)
Evidence Gathering										(11.0)
Employment Study										(6.2)
Retail Study										(10.5)
Digitisation										(3.8)
										0.0
										0.0
<b>Reserve Estimates 31/3/12</b>	<b>6.5</b>	<b>60.1</b>	<b>356.0</b>	<b>82.4</b>	<b>120.0</b>	<b>107.0</b>	<b>315.0</b>	<b>548.0</b>	<b>334.9</b>	<b>3,927.3</b>
<b>Future Utilisation Plans</b>										
2011/12 Plans		(60.1)					(127.6)			(374.6)
2012/13 Plans			(356.0)			(70.0)		(130.0)	(21.7)	(718.0)
2013/14 Plans						(70.0)		(418.0)		(488.0)
2014/15 Plans										0.0
<b>Potential Reserve Balances</b>	<b>6.5</b>	<b>0.0</b>	<b>0.0</b>	<b>82.4</b>	<b>120.0</b>	<b>(33.0)</b>	<b>187.4</b>	<b>0.0</b>	<b>313.2</b>	<b>2,346.7</b>

### Current issues

The Transitional Budgetary Support Reserve: this is a new Reserve funded in the main by the transitional grant receivable in 2011/12 and 2012/13. These funds have been set aside for 2011/12 to fund some of the future budget deficits as part of the Council's plans to meet the Medium Term Financial Strategy.

The Pride Reserve: when setting the Area Forum Grants budgets for 2011-2014, the Environmental Projects Capital Budgets was identified as the source of funding. The 2010/11 utilisation of these monies exceeded expectations, and consequently the balance left does not meet the anticipated demand by £33k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	25
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>h</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Capital Grants Unapplied

<b>Capital Grants Unapplied</b>	Commun' for Habitats	Mortgage Rescue	Empty shops revival	Housing Capital Pot	Disabled Facilities Grants	Big Lottery Grants	Regenerat'n Grants	Commun' for Health	Total
<b>Balance at 01/04/11</b>	25.2	48.8	52.6	543.1	0.0	62.9	506.9	174.0	1,413.5
<b>New Funds Received 2011/12</b>									
Government grant received/expected					353.0				353.0
Other contributions					200.0				200.0
<b>Total Funds Available</b>	25.2	48.8	52.6	543.1	553.0	62.9	506.9	174.0	1,966.5
<b>Planned Utilisation in 2011/12</b>									
Healthy Workplace officer									0.0
Computer Equipment									0.0
Playground upgrades to capital						(62.9)			(62.9)
<b>Housing Capital Programme</b>									
Disabled Facilities Grants				(141.0)	(553.0)				(694.0)
Compulsory Purchase Orders				0.0					0.0
Other Housing Capital Programme				(85.0)					(85.0)
Elevate Programme utilised to date							(506.9)		(506.9)
<b>Anticipated Balance 31/3/12</b>	25.2	48.8	52.6	317.1	0.0	0.0	0.0	174.0	617.7
<b>Future Utilisation Plans</b>									
2012/13	(16.8)			(226.0)					(242.8)
2013/14									0.0
2014/15									0.0
<b>Potential Reserve Balances</b>	8.4	48.8	52.6	91.1	0.0	0.0	0.0	174.0	374.9

Regeneration grants holds the balance on the Housing Market Renewal scheme for both capital and revenue projects.

### Future Issues

DFG grant is expected to continue in the future, but matched third-party funding is not guaranteed. The Comprehensive Spending Review has led to the withdrawal of Housing Capital Pot grant funding, therefore the planned spending of £226k in 2011/12 will only be sustainable for a further year.

### Staff Costs

Year-to-date performance and vacancies are shown below.

<b>Employment Costs Period 2 - May 2011</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance (Adv)/Fav</b>	<b>Original Budget Staff FTEs</b>	<b>Current Vacant Posts</b>
	£000	£000	£000		
<b>Place Directorate</b>					
Communities Service	235	231	4	45.2	0.0
Customer Services	84	87	(3)	13.4	0.0
Operations Service	249	272	(23)	48.4	0.0
<b>Business Directorate</b>					
Building Control Services	37	37	0	5.0	0.0
Legal & Democratic Services	73	72	1	12.9	0.0
Planning Services	79	74	5	13.3	1.0
Local Land Charges	13	13	0	2.0	0.0
Licensing	35	33	2	6.8	0.0
Health, Housing & Regeneration	166	156	10	20.4	1.0
<b>Corporate Services</b>					
Corporate Management	66	60	6	6.0	1.0
Finance & Property Services	116	113	3	21.2	0.0
People & Org. Performance	55	53	2	8.5	0.0
Non-Distributed Costs	86	44	42	-	-
<b>Total</b>	1,294	1,245	49	203.0	3.0

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	26
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## 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.

