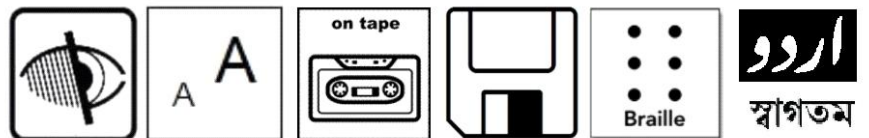


# Monthly Financial Monitoring Report

2012/13 as at end of October 2012 – Period 7

*Including a Glossary of terms on page 35*



## Monthly Financial Monitoring Report 2012/13 – end of October 2012

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

The September monitoring report on the General Fund for 2012/13 is showing a £368k favourable variance compared to the original budget of £9,829k. This is an overall favourable movement of £30k since the September report and it brings the total favourable variance to 3.74% of the original budget.

The table below shows how the potential carry forward of favourable Directorate variances might result in a net increase of £184k in the General Fund Reserve to £1,137k at the 31<sup>st</sup> March 2013 against a target of £1m.

General Fund Reserves	General Fund Reserve £000	Directorate Investment Reserve £000
<b>Balance at 1st April 2012</b>	953	110
<b>Favourable/(adverse) movement in 2012/13</b>	368	
<b>Planned transfers/utilisation</b>		(20)
50% transfer to Directorate Investment Reserve		
Place Directorate	(35)	35
Business Directorate	(67)	67
Corporate Directorate	(82)	82
<b>Balance anticipated at 31st March 2012</b>	<b>1,137</b>	<b>275</b>

At the end of the year consideration will be given to support potential deficits in the Collection Fund and the Vehicle Replacement Reserve, potentially using some of this General Fund Reserve which is now forecast to be above the Council's £1m target.

### Earmarked Revenue Reserves – page 24 to 25

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2012 were £5,152k.

Contributions expected in 2012/13 now include the Directorate Investment Reserve predictions of £184k shown above, and the reduction of £8k in the budget volatility reserve contribution from the Business Directorate planning income receipts (see page 12).

As per the June Cabinet report, the expectation to contribute funds from the Planning LABGIS and Economic Regeneration Reserves into the Bacup Town Centre Heritage Initiative has now been included for 2013/14.

The forecast closing balance at the 31<sup>st</sup> March 2013 is now predicted to be £3,700k, but this is forecast to drop to £2,026k by March 2015.

### Government Grants Unapplied – page 26

The Town Centre Heritage Initiative Grant has been recognised at £100k.

Costs for the Localisation of Council Tax have begun to be incurred and the costs for the closure of the Housing Market Renewal Scheme have been concluded. The forecast balance at March 2013 is now revised to £637k, which is expected to reduce to £242k by March 2016.

### Staff Monitoring – page 26

Movements in the staff savings during October have netted to a favourable £18k and the number of vacant posts has risen from 6 to 8 against a budgeted establishment of 204.4 full time equivalents.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

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

The Council's cash balances increased from £10,773k at the end of September to £10,937k at the end of October. During October the £2.5m 3-month investment with the Bank of Scotland was rolled forward again at 1.3%.

Following a revision of the credit rating for Santander UK plc officers opened a call account and a 30-day notice account with the Royal Bank of Scotland (RBS). In order to reduce the risk levels the short-term cash has now been split and £2m has been placed in the RBS 30-day notice account earning very slightly more than the 7-notice account with the Santander.

As a result the interest income forecast has risen £1k to £125k of which £116k has been received or secured. Performance is now averaging 1.48% compared to the Sector model portfolio of 0.937%

Following the issue of quarterly cost-share bills the value of debts outstanding has risen to £443k from £318k in September and the debtor days has risen to 65. The anticipated bad debt provision requirement has risen slightly from £113k to £121k, against which the Council has a £109k provision.

Over 85% of the suggested doubtful debt provision relates to invoices raised prior to April 2012. Consideration of any additional provision will be made at the year-end.

### Capital Receipts – page 30

The level of capital receipts expected this year now includes the final £300k due from the sale of land to Morrisons, resulting in a revised total receipts estimate of £1,006k for the year. Following the release of some receipts in order to facilitate the final transfer, the level of unreserved available receipts is estimate at £467k.

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

The original capital programme was £936k and the revised capital programme at the end of October was £4,989k.

Against this a further £282k was spent or committed during October, bringing the total to date up to £3,250k. Activity was mainly on the leisure investment project at Marl Pits, the Henrietta St development site and mandatory disabled facilities grants. The solar panel project at Futures Park began with 50% of the total costs being paid by the end of October.

### Collection Fund 2012/13 – page 33

Collection rates on council tax are only marginally below this time last year. However, the Q2 monitoring of the Collection Fund in early October showed that over the summer months a high volume of banding decreases have been approved by the Valuation Office, generating over £384k in refunds to date going back to 1993 in some cases. The end of October shows this figure rising to £494k and this is now under regular review, but the Council has no control over the Valuation Office decisions in the matter.

Whilst some reductions are expected each year, the figures above are far beyond the normal levels and could lead to a year-end deficit on the Collection Fund of around £290k, of which RBC's element would be £46k. Whilst any resulting deficit will eventually be split between all preceptors Rossendale Borough Council is obligated to pay over funds during the year based on the original estimates, thereby standing the full cash flow impact until any preceptor portions of the deficit can be recovered.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### General Fund Summary - October (Period 7)

Service Area	2012/13 Original Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Place Directorate</b>					
Communities	1,837.2	1,794.4	42.8	46.6	(3.8)
Customer Services and E-Government	1,231.7	1,208.2	23.6	18.4	5.2
Place Operations	1,577.7	1,574.9	2.8	0.9	1.9
<b>Business Directorate</b>					
Building Control Services	127.9	128.8	(0.9)	(0.6)	(0.3)
Legal & Democratic Services	791.9	761.2	30.7	21.9	8.8
Planning Services	139.1	94.0	45.0	44.8	0.2
Local Land Charges	22.0	29.9	(7.9)	(8.3)	0.4
Licensing & Enforcement	152.1	92.7	59.4	54.7	4.7
Health, Housing & Regeneration	1,012.8	1,004.6	8.1	(1.5)	9.6
<b>Corporate Support Services</b>					
Corporate Management	414.8	376.6	38.2	38.2	(0.0)
Finance & Property Services	1,439.5	1,384.6	54.9	55.1	(0.2)
People and Policy	401.8	366.1	35.7	32.6	3.1
Non Distributed Costs	147.3	159.7	(12.4)	(12.4)	0.0
Capital Financing and Interest	45.9	(2.1)	48.0	47.0	1.0
Leisure	652.6	652.0	0.6	0.6	(0.0)
Use of Earmarked Reserves	(165.0)	(165.0)	-	-	-
<b>Favourable impact on General Fund</b>	<b>9,829.0</b>	<b>9,460.5</b>	<b>368.5</b>	<b>338.0</b>	<b>30.5</b>

The revenue position at the end of October includes various favourable and adverse variances.

Total anticipated favourable variance compared to the original budget in relation to staff has risen by £11k to £182k favourable against the establishment of 204.4 full-time equivalent employees at the start of the year. The major favourable movement in October came from the transfer of an officer from the Communities Team to fill a vacancy within Operations, thereby helping to reduce agency costs.

The other main areas of non-staff movements in October can be seen in the table opposite.

- Inflation on contracts for the second half of the year will apply the September RPI of 2.6% which was below the level anticipated within the original budget, resulting in a saving of £9k. This brings the total savings expected on contract inflation to £28k.
- Planning income forecasts for the year have contracted by £8k, which will mean an equivalent reduction in the transfer to the budget volatility reserve.
- Licensing income continues to be buoyant, especially for taxi applications. Officers now expect the favourable variance to rise by a further £5k to £65k for the year.
- Increases in water costs were expected to be back dated to previous years, but have since come through just for 2012/13. This has resulted in a £5k favourable variance in October, but caution should be urged for the future as staff continue to appeal against further rises across Council facilities.
- Interest income has increased by a further £1k to a prediction of £35k favourable variance for the year.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

Major Variances in October	Favourable /(Adverse)	Net
<b>Communities</b>		
Staff costs	5.4	
NNDR discretionary relief	4.7	
Cemeries - record and mapping system	(5.7)	
Other minor variances	(8.2)	(3.8)
<b>Customer Services and e Government</b>		
Inflation on contracts	9.0	
Other minor variances	(3.8)	5.2
<b>Place Operations</b>		
Staff costs	(0.6)	
Recycling income	4.1	
Other minor variances	(1.6)	1.9
<b>Business Directorate</b>		
Staff costs	3.1	
Planning Fee income	(8.0)	
Transfer to Budget Volatility Reserve	8.0	
Licensing income (net of additional costs)	4.7	
Other minor variances	5.9	13.7
<b>Business - Health, Housing &amp; Regeneration</b>		
Staff costs	3.4	
Other minor variances	6.2	9.6
<b>Corporate Management</b>		
Other minor variances	-	-
<b>Finance &amp; Property Services</b>		
Property running costs (including water refund)	4.2	
Rental income	1.4	
Other minor variances	(5.8)	(0.2)
<b>People &amp; Policy (incl P&amp;P &amp; Comm)</b>		
Staff costs	0.3	
Corporate Plan publication cost	1.9	
Other minor variances	0.9	3.1
<b>Non-Distributed Costs &amp; Capital Financing</b>		
Interest receivable	1.0	1.0
<b>This month's favourable/(adverse) variance on the General Fund</b>		<b>30.5</b>

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# Monthly Financial Monitoring Report 2012/13 – end of October 2012

## Communities - Period 7 (October)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Strategic Functions</b>					
Community Management & Admin	130.7	109.1	21.5	21.8	(0.3)
Community Safety	50.1	50.9	(0.9)	(0.9)	0.0
Local Strategic Partnership	(35.3)	(39.7)	4.4	4.5	(0.1)
Area Forum Grant Budgets	70.0	70.0	-	0.0	-
Emergency Planning	7.7	2.6	5.1	5.1	0.0
Grants	125.9	125.9	-	0.0	-
Discretionary NNDR	25.8	21.1	4.7	0.0	4.7
Localities - Residual budget	17.9	19.0	(1.0)	(1.3)	0.3
Haslingden, Helmshore & Edenfield Locality	313.0	314.2	(1.2)	(1.2)	0.0
Rawtenstall Locality	406.8	393.9	12.9	13.4	(0.5)
Bacup & Whitworth Locality	354.4	346.5	7.8	7.6	0.2
Parks & Open Spaces	289.7	340.9	(51.2)	(46.4)	(4.8)
Street Cleansing	334.3	282.6	51.6	45.8	5.8
Pride in Rossendale	7.0	7.0	0.0	0.0	0.0
Cemeteries	(140.7)	(132.8)	(8.0)	(1.0)	(7.0)
Markets	(119.9)	(116.8)	(3.1)	(0.8)	(2.3)
<b>Total</b>	<b>1,837.2</b>	<b>1,794.4</b>	<b>42.8</b>	<b>46.6</b>	<b>(3.8)</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
Communities Admin/ Emergency Planning post	31.2		31.2	
Emergency Planning Contract	(12.0)		(12.0)	
Emergency Planning running costs	5.0		5.0	
Communities Admin savings on Printing and Consultancy fees	1.4		1.4	
LSP 2nd homes income more than budget	4.5		4.5	
NNDR Discretionary rate relief		4.7	4.7	
Markets salaries savings	3.8		3.8	
Markets - income	(3.6)	(1.7)	(5.3)	
Salary and Agency costs - Parks & Open Spaces	(21.7)		(21.7)	
Salary and Agency savings - Street Cleansing	49.3	5.4	54.7	
Open Spaces - Tools & Equip and plants	5.5	(2.2)	3.3	
Open Spaces - Playground Equipment / refurb	(5.6)	(1.7)	(7.3)	
Open Spaces - Tarmacing Bacup Cemetery / works at Stubblelee, Whitaker Park	(9.9)		(9.9)	
Vehicles - excise duty	(3.4)		(3.4)	
Open Spaces & Playing fields Income	2.8	(1.0)	1.8	
Cemeteries - Income	(1.0)	0.4	(0.6)	
Cemeteries - Record and mapping system		(5.7)	(5.7)	
Communities Miscellaneous costs	0.3	(2.1)	(1.8)	
<b>TOTAL</b>	<b>46.6</b>	<b>(3.9)</b>	<b>42.8</b>	

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# Monthly Financial Monitoring Report 2012/13 – end of October 2012

## Communities Highlight Report – Period 7 (October)

### Historic Issues

- The vacant Emergency Planning Post remains within the budgets showing an under spend of £31.2k. Some of this is being used to offset an annual cost of £12k for the Shared Emergency Planning Service with Hyndburn.
- This budget includes a £28.6k income contribution from Lancashire County Council to support public realm works and in particular additional costs incurred by Rossendale. In setting the budget the Head of Finance took the view, based on the previous year, that the overall budget would absorb this additional cost pressure.
- The re-tarmacking of Bacup Cemetery has been agreed, after feedback from the public and Councillors, at a cost of £6.6k

### Current Month Issues

- Overall this budget area continues to forecast full year net budget savings of £42.8k.
- Street Cleansing salary and agency forecasts have moved favourably by £5.4k. A member of staff from the Communities Team has transferred into the Operations Team to fill a vacancy. The resulting vacancy in the Communities Team has not been backfilled, increasing the year-end projection underspend to £54.7k.
- The projected shortfall on market income is £5.3k, an adverse movement of £1.7k during October.
- A new Management system has been procured for Cemeteries costing £5.7k. This will allow officers to keep electronic records of plots and cemetery layout and a database for on-going information.
- It was assumed the budget for Non Domestic Discretionary Rate Relief would be fully utilised. However, based on the October figures provided by Capita and a contingency of £2k for any further allocations, the budget is showing an under spend of £4.7k.

### Future Issues

- Nothing to report

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Customer Services & E-Government - Period 7 (October)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Strategic Functions</b>					
Management and Support	77.9	77.2	0.7	0.8	(0.1)
Service Assurance Team	135.6	130.8	4.8	5.1	(0.3)
<b>Revenues, Benefits and Customer Services</b>					
Local Tax Collection	(344.8)	(330.2)	(14.6)	(16.3)	1.7
Benefits Admin	865.8	834.0	31.8	20.5	11.3
Net - Benefit Payments & Subsidy received	(98.5)	(100.6)	2.1	6.8	(4.7)
<b>Information and Communications Technology</b>					
Technology	554.3	556.1	(1.8)	(1.9)	0.1
<b>Pest Control</b>					
Pest Control	11.0	10.7	0.3	(0.8)	1.1
<b>Dog Warden</b>					
Dog Warden	30.4	30.1	0.3	4.3	(4.0)
<b>Total</b>	<b>1,231.7</b>	<b>1,208.2</b>	<b>23.6</b>	<b>18.5</b>	<b>5.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr Forecast £000	R A G
Service Assurance Team	5.0		5.0	
Government Connect	3.0		3.0	
Salary under spends (vacancy) & External Resilience	27.0		27.0	
Inflation on contracts	19.0	9.0	28.0	
Court Costs awarded for non collection of Council Tax	(20.0)		(20.0)	
Software Licenses	(7.5)	1.5	(6.0)	
Other various minor variances	4.2	0.5	4.7	
Recovery of Housing Benefit overpayments	9.0	(3.0)	6.0	
Disaster Recovery & Computer Circuits	(24.7)		(24.7)	
Dog Warden / Pest Control	3.5	(2.9)	0.6	
<b>TOTAL</b>	<b>18.5</b>	<b>5.1</b>	<b>23.6</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Customer Service & E-Government Highlight Report – Period 7 (October)

#### Historic Issues

- Disaster Recovery - at present the budget is projected to over spend by £14k the full savings will not be realised in the current year due to administrative issues with the supplier. These are being escalated to BT / Regulator to ensure the problems are resolved.
- Court costs awarded to the Council in respect of the non-payment of council tax, are below anticipated levels. Since court dates and volumes of arrears are consistent with original expectations; officers suspect that this shortfall is the result of an increase in arrangements to pay made with customers who would otherwise have been taken to court.

This would appear to be supported by court volumes between June and October, which are in line with previous years. It should be noted, however that whilst court cost income and associated recovery costs are solely attributable to Rossendale Borough Council, whereas only 16.1% of Council Tax Income is retained by the borough.