During April and May no further treasury management activity was undertaken. All day to day cash flows were between the NatWest SIBA account and the Santander instant access account (formerly Alliance and Leicester). Following the cash flow review at the end of May there is a potential for a further investment of £2m for between 6 and 9 months and officers are looking to place this with either Santander or Barclays, potentially earning between 1.4% and 1.67% for the term rather than the current 0.8%. This decision will depend upon the forecast for base interest rate rises shown below, but could increase the interest earned by up to £10k on the forecast below.

Interest Forecast	Budget 11/12	Forecast 11/12	Variance Fav/(Adv)
Other Interest paid	(14.0)	(9.0)	5.0
GF Interest received	82.0	82.0	0.0
GF Net Interest	68.0	73.0	5.0
PWLB Interest paid	(124.5)	(124.5)	0.0
Interest capitalised	31.0	31.0	0.0
Capital Net Interest	(93.5)	(93.5)	0.0

as at 31 May 2011		Gross Rate %	Interest Paid
<b>NatWest</b>	£1M+	0.80	Quarterly
<b>Santander</b>	£500+	0.80	Monthly
<b>Bank of Scotland</b>	£3m 364 days	1.90	Oct 2011
<b>Lloyds</b>	£3m 364 days	2.10	Mar 2012
<b>Lancashire County Council</b>		0.70	Quarterly

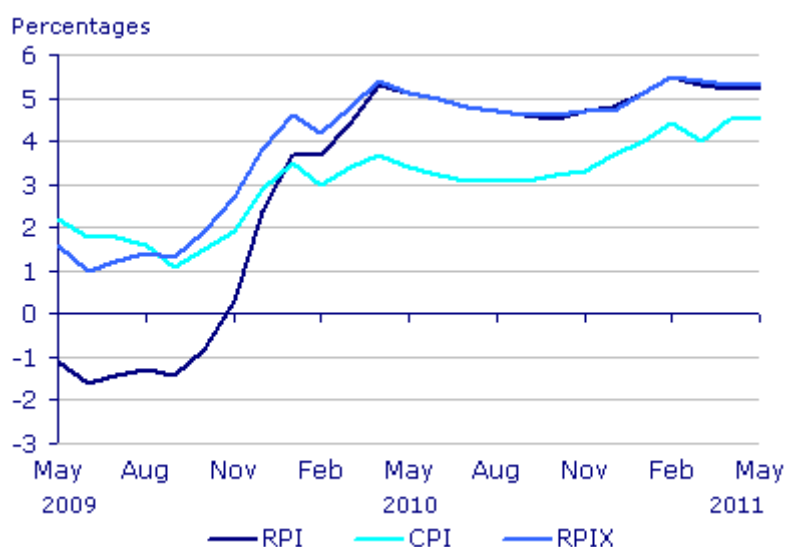
### Economic Outlook (at 14<sup>th</sup> June 2011)

CPI annual inflation (the Government's target measure) 4.5 per cent in May, unchanged from April.

Downward pressures on transport came from the timing of Easter in March 2010 and April 2011.

By far the largest upward pressure came from food and non-alcoholic beverages covering a wide range of product groups, but most notably from fruit and meat. Fruit prices rose by 4.7 per cent compared with a fall of 0.4 per cent a year ago.

In the year to May, RPI annual inflation was 5.2 per cent, unchanged from April. The main factors followed those affecting the CPI.



### Interest rate forward predictions

Following the release of the April economic data Sector confirmed their prediction for the increase in base rates in the autumn. As the Bank of England maintained the base rate at 0.5% in May, this prediction has not changed. The predictions for the PWLB 25-year loan rate remain at 5.4% until the spring of 2012.