- Pest Control, the new contract with Hyndburn went live in August 2012; the contract will be reviewed in February 2013.

#### Current Month Issues

- The headline figure is a projected under spend of £23.6k; a favourable movement in month of £5.1k.
- The Council's contract with Capita for the provision of housing benefit payments and council tax collection is uplifted by the September RPI inflation. The RPI in September 2012 was 2.6% which was below budget expectations creating an additional favourable budget movement of £9k.
- The cash recovery of housing benefit over payments has moved adversely in month by £3k.

#### Future Issues

- Dog Warden contract - only one organisation has responded to the original tender, therefore a commercial evaluation process could not be completed and the tender specification is currently being reviewed. Another procurement exercise will be conducted following this review.
- The Council is in the process of incorporating Rossendale Leisure Trust within its ICT environment to help reduce running costs for the Trust and therefore reduce future grant requirements. Finance and payroll transactions will also be delivered by the Council.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Place Operations - Period 7 (October)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Strategic Functions</b>					
Operations Admin / Vehicle Maintenance	431.1	399.1	31.9	35.9	(4.0)
<b>Operational Functions</b>					
Refuse Collection	815.6	862.5	(46.9)	(52.7)	5.8
Street Sweeping	331.0	313.2	17.8	17.8	(0.0)
<b>Total</b>	<b>1,577.7</b>	<b>1,574.9</b>	<b>2.8</b>	<b>1.0</b>	<b>1.8</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 Saving from use of Hyndburn	20.5		20.5	
Other Salary Savings	20.9	(8.9)	12.0	
Additional Hours	-	(2.1)	(2.1)	
Street Sweeping Overtime	9.7		9.7	
Agency	(15.2)	10.4	(4.8)	
Henrietta Street Miscellaneous	(0.6)	(1.5)	(2.1)	
Public Realm funding	3.0		3.0	
Protective clothing	(4.8)		(4.8)	
External repairs	(2.0)		(2.0)	
Recycling Contract and Income	(41.4)	4.1	(37.3)	
Bulky collections expenditure & income	(6.0)		(6.0)	
Trade Waste tipping fees	(12.2)		(12.2)	
Trade Waste income	17.6	(0.9)	16.7	
Clincial Waste Collection	(4.0)		(4.0)	
Bin Deliveries	3.5		3.5	
Vehicle Maintenance & Consumables	(18.7)		(18.7)	
Fuel	31.3	0.7	32.0	
Road Tax	(9.9)		(9.9)	
MOT	(3.2)		(3.2)	
Hire/ Leases	8.3		8.3	
Street Sweeping Miscellaneous	2.3		2.3	
Misc	1.9		1.9	
<b>TOTAL</b>	<b>1.0</b>	<b>1.8</b>	<b>2.8</b>	

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# Monthly Financial Monitoring Report 2012/13 – end of October 2012

## Operations Highlight Report – Period 7 (October)

### Historic Issues

- The vacancy arising from the departure of the Operations manager, and subsequent joint working with Hyndburn Council, has resulted in a forecast £20.5k saving in year (full year recurrent saving of £25k.)
- The invoices for the collection of trade waste have been raised for the year resulting in forecasts of £17.6k favourable movement on the budgets.
- Additional vacancies and reduced hours had generated salary savings of £19.6k however agency costs were forecast to over spend on budget by £13.6k. This was in part due to some agency workers being eligible for an increased rate due to the Working Time Directive, as well as the additional requirement of agency staff to cover long term sickness.
- Current estimates are for a fall in the price of Paper & Card by 63% and Glass, Cans & Plastics by 18% due to factors discussed in the August monitoring pack (period 5), effective from the termination of current arrangements on 31<sup>st</sup> August 2012.

### Current Month Issues

- There has been a net favourable movement of £1.8k within October leading to an overall favourable variance of £2.8k for the year.
- The transfer of a member of staff from the Communities Team to backfill a vacancy has increased salary costs in Operations by £8.9k, but this is matched by the £5.4k saving in Communities and it has led to a reduction in long-term agency costs of £10.4k. This transfer avoided the additional agency costs that would have come into effect due to the working time directive.
- A one-off payment has been made to a member of staff in lieu of exceptional additional hours being worked to cover for other staff absence, where savings were incurred. This cost of £2.1k is offset against savings made from joint management arrangements and reduced hours of another member of staff. Alternative cover arrangements have now been put in place.
- The price of paper has dropped further than expected resulting in an adverse movement on forecasts, however this has been mitigated by the removal of glass, cans and plastics tipping off fees from January onwards. The October variance is therefore forecast at a favourable movement of £4.1k.

### Futures Issues

- The current projection for recycling income will be dictated by the prevailing market conditions for recycling products, and may be revised up or downwards in the future months.
- The service area will be contributing c£5k for additions to the new garage project.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Business Services - Period 7 (October)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Strategic Functions</b>					
Executive Director of Business	0.4	0.4	-	-	-
<b>Planning</b>					
Development Control	(15.3)	(57.1)	41.8	43.9	(2.1)
Forward Planning	154.3	151.1	3.2	1.0	2.2
<b>Land Charges</b>	22.0	29.9	(7.9)	(8.3)	0.4
<b>Building Control</b>					
Building Control - Fee Earning Account	17.3	16.3	1.1	1.3	(0.2)
Building Control - Statutory Function	102.6	104.5	(2.0)	(1.9)	(0.1)
Building Control - Street Signs	8.0	8.0	-	-	-
<b>Legal Services</b>	205.3	198.0	7.3	6.6	0.7
<b>Democratic Services</b>					
Electoral Registration	57.1	56.4	0.7	0.9	(0.2)
Elections	71.6	73.3	(1.7)	(1.6)	(0.1)
Democratic Representation	390.8	378.1	12.8	10.8	2.0
Mayoralty	59.1	47.4	11.7	5.1	6.6
Town Twinning	7.5	7.5	-	-	-
<b>Licensing &amp; Enforcement</b>	152.1	92.7	59.4	54.7	4.7
<b>Total</b>	<b>1,232.8</b>	<b>1,106.5</b>	<b>126.3</b>	<b>112.5</b>	<b>13.8</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
Planning - Salary vacancy/ costs	19.3		19.3	
Planning - Professional fees	(8.0)		(8.0)	
Planning - Planning Applications Income	132.0	(8.0)	124.0	
Planning - Transfer Planning Applications Income to Volatility Provision	(103.0)	8.0	(95.0)	
Planning - Misc	2.0	(1.5)	0.5	
Forward Planning - Vacancy	2.0		2.0	
Land Charges Income	(9.5)	0.4	(9.1)	
Land Charges -Search Fees	1.3	(0.1)	1.2	
Building Control - Training from 2009/10	(1.5)		(1.5)	
Legal fees & courts costs	6.0	0.4	6.4	
Legal Misc	0.6	0.3	0.9	
Registrar of Electors - registration forms	2.2		2.2	
Local Elections	(2.9)		(2.9)	
Councillor Allowances	0.9		0.9	
Democratic - Post changed to Part-time	2.3		2.3	
Democratic - Admin costs	1.8		1.8	
Democratic - Members Travel	5.5		5.5	
Democratic - Local Democracy Week	-	2.0	2.0	
Mayoralty Salaries (casual staff)	-	3.1	3.1	
Mayoralty Miscellaneous	4.6	3.0	7.6	
Licensing and Enforcement Staff costs	5.6		5.6	
Taxi income	59.9	4.7	64.6	
Taxi Licensing - Taxi plates & Badges	(6.0)		(6.0)	
Licensing - Misc Non-Pay Budgets	(7.6)		(7.6)	
Other Licensing Income	2.2	1.1	3.3	
Misc	2.8	0.4	3.2	
<b>TOTAL</b>	<b>112.5</b>	<b>13.8</b>	<b>126.3</b>	

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# Monthly Financial Monitoring Report 2012/13 – end of October 2012

## Business Highlight Report – Period 7 (October)

### Historic Issues

- The planning function currently has a vacancy within the structure for part of the year. Current forecasts are that this position will not be filled, generating a favourable variance of £15.2k.
- The income within the planning function is forecast to over achieve by £55k due to a number of major applications received, generating a positive variance. Local Land Charges however are forecast to be £7.5k below their income target.

### Current Month Issues

- The Business directorate is currently forecast to under spend by £126.3k, representing a favourable movement of £13.8k.
- The forecast for Taxi Licencing income continues to improve with a favourable movement in month of £4.7k. The projected annual over achievement on taxi licencing income is £64.6k, however this increase has adversely impacted on the cost of taxi plates and badges by £6k.
- Planning Income is difficult to forecast and subject to significant variations from month to month. Based upon planning income received in October the projected income has been revised downwards by £8k. It has previously been decided to transfer the majority of the surplus planning income received in 2012/13 into a budget volatility reserve.

Given the level of uncertainty surrounding planning income this budget volatility reserve will offer a greater degree of certainty and funds will be available in future years to offset any adverse movements in planning income.

- A review of estimated mayoral expenditure (in particular usage of casual mayoral assistants) for the remainder of the current financial year has resulted in a favourable movement of £5k.
- Reduced expenditure pertaining to the local democracy week has resulted in a favourable movement of £2k.
- Officer expectations for expenditure on the Mayoral Ball in April 2013 are lower than previously forecast, resulting in a favourable movement of £3k.

### 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). As previously reported, changes to the programme of works will ensure that costs are limited to the specific balances held in earmarked reserves.
- The Council, in conjunction with the Local Government Association, is currently defending claims from personal search companies in relation to Land Charge Search fees.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Health, Housing & Regeneration - Period 7 (October)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Strategic Functions</b>					
Regeneration Mangement & Admin	74.3	71.6	2.6	2.2	0.5
Tourism	53.5	53.5	-	-	-
<b>Economic Regeneration</b>					
Economic Regeneration	63.4	67.5	(4.1)	(3.8)	(0.3)
Museum	91.1	106.9	(15.8)	(15.8)	-
Regen Joint Delivery Team	69.3	69.3	-	-	-
Regeneration Projects	0.6	0.6	-	-	-
Parking	0.3	0.3	-	-	-
<b>Strategic Housing</b>					
Housing Strategy	60.6	50.8	9.8	9.7	0.1
Homelessness	88.0	96.3	(8.3)	(8.5)	0.2
Private Sector Renewal	49.0	38.4	10.6	7.7	2.9
<b>Environmental Health</b>					
Environmental Health	462.6	449.3	13.3	7.2	6.1
<b>Total</b>	<b>1,012.8</b>	<b>1,004.6</b>	<b>8.1</b>	<b>(1.5)</b>	<b>9.6</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
Economic Regeneration - Photocopying Recharges	(2.1)		(2.1)	
Economic Regeneration - Professional Fees	(1.3)		(1.3)	
Economic Regeneration - Misc	-	(0.2)	(0.2)	
Museum Management Fee	(15.8)		(15.8)	
PSR - Salary - part time retirement	7.6		7.6	
PSR - External Printing & Stationary	-	2.3	2.3	
PSR - Misc	-	0.7	0.7	
Housing Strategy Salary	4.7	-	4.7	
Housing Strategy - Publicity & Fees	3.5		3.5	
Homelessness Salaries	(3.5)		(3.5)	
Homelessness Computer & Stationary	2.0		2.0	
Homelessness Accommodation Provision for Loss	(6.0)		(6.0)	
Car Allowances	5.1		5.1	
Regeneration - Salaries	1.6		1.6	
Regeneration - Rental of Premises	0.3		0.3	
Regeneration Valuation fees	(0.5)		(0.5)	
Public burials income from previous year	0.7		0.7	
Environmental Health - Salary vacancy	-	3.4	3.4	
Environmental Health Legal Fees	(2.4)		(2.4)	
Environmental Health Income	1.6		1.6	
Environmental Health Misc Non-Pay Budgets	2.7	0.6	3.3	
Environmental Health Misc - Professional fees	-	1.8	1.8	
Misc	0.3	1.0	1.3	
<b>TOTAL</b>	<b>(1.5)</b>	<b>9.6</b>	<b>8.1</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Business - Health, Housing & Regeneration Highlight Report – Period 7 (October)

#### Historic Issues

- The Whittaker Park Museum management fee budget for 2012/13 was understated, and as such, an adverse variance of £15.8k has occurred.
- The decision to take part time retirement by an officer within the Private Sector Renewal team has resulted in a saving of £7.6k within the year.

#### Current Month Issues

- Health, Housing and Regeneration are forecast to over spend by £8.1k, representing a favourable movement of £9.6k within the month.
- The delay in appointing to a recently vacated post within the Environmental Health team is predicted to generate a saving of £3.4k.
- Expenditure on professional fees pertaining to pollution control is not now expected resulting in a favourable variance of £1.8k.
- There have been no other significant movements.

#### Future Issues

- Nothing to report

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Corporate Management - Period 7 (October)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	289.9	276.6	13.3	13.3	0.0
Corporate Contingency	-	-	-	-	-
Concessionary Fares	40.0	20.2	19.8	19.8	-
Executive Support & Corporate Subscriptions	84.9	79.8	5.1	5.1	(0.0)
<b>Total</b>	<b>414.8</b>	<b>376.6</b>	<b>38.2</b>	<b>38.2</b>	<b>(0.0)</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
Executive Management Team Salaries	7.5		7.5	Green
Customer Service Review	(0.8)		(0.8)	Yellow
Miscellaneous non pay budgets	8.2		8.2	Green
Corporate Subscriptions/Contributions	3.5		3.5	Green
Concessionary Fares	19.8		19.8	Green
<b>TOTAL</b>	<b>38.2</b>	<b>-</b>	<b>38.2</b>	<b>Green</b>

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Corporate Management Highlight Report – Period 7 (October)

#### Historic Issues

- A contingency budget of £40k for Concessionary Fares was brought forward into 2012/13. After accounting for liabilities relating to the previous financial year, concessionary fares are predicted to underspend by £19k.

#### Current Month Issues

- There has been no significant changes in the month.

#### Futures Issues

- Nothing to report.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Finance and Property Services - Period 7 (October)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Financial Services Team</b>	398.4	398.9	(0.5)	6.1	(6.6)
<b>Internal Audit</b>	80.0	64.4	15.6	15.6	-
<b>Corporate Costs</b>					
External Audit Fee	93.7	64.0	29.7	29.7	0.0
Bank Charges (net of fees)	20.2	16.2	4.0	(3.6)	7.6
Treasury Management	6.6	6.6	0.0	0.0	-
<b>Property Services</b>					
Property Services Team	240.8	264.0	(23.2)	(24.4)	1.2
Corporate Estates	(32.7)	(37.2)	4.5	4.6	(0.1)
Non Domestic Estates	(67.7)	(81.8)	14.1	13.1	1.0
Office Accommodation	236.6	236.8	(0.2)	2.6	(2.8)
Operational Properties	360.6	337.0	23.7	21.0	2.7
Leisure Properties	67.0	63.2	3.8	7.4	(3.6)
Bus Shelters	(17.4)	(11.2)	(6.2)	(5.8)	(0.4)
Business Centre	53.5	63.8	(10.4)	(11.1)	0.7
<b>Total</b>	<b>1,439.5</b>	<b>1,384.6</b>	<b>54.9</b>	<b>55.2</b>	<b>(0.3)</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
Internal Audit - reduction in Audit Plan	15.6		15.6	
External Audit - new audit contract	29.7		29.7	
Finance Team - other misc variances	3.8		3.8	
Water	2.3	5.0	7.3	
NNDR - refunds	32.1		32.1	
Repairs & Maintenance	(11.4)		(11.4)	
Electricity	3.0	(0.8)	2.2	
Gas	(2.5)		(2.5)	
Haslingden Pool - structural survey	-	(1.5)	(1.5)	
Legionella	(1.9)		(1.9)	
Salary savings - vacant post	3.6		3.6	
Pension strain for previous employee	(2.9)		(2.9)	
BT ISDN / rental costs at Stubbylee Hall	(4.7)	(1.7)	(6.4)	
Telephone call charges across sites	(3.2)		(3.2)	
Departure charges	(4.2)		(4.2)	
Land Drainage	2.0		2.0	
Corporate Estates - Professional Fees Land at Douglas Road	(0.8)		(0.8)	
Corporate Estates/ Industrial Units - Rental Income	0.8		0.8	
Business Centre - Rental income	(3.6)	1.4	(2.2)	
Business Centre - other room hire	(1.6)		(1.6)	
Business Centre - Miscellaneous Expenses	0.1	(0.8)	(0.7)	
Property - Miscellaneous Expenses	(1.1)	(1.8)	(2.9)	
<b>TOTAL</b>	<b>55.1</b>	<b>(0.2)</b>	<b>54.9</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Finance & Property Services - Monitoring Highlight Report – Period 7 (October)

#### Financial Services

##### Historic Issues

- External Audit fees are expected to see a further marginal reduction following the national transfer of the Audit Commission contract to Grant Thornton.
- Internal Audit saving on number of days required for the 2012/13 audit plan is £15.6k.