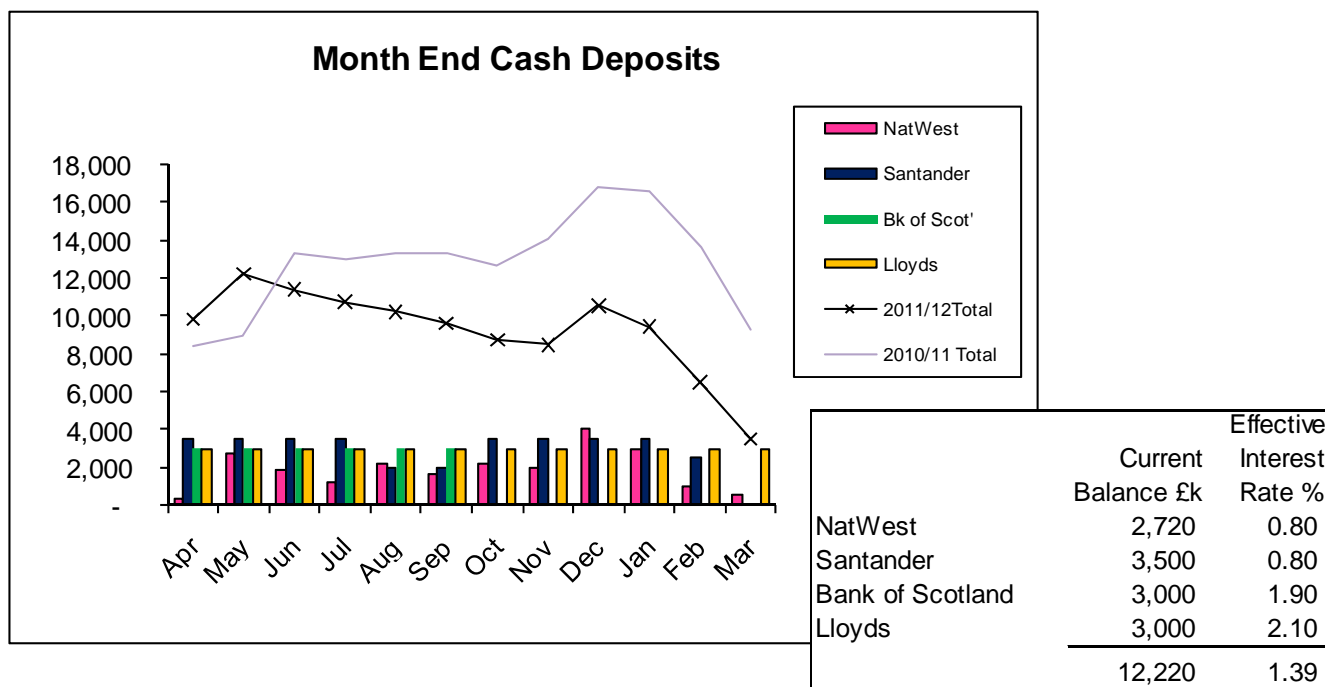
as at	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2	Q/E3
27 May 2011	2011	2011	2011	2012	2012	2012
<b>Base Rate</b>	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%
<b>25yr PWLB</b>	5.30%	5.40%	5.40%	5.40%	5.40%	5.40%

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	27
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Cash Flow Management

The Council's bank balances at 31<sup>st</sup> May 2011 were £12,220k.



With the 364 day investment in Lloyds at 2.1% the overall effective interest rate 1.39%. This compares very favourably to the Sector model returning which is running at 1.04%. The duration is now 105 days compared to 49 days for the Sector model portfolio. It should be noted, however, that 60% of the Sector model portfolio is on one-month deposits to enable advantage to be taken of any rises in base rates in the coming months.

### Treasury Management Practices and Prudential Indicators

Each year the Council updates its Treasury Management Strategy Statement 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 new Treasury Management Practices approved in February 2011 changed the maximum investment with any single institution to the greater of £5m or 50% of total funds available, and £10m across a single group.

In accordance with these practices the treasury management decision in March 2011 was to open an account with Lloyds bank to split the investments between Bank of Scotland and Lloyds. Though these banks are both within the same group the total value of £6m is still within the £10m limit above.