##### Current Month Issues

- Nothing to report.

##### Futures Issues

- Nothing to report.

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#### Property Services

##### Historic Issues

- Officers are still in negotiations with LCC regarding the Bury Road culvert works of £130k which are not included in these budgets.
- BT costs for ISDN and rental costs for Stubblelee Hall are showing an over spend of £4.7k.
- NNDR refunds totalling £32.1k this includes the Astoria having the rates reduced to zero with effect from April 2010
- Vandalism at Stubblelee Hall, Rawtenstall Market and the Town Hall has increased the projected Repairs & Maintenance costs.
- The projected gas forecast is now expected to over spend by £2.5k. This figure is net of the 18.5% increase in the new contract commencing October 2012 and savings from the demolition of Henrietta St garage.

##### Current Month Issues

- Electricity charges are predicted to under spend by £2.2k. An adverse movement of £800.
- It was understood the new water charges at Bacup Cemetery was to be backdated but this is not the case. Therefore the projected forecast is now £7.3 favourable. A movement of £5k within the month.
- As previously agreed a monitoring programme has been established in relation to Haslingden Swimming Pool at a current year cost of £1.5k and an ongoing annual cost of £0.8k.
- The Business Centre room rental has moved favourably by £1.4k due a tenant having a monthly rolling contract.

##### Futures Issues

- United Utilities are undergoing a national review to consolidate the new charges introduced in 2011/12 for cemeteries. The phased introduction is likely to result in further cost pressures though the total value is unknown.
- Work is required at Healey Dell - the final costs are estimated at £9k to be funded by S106 resources.
- Recent adverse weather conditions may impact upon future annual drainage budget allowances in comparison to historic requirements.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### People and Policy - Period (October)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>People &amp; Organisational Development</b>					
Human Resources	401.8	366.1	35.7	32.6	3.1
<b>Total</b>	<b>401.8</b>	<b>366.1</b>	<b>35.7</b>	<b>32.6</b>	<b>3.1</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
Salaries	6.2	0.3	6.5	
External Printing / Publicity	4.4	(0.8)	3.6	
Photography Fees	1.0		1.0	
General Subscriptions	3.1		3.1	
Newsletter Production & Design	7.1		7.1	
Remove contribution to Corporate Plan		1.9	1.9	
Various Non Pay budgets	2.6	1.7	4.3	
Professional fees re employment advice	(2.3)		(2.3)	
Green Travel Plan Cycles	0.5		0.5	
Alcohol Prevention	(10.0)		(10.0)	
Children's Trust	20.0		20.0	
<b>TOTAL</b>	<b>32.6</b>	<b>3.1</b>	<b>35.7</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### People & Policy Highlight Report – Period 7 (October)

#### Historic Issues

- The main forecast under-spend relates to budgets that were previously used by the Communications section for newsletter production, graphic design etc. A £30k expenditure budget remains in this area, c£3k of which will be used to support the Council's various current consultation projects.

#### Current Month Issues

- There has been a favourable movement of £3.1k this month.
- The Council had previously earmarked £1.9k per annum to contribute towards a tri-annual production of a Corporate Plan. This plan will now be produced in electronic format only and consequently the contribution of £1.9k is no longer required.

#### Future Issues

- Nothing to report.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

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

**Period 7 (October)**

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in October (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	135.9	148.8	(12.9)	(12.9)	(0.0)
Other Non-distributed Costs	11.4	10.8	0.5	0.5	0.0
<b>Capital Financing</b>					
Minimum Revenue Provision	124.5	124.5	-	-	-
Investment Interest	(78.7)	(126.6)	48.0	47.0	1.0
<b>Leisure</b>	652.6	652.0	0.6	0.6	(0.0)
<b>Total</b>	<b>845.7</b>	<b>809.5</b>	<b>36.2</b>	<b>35.2</b>	<b>1.0</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
Pensions - inflation pressures	(12.9)		(12.9)	
Interest expenditure	12.7		12.7	
Interest income	34.3	1.0	35.3	
Other misc variances	1.1		1.1	
<b>TOTAL</b>	<b>35.2</b>	<b>1.0</b>	<b>36.2</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Non-Distributed Costs & Capital Financing - Highlight Report – Period 5 August

#### Historic Issues

- Pension charges in relation to former employees has risen by £12.9k for the year following inflation rises in the pension levels.
- Interest payments not now required will result in another favourable variance of £13k.

#### Current Month Issues

- Interest income has been forecasting a favourable variance all year and in October this has risen by a further £1k to £35.3k. With the new 3-month investment in October of £2.5m the amount of interest earned or secured through the current fixed rate deposits now totals over £116k.

#### Future Issues

- Following the Annual General Meeting of Municipal Mutual Insurance, the Council's insurer up until the mid 1990s, the Council has received the June 2012 accounts and a statement from the chairman regarding the position of ongoing insurance claims dating back many years. In the coming months officers will consider the need to increase the Council's provision from £100k to £180k.

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# Monthly Financial Monitoring Report 2012/13 – end of October 2012

## Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Economic Regen Reserves							
	Change Managt	Corporate Contingency Reserve	Planning LABGIS	Core Strategy	Econ' Regen'	Budget Volatility	Single Status	Homeless' Reserve
	AN060103	AN060131	AN060107	AN060108	AN060109	AN060110	AN060111	AN060127
<b>Balance at 01/04/12</b>	<b>932.7</b>	<b>14.0</b>	<b>65.4</b>	<b>243.1</b>	<b>335.3</b>	<b>226.7</b>	<b>30.0</b>	<b>213.6</b>
<b>Funds Received 2012/13</b>								
2012/13 grants								
Revenue income received								
Revenue income anticipated					38.0	95.0		
<b>Total Funds Available</b>	<b>932.7</b>	<b>14.0</b>	<b>65.4</b>	<b>243.1</b>	<b>373.3</b>	<b>321.7</b>	<b>30.0</b>	<b>213.6</b>
<b>2011/12 Utilisation Deferred</b>								
Stubbylee / Acc & Ross College								
Area Forum Grants								
Leisure Investment Project								
Leisure Support								
Valley Centre demolition					(131.1)			
<b>2012-13 Published Budget Utilisation</b>								
Admin Support to Regeneration					(20.0)			
Tourism Support								
Regeneration Officer					(47.0)			
Area Forum Grants								
Community Engagement Officer & Planning for Climate Change								
<b>2012-13 Other Utilisation Plans</b>								
Bacup 'Big Ideas'								
Building Safer Stronger Communities								
Core Strategy				(159.7)				
Allocations Strategy - Letter Drop				(7.4)				
B-with-us					(6.0)			
Refuse Bins						(26.7)		
Youth Homelessness funding								(183.6)
PRG Adrenalin Gateway Program								
PRG Signage Capital								
Hako Sweepers								
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)								
Council tax - CPO properties		(4.5)						
Additional pension payments								
THI Contribution								
Homelessness post cover								
<b>Reserve Estimates 31/3/13</b>	<b>932.7</b>	<b>9.5</b>	<b>65.4</b>	<b>76.0</b>	<b>169.2</b>	<b>295.0</b>	<b>30.0</b>	<b>30.0</b>
<b>Future Contributions/Utilisation Plans</b>								
2013/14 Plans				(13.7)	(40.1)			(30.0)
Bacup Town Centre Heritage Initiative			(65.4)		(20.1)			
2014/15 Plans				(62.2)	(109.0)			
<b>Potential Reserve Balances</b>	<b>932.7</b>	<b>9.5</b>	<b>0.0</b>	<b>0.1</b>	<b>(0.0)</b>	<b>295.0</b>	<b>30.0</b>	<b>0.0</b>

<b>Minor Reserves</b>	<b>Balance Bfwd</b>	<b>Forecast Added</b>	<b>Forecast Used</b>	<b>Bal March 2013</b>	<b>Bal March 2015</b>
Directorate Investment Reserves					
Place Directorate	0.0	35.0	0.0	35.0	35.0
Business Directorate	49.0	67.0	(19.5)	96.5	96.5
Corporate Directorate	61.0	82.0	0.0	143.0	143.0
CCTV	92.3	0.0	(18.5)	73.8	73.8
Performance Mgt	64.5	0.0	0.0	64.5	64.5
Pension Fund Reserve	141.0	0.0	(141.0)	0.0	0.0
	<b>407.8</b>	<b>184.0</b>	<b>(179.0)</b>	<b>412.8</b>	<b>412.8</b>

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserves	Bacup N'hood Reserve	PRIDE Reserve	Perform Reward Grant	Transitional Budgetary Support	Area Based Grants	Other Minor Reserves	Total
	AN060130	AN060118/9	AN060125	AN060126	AN060120	AN060129	AN060121		
<b>Balance at 01/04/12</b>	<b>254.5</b>	<b>924.0</b>	<b>135.0</b>	<b>178.1</b>	<b>329.3</b>	<b>815.0</b>	<b>48.3</b>	<b>407.8</b>	<b>5,152.8</b>
<b>Funds Received 2012/13</b>									
2012/13 grants								0.00	0.0
Revenue income received	47.5		8.0					0.00	55.5
Revenue income anticipated		122.0	19.2					184.00	458.2
<b>Total Funds Available</b>	<b>302.0</b>	<b>1,046.0</b>	<b>162.2</b>	<b>178.1</b>	<b>329.3</b>	<b>815.0</b>	<b>48.3</b>	<b>591.8</b>	<b>5,666.5</b>
<b>2011/12 Utilisation Deferred</b>									
Stubbylee / Acc & Ross College			(100.0)					0.00	(100.0)
Area Forum Grants				(38.0)				0.00	(38.0)
Leisure Investment Project		(617.8)						0.00	(617.8)
Leisure Support								0.00	0.0
Valley Centre demolition								0.00	(131.1)
<b>2012-13 Published Budget Utilisation</b>									
Admin Support to Regeneration								0.00	(20.0)
Tourism Support								0.00	0.0
Regeneration Officer								0.00	(47.0)
Area Forum Grants				(70.0)				0.00	(70.0)
Community Engagement Officer & Planning for Climate Change							(33.1)	0.00	(33.1)
<b>2012-13 Other Utilisation Plans</b>									
Bacup 'Big Ideas'			(50.0)					0.00	(50.0)
Building Safer Stronger Communities								(18.50)	(18.5)
Core Strategy								0.00	(159.7)
Allocations Strategy - Letter Drop								0.00	(7.4)
B-with-us								0.00	(6.0)
Refuse Bins								0.00	(26.7)
Youth Homelessness funding								0.00	(183.6)
PRG Adrenalin Gateway Program					(76.2)			0.00	(76.2)
PRG Signage Capital					(70.0)			0.00	(70.0)
Hako Sweepers	(120.0)							0.00	(120.0)
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)					(26.0)			0.00	(26.0)
Council tax - CPO properties								0.00	(4.5)
Additional pension payments								(141.00)	(141.0)
THI Contribution								(12.50)	(12.5)
Homelessness post cover								(7.00)	(7.0)
<b>Reserve Estimates 31/3/13</b>	<b>182.0</b>	<b>428.2</b>	<b>12.2</b>	<b>70.1</b>	<b>157.1</b>	<b>815.0</b>	<b>15.2</b>	<b>412.8</b>	<b>3,700.4</b>
<b>Future Contributions/Utilisation Plans</b>									
2013/14 Plans	35.5	(428.2)	12.8	(70.1)		(815.0)		0.00	(1,348.8)
Bacup Town Centre Heritage Initiative								0.00	(85.5)
2014/15 Plans	(68.5)					0.0		0.00	(239.7)
<b>Potential Reserve Balances</b>	<b>149.0</b>	<b>0.0</b>	<b>25.0</b>	<b>0.0</b>	<b>157.1</b>	<b>0.0</b>	<b>15.2</b>	<b>412.8</b>	<b>2,026.4</b>

### Current issues

The expected usage of the earmarked reserves for 2012/13 and the coming years has been reflected above. This includes the conclusion of the Rawtenstall Town Centre redevelopment as well as the leisure investment project at Marl Pits.

Anticipated contributions towards the budget volatility reserve from additional planning income have been adjusted in line with the revised forecast on page, as have the anticipated Directorate Reserve contributions listed on page 2.

Officers are currently assessing the potential impacts of the localisation of non-domestic rates which commences in April 2013. It is highly likely that this will result in a recommendation to increase the level on the budget volatility reserve significantly over the next two years. More information will be presented to Cabinet in the coming months.

In accordance with the June Cabinet report the balances on the Planning LABGIS and Economic Regeneration Reserves have now been allocated to the matched funding required for the Bacup Town Centre Heritage Initiative project. This is in conjunction with the two grants shown on the following page and leaves a matched funding requirement of £116k still to be identified from the reserves above.

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### Grants Unapplied

<b>Grants Unapplied</b> (* denotes a capital grant)	Commun' for Habitats	Empty shops revival	Housing Capital Pot *	Disabled Facilities Grants *	Regen Grants (HMR)*	Local'n Ctax Grant	Commun' for Health	Total
<b>Balance at 01/04/12</b>	<b>25.2</b>	<b>52.6</b>	<b>493.0</b>	<b>0.0</b>	<b>70.2</b>		<b>174.0</b>	<b>815.0</b>
<b>New Funds Received 2012/13</b>								
Government grant received		100.0		353.0		84.0		<b>537.0</b>
Other contributions				200.0				<b>200.0</b>
<b>Total Funds Available</b>	<b>25.2</b>	<b>152.6</b>	<b>493.0</b>	<b>553.0</b>	<b>70.2</b>	<b>84.0</b>	<b>174.0</b>	<b>1,552.0</b>
<b>Planned Utilisation in 2012/13</b>								
Planning Core Strategy work	(16.8)							<b>(16.8)</b>
DFGs original Capital Prog 2012/13			(170.0)	(353.0)				<b>(523.0)</b>
<b>Additional Utilisation in 2012/13</b>								
DFGs brought forward from 2011/12			(81.0)					<b>(81.0)</b>
DFGs additional GVH element				(200.0)				<b>(200.0)</b>
Other Housing Capital Programme								<b>0.0</b>
Elevate Programme balance					(10.1)			<b>(10.1)</b>
Localisation of Ctax - software costs						(84.0)		<b>(84.0)</b>
<b>Anticipated Balance 31/3/13</b>	<b>8.4</b>	<b>152.6</b>	<b>242.0</b>	<b>0.0</b>	<b>60.1</b>	<b>0.0</b>	<b>174.0</b>	<b>637.1</b>
<b>Future Utilisation Plans</b>								
2013/14		(152.6)	(170.0)					<b>(322.6)</b>
2014/15			(72.0)					<b>(72.0)</b>
2015/16								<b>0.0</b>
<b>Potential Reserve Balances</b>	<b>8.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>60.1</b>	<b>0.0</b>	<b>174.0</b>	<b>242.5</b>

The grant for the Town Centre Heritage Initiative has been recognised and added to the Empty Shops Revival grant brought forward to create a combined Bacup Town Centre grant fund. This will be combined with revenue provisions and reserves to provide the total project funding.

During October software costs have begun to be incurred in relation to the Localisation of Council Tax and costs from the Regeneration Grant for the closure of the Housing Market Renewal initiative have been confirmed at only £10.1k.

### Staff Costs, including agency

The table below reflects the operational structures at the beginning of the year. The growing favourable change within the Operations team reflects agency changes noted on page 11.