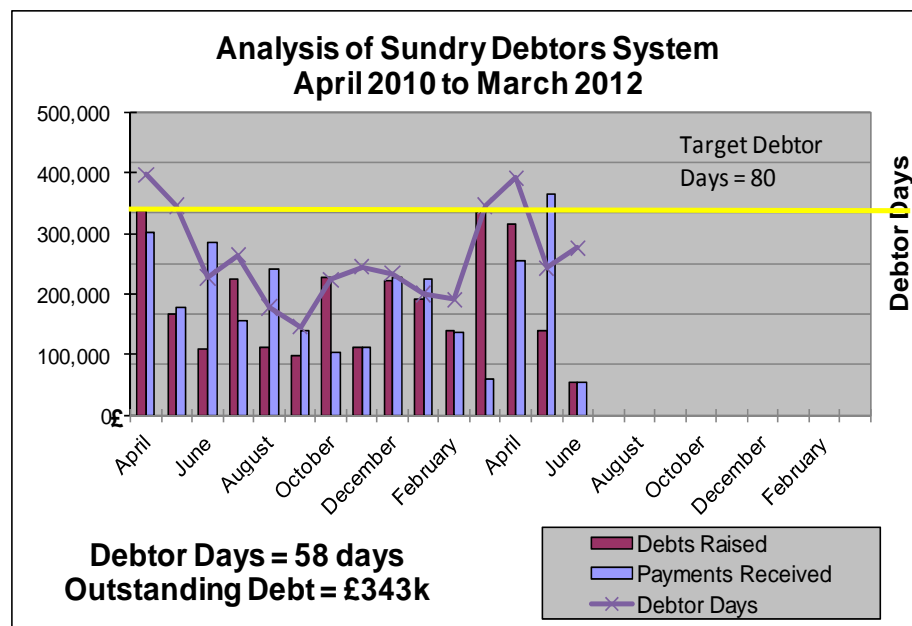
For this reason the officer review mentioned on the previous page is not looking to invest any more with the Lloyds group at this present time, but rather to deposit funds with either Santander or Barclays to spread the Council's portfolio.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	28
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

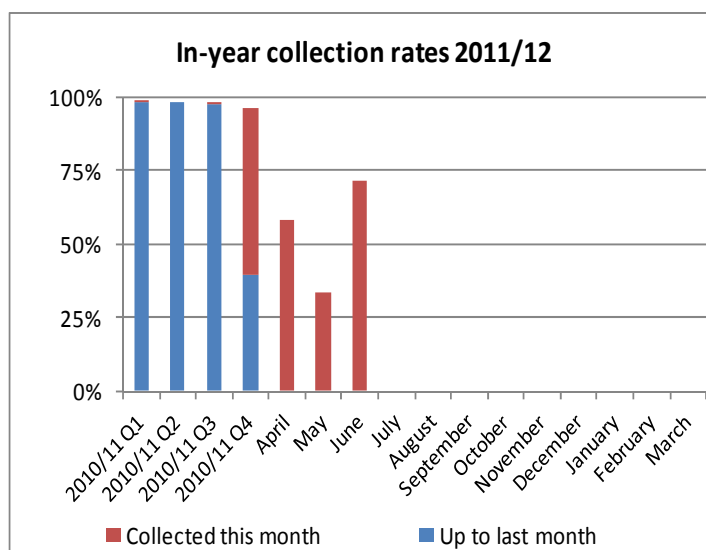
### Sundry Debts Monitoring

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



Of the debts outstanding at the year-end over £424k of 2010/11 debts have been collected by the end of May. This represents a collection rate for all 2010/11 debts of 98% against 97.3% of the Q1 to Q3 debts reported at the end of March.

To date £528k in new debts have been raised in 2011/12, of which 53% have already been collected. This brings the debtor days to 58 at the end of May compared with 83 days at the same time last year and the target of 80 days.



The table below shows the total sundry debts outstanding at the end of March was £519k and by the end of May this has dropped to £343k. The potential bad debt provision required against these debts is £98k compared to the provision available of £124k.