Employment Costs Period 7 - October 2012	YTD Budget £000	YTD Actual £000	Variance this mth (Adv)/Fav £000	Variance last mth (Adv)/Fav £000	Change this mth (Adv)/Fav £000	Original Budget Staff FTEs	FTE Changes during 2012/13	Current Vacant Posts
<b>Place Directorate</b>								
Communities Service	872	857	15	9	6	49.7	0.0	2.0
Customer Services	251	224	27	23	4	10.8	0.0	1.0
Operations Service	826	769	57	45	12	51.7	0.0	1.0
<b>Business Directorate</b>								
Building Control Services	130	129	1	0	1	5.0	0.0	0.0
Legal & Democratic Services	256	256	0	2	(2)	12.7	0.0	0.0
Planning Services	258	244	14	9	4	12.6	0.0	2.0
Local Land Charges	46	46	(0)	0	(1)	2.0	0.0	0.0
Public Protection	146	143	3	3	(0)	8.8	0.0	1.0
Health, Housing & Regen	512	524	(12)	(5)	(7)	21.5	0.0	0.0
<b>Corporate Services</b>								
Corporate Management	215	210	5	5	(0)	5.0	0.0	0.0
Finance & Property Services	373	368	5	5	0	18.6	0.0	0.0
People & Org. Performance	143	142	1	1	1	6.0	0.0	1.0
<b>Total</b>	<b>4,028</b>	<b>3,912</b>	<b>116</b>	<b>98</b>	<b>18</b>	<b>204.4</b>	<b>0.0</b>	<b>8.0</b>

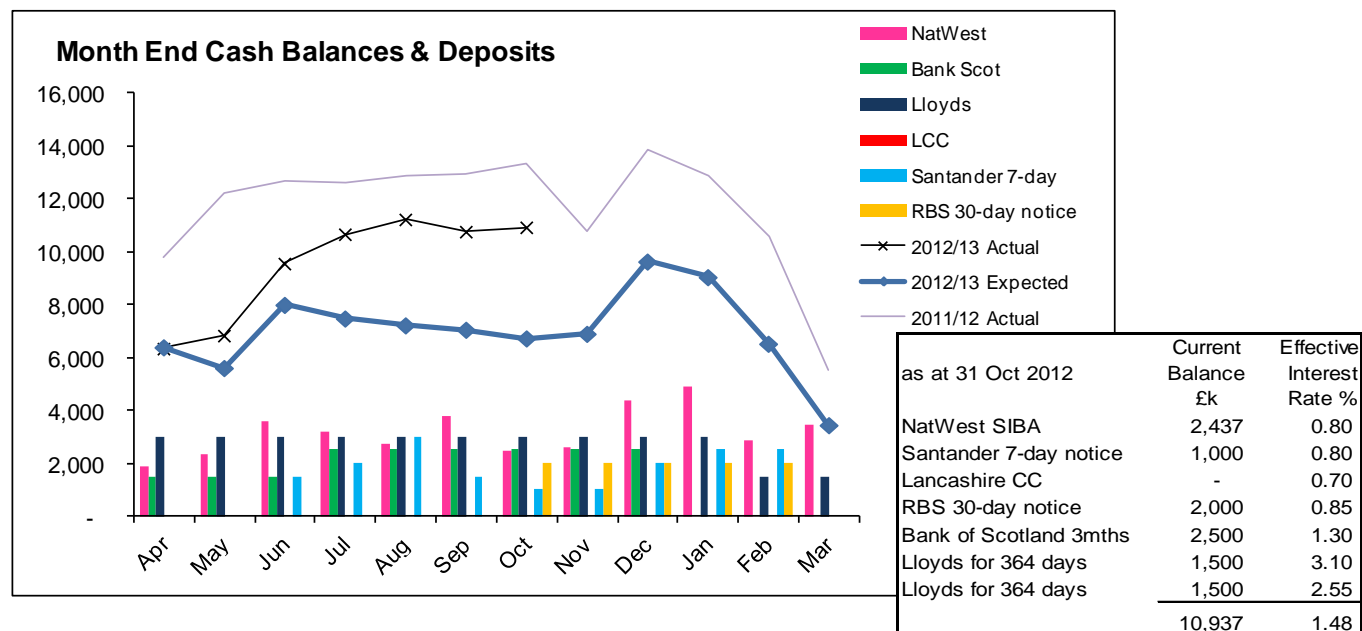
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# Monthly Financial Monitoring Report 2012/13 – end of October 2012

## Treasury Management & Cash Flow Monitoring

### Cash Flow Management

At the end of October the bank balances were £10,937k up from £10,773k at the end of September.



The actual year-to-date balances for 2012/13 are higher than expected for several reasons:

- the July receipt of £1.2m of NNDR pooling payment debt brought forward at year-end
- capital receipts re. the Henrietta Street development project and a land sale in Whitworth
- savings being made on revenue expenditure

The table above right shows clearly the spread of deposits being maintained by officers to ensure security of the Council's funds. In October the 3-month deposit with the Bank of Scotland was rolled forward as predicted in last month's monitoring report.

In light of ongoing Eurozone concerns national credit rating agencies again revised the ratings for Santander UK in October, recommending a deposit maximum of 3-months. In response Council officers opened both an instant access and a 30-day notice account with the Royal Bank of Scotland (RBS). In practice deposits into the Santander UK instant access account are now kept below £3m and £2m has been transferred to the RBS 30-day notice account earning 0.85% with the expectation that it is unlikely to be needed until around February.

### Deposits and Interest Earned

The interest income forecast has been updated to reflect the rolled-over 3-month deposit with the Bank of Scotland and the slight increase in the 30-day notice interest. The total interest income forecast has risen by £1k to £132.6k, of which £116k has already been secured through current deposits.

Interest	Budget 12/13	Forecast 12/13	Variance Fav/(Adv)	Change Fav/(Adv)
<b>Revenue</b>				
Interest payable	(13.0)	0.0	13.0	0.0
Interest income	90.0	125.4	35.4	1.0
<b>Net Interest</b>	<b>77.0</b>	<b>125.4</b>	<b>48.4</b>	<b>1.0</b>
<b>Capital</b>				
Interest income	0.0	8.3	8.3	0.0
<b>Net Interest</b>	<b>0.0</b>	<b>8.3</b>	<b>8.3</b>	<b>0.0</b>

as at 31 Oct 2012	Terms	Gross Rate %	Interest Paid
<b>NatWest instant access</b>	£1M+	0.80	Quarterly
<b>Santander 7-day notice</b>	£1+	0.80	Quarterly
<b>Lancashire County Council</b>	£1+	0.70	Quarterly
<b>RBS 30-day notice</b>	£1+	0.85	Monthly
<b>Bank of Scotland</b>	£2.5m 3mths	1.30	24/10/12
<b>Lloyds</b>	£1.5m 364 days	3.10	13/02/13
<b>Lloyds</b>	£1.5m 364 days	2.55	20/03/13

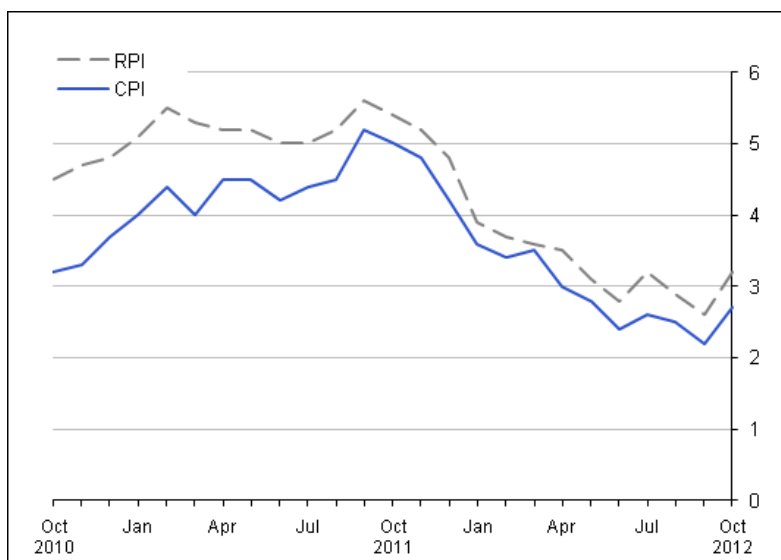
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### Economic Outlook (issued 13th Nov)

The Consumer Prices Index (CPI) annual inflation stood at 2.7 % in October, up from 2.2 % in September. The Retail Prices Index (RPI) annual inflation stood at 3.2 % in October, up from 2.6 % in September.

The main upward pressure came from the education sector (university tuition fees) with smaller upward contributions from food & non-alcoholic beverages and transport. These were partially offset by downward pressures from the housing & household services, recreation and miscellaneous goods & services sectors.



Members should note that the September RPI was an important one as it determines the coming year rises for payments such as pensions and benefits, etc. Officers have now adjusted future budgets for the impact of the September RPI on contracts such as the Revenues & Benefits contract (see page 9).

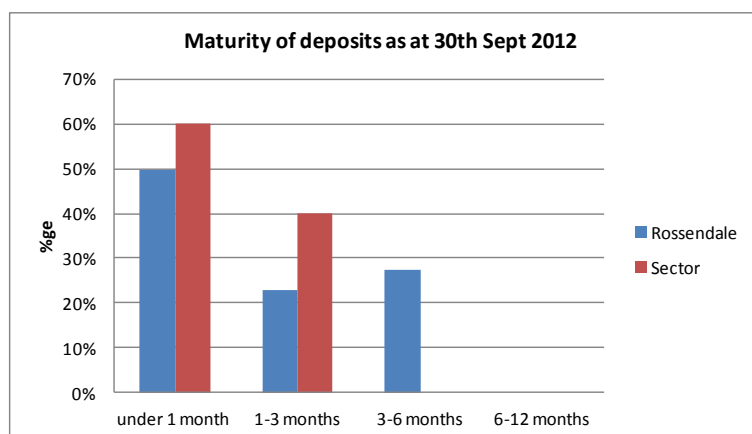
### Interest rate forward predictions

Sector analysts continue to predict that any interest rate rise will be delayed until Q4 of 2014 or beyond and the expectations for PWLB rate rises have also been delayed.

as at	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept
Oct 2012	2012	2013	2013	2013	2013	2014	2014	2014
<b>Base Rate</b>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<b>25yr PWLB</b>	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%

### Treasury Management Practices and Prudential Indicators

All the Council's investments continue to follow the policies laid down in the Treasury Management Strategy document, only using UK high street banks with high credit ratings and/or assisted by government funding and limiting investments to short-term (ie. 364 days maximum).



The Council's Treasury Management Practices limit the maximum investment with any single institution to the greater of £5m or 50% of total funds available, and £10m across a single group.

The amount in the NatWest SIBA account went above £5m overnight on two occasions in October. On the first instance no action was taken because payment of over £1.4m in benefits was due out the following day. The second occurrence coincided with the credit rating changes for Santander UK and prompted the officer decision to open

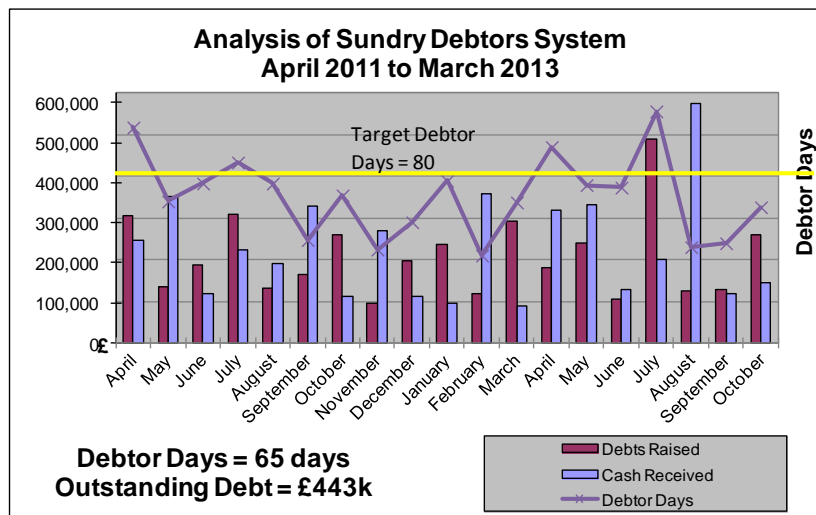
accounts with the Royal Bank of Scotland rather than increase the level of Santander deposits.

Sector's current portfolio is running at 0.937% with an average duration of 15 days as they continue to keep investments short. With the new 3-month deposit in October, the Council's average duration has risen to 54 days giving a comparative effective interest rate of 1.48%.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Sundry Debts Monitoring



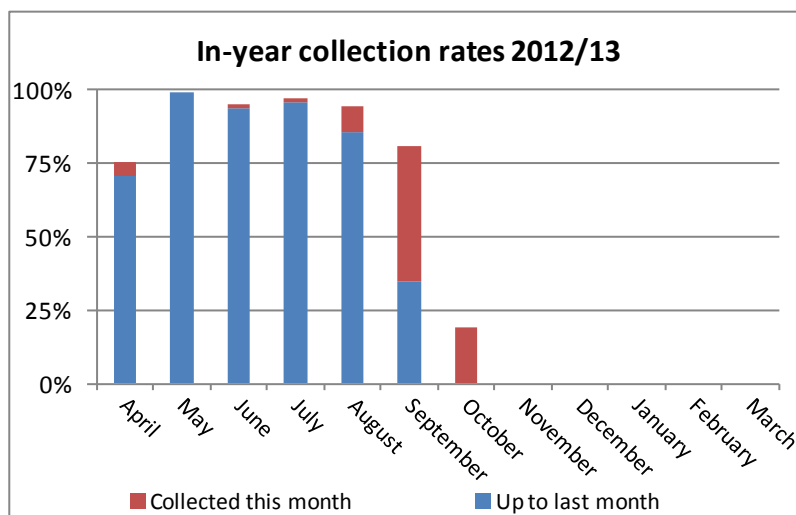
During October £274k of new invoices were raised, including £166k of recycling income & quarterly cost share recharge to LCC, bringing the total to date in 2012/13 up to £1,623k.

Invoicing volumes fluctuate between months, as seen in the table opposite, but there is a pattern to this. Trade waste invoices of c£147k are issued in April, c£34k of garage rents in August and £166k of cost share/recycling invoices are sent quarterly, as noted above.

The quarterly invoices issued in October have increased the level of debts outstanding, resulting in a rise in the average debtor days to 65, from 48 last month. This is still within the target 80 days, and an improvement on the 71 days at the end of October 2011.

#### Doubtful debts

The LCC cost share invoices have low risk of non-collection, therefore they have been excluded from the doubtful debt calculation below. The value of doubtful debts remaining has risen from £113k to £121k against which the Council has a provision of £109k.



Debts Outstanding	Mar 2011	Mar 2012	30 Sept 2012		31 Oct 2012		Doubtful Debt Prov'n	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	41.7	24.9		23.3		23.3	100%	23.3
2010/11 Debt	477.5	24.0		20.7		20.7	100%	20.7
2011/12 Debt		419.3		63.7		63.2	mixed	58.5
2012/13 Debt								
Q1 Apr			58.4		48.0		10%	4.8
Q1 May			1.8		1.8		10%	0.2
Q1 Jun			7.2	67.4	5.2	55.0	10%	0.5
Q2 Jul			20.5		13.5		10%	1.4
Q2 Aug			18.9		7.3		10%	0.7
Q2 Sept			89.3	128.7	26.5	47.3	10%	2.7
Q3 Oct			14.5		222.2		10%	7.6
Q3 Nov					11.3		10%	1.1
Q3 Dec				14.5		233.5	10%	0.0
<b>Total Debt o/s</b>	<b>519.2</b>	<b>468.2</b>	<b>318.3</b>		<b>443.0</b>			<b>121.5</b>

At the end of the year officers will consider any additional contribution, however the current forecast is for no material requirement.

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### Capital Resources

**Table 1 - 2012/13 receipts**

Major Receipts:	Original Expect'ns £000	Received £000	Total Forecast £000	Surplus/ (Deficit) £000
<b>Capital Receipts</b>				
Land & Property Sales	100	685	1,006	906
Equity Release Repayments			-	-
Cost of sales			(1)	(1)
	100	685	1,005	905
<b>Revenue Receipts</b>				
GVH - Vat