Debts Outstanding	Mar 2009	Mar 2010	31 Mar 2011		30 May 2011		Doubtful Debt Prov'n		
	£k	£k	£k	£k	£k	£k	rate	value	
2005/06 Debt	0.2	0.2		0.0		0.0	100%	0.0	
2006/07 Debt	5.3	2.6		1.9		1.9	100%	1.9	
2007/08 Debt	102.3	37.6		11.1		10.9	100%	10.9	
2008/09 Debt	397.5	21.5		11.8		11.5	100%	11.5	
2009/10 Debt		398.1		16.9		16.6	100%	16.6	
2010/11 Debt				477.5		53.0	various	32.2	
2011/12 Debt									
Q1 Apr						140.8	10%	14.1	
Q1 May						93.0	10%	9.3	
Q1 Jun						14.9	248.7	10%	1.5
<b>Total Debt o/s</b>	<b>505.3</b>	<b>460.0</b>		<b>519.2</b>		<b>342.6</b>		<b>98.0</b>	

Responsible Section/Team	Financial Services	Page	29
Responsible Author	Finance Manager	Version	1
Date last amended	10 <sup>th</sup> June 2011	Due for review	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Capital Resources

**Table 1 - 2011/12 receipts**

Major Receipts:	Original		Total
	Expect'ns £000	Received £000	Forecast £000
<b>Capital Receipts</b>			
Land & Property Sales	100	3	100
Cost of sales			(8)
	100	3	92
<b>Revenue Receipts</b>			
GVH - Vat Shelter	328	-	328

**Table 2 - Useable Capital Receipt Balances**

Useable Capital Receipts Forecast	£ 000
Balance B'fwd 01/04/11	1,224
Capital Receipts 2011/12	92
	<b>1,316</b>
Revenue Contributions (RCCO)	
VAT Shelter after Pensions	-
Leisure Facilities Reserves	625
other Earmarked Reserves	142
from Revenue Operations	82
<b>Total Capital Resources Available</b>	<b>2,165</b>
Capital Programme spend	(1,810)
<b>Capital Resources at 31/03/2012</b>	<b>355</b>
Reserved for housing capital wks	-
<b>Unreserved Capital Receipts</b>	<b>355</b>

*RCCO is Revenue Contribution to Capital Outlay*

### Historic issues

Nothing reported.

### Current issues

There has only been one property rights sale this year, though the total for 2011/12 is still expected to meet the £100k target.

VAT Shelter payments continue, with an original budget of £338k built into the 2011/12 revenue budget. Current estimates from Green Vale Homes staff show that the Council could receive £536k income, resulting in a favourable variance of £198k which may be available to support capital works.

Table 2 above shows the estimated Useable Capital Resources available in 2011/12 is £2,165k. The slippage of 2010/11 projects shown overleaf have led to a revised programme of works of £8,030k, of which £1,810k is to funded from capital receipts and revenue contributions. This is expected to leave a balance on the Useable Capital Receipts reserve at March 2012 of £355k.

### Financing the Capital Programme

The right hand side of the table at the top of the next page shows how the revised capital programme reported of £8,030k is to be funded. Capital grants and other contributions are expected to total £1,518k, leaving an intention to fund £1,810k from the capital resources above, £4,600k from the PWLB loan and £125k from internal borrowing.

Responsible Section/Team	Financial Services	Page	30
Responsible Author	Finance Manager	Version	1
Date last amended	10 <sup>th</sup> June 2011	Due for review	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Capital Programme Spending

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

SERVICE AREA	2011/12 Budget including slippage	Period 2 MONITORING		Full YR Forecast	Funding Arrangements					
	Total £000	Spend £000	Committ £000	Forecast £000	Grants/ Insurance	Capital Receipts	RBC RCCO	External Loan	RBC Int Borrow	MRP Effect
<b>Place Directorate</b>										
Place Operations	499	167	27	542	124	346	72	0	0	0
Customer Services & e Govt	32	17	0	32	0	0	32	0	0	0
Communities	200	71	122	200	182	7	0	0	11	0
Regeneration	54	4	0	54	0	0	0	0	54	2
<b>Corporate Support Services</b>										
Finance & Property Services	462	171	21	462	59	323	0	0	60	2
Leisure Facilities	5,160	155	49	5,160	0	0	560	4,600	0	0
Other PRG Projects	126	50	49	126	6	0	120	0	0	0
<b>Housing</b>	1,497	225	0	1,497	1,147	350	0	0	0	0
	<b>8,030</b>	<b>860</b>	<b>268</b>	<b>8,073</b>	<b>1,518</b>	<b>1,026</b>	<b>784</b>	<b>4,600</b>	<b>125</b>	<b>4</b>

Slippage items of £1,827k, as reported at the end of March, have been added to the original programme of £6,303k

Slippage items	Costs '£000	Funding Arrangements				
		Grants/ Insurance	Capital Receipts	RBC RCCO	External Loan	RBC Int Borrow
Playgrounds & MUGAs	74	74				
Cemeteries	55		55			
Wheeled Bins	19			19		
Playing Fields	156		156			
Finance Reciepting upgrade	10			10		
IT Strategy	22			22		
Museum	11					11
CCTV	7		7			
Car Park upgrading	24					24
Hall Carr culvert	52	52				
144 Bury road culvert	31	7	24			
Whitworth Pool DDA works	23		23			
Buidling Maint (tendered wks)	21		21			
Buidling Maint emergency wks	60					60
Leisure Projects	191			191		
PRG Projects	126	6	120			
Disabled Facilities Grants	77	77				
CPOs and Decent Homes Assist	406	41	365			
Elevate Projects	462	462				
	<b>1,827</b>	<b>719</b>	<b>651</b>	<b>362</b>	<b>0</b>	<b>95</b>

### Current issues

In April and May activity has focussed on slippage projects, including:

- Housing Market Renewal works of £374k have been completed or ordered against the £462k slippage shown above.
- Playground works of £168k have been completed or ordered.
- The Leisure Project has incurred a further £204k.
- Hall Carr and Bury Road culverts has incurred a further £143k, against which funding is still being sought from third parties.

Responsible Section/Team	Financial Services	Page	31
Responsible Author	Finance Manager	Version	1
Date last amended	10 <sup>h</sup> June 2011	Due for review	July 2011

## Monthly Financial Monitoring Report 2011/12 – end of May 2011

### Minimum Revenue Provision

Internal borrowing is paid back over the life of the assets from the Revenue Account (known as the Minimum Revenue Provision or MRP) and the original budget for this in 2011/12 was £558.1k, of which £433.6k related to operational vehicles and equipment.

<b>MRP Summary for 2011/12</b>	<b>Budget</b>	<b>Charge</b>	<b>(Adv)/Fav</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Capital Financing (misc activity)</b>			
Activity Bfwd		122.7	
New charges in 2011/12		4.4	
	124.5	127.1	-2.6
<b>Operations - Vehicles</b>			
Charge bfwd re vehicles		433.6	
Charge re 2011/12 purchases			
	433.6	433.6	0.0
<b>Total</b>	<b>558.1</b>	<b>560.7</b>	<b>-2.6</b>

MRP charges relating to capital works to date in 2011/12 will add a further £4.4k, representing an adverse variance of £2.6k if other funding is not available.

### Section 106 Receipts Monitoring

At the beginning of the year there was an opening balance of £484k on the deposits made by developers conditional to planning applications, including £319k for Rossendale Borough Council projects. There has been one movement during May adding a further £38k, principally relating to future revenue maintenance costs for RBC. The table below shows further details.

<b>Section 106 Agreements</b>	<b>Third Party Projects</b>	<b>RBC Revenue Projects</b>	<b>RBC Capital Projects</b>	<b>Total Held</b>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Balance bfwd at 1st April 2011	165	263	56	484
Deposits received in 2011/12		1	37	38
Deposits applied in 2011/12				-
Current Balance	165	264	93	522

Of the Council's revenue funds above, £48k will be used as match funding for the recently successful Lottery Grant application in relation to Victoria Park.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	32
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011



# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## Glossary

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.

### Cash & Cash Equivalents

Cash deposits are those which provide instant access to the funds without significant penalty of loss of interest. For the Council this includes the Alliance & Leicester 7-day notice account where funds may be withdrawn instantly if required with only minimal loss of interest. This is in comparison to short- and long-term **Investments** in which funds are untouchable during the life of the deposit.

### 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.

### Housing Market Renewal (HMR)

Grant received to improve and renew the housing stock within the Bacup and Stacksteads area. Also referred to as Elevate and now run by the Regenerate Pennine Lancashire team.

### 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.

### Investments

The Council invests surplus cash in short- and long-term deposits in accordance with the Treasury Management Strategy and Practices revised in February each year. In this context short-term includes anything up to 365 days, and long-term is for more than one year. Funds deposited in such investments are not accessible until the end of the agreed terms.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	33
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011

# Monthly Financial Monitoring Report 2011/12 – end of May 2011

## 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.

## 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.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	34
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	10 <sup>th</sup> June 2011	<b>Due for review</b>	July 2011



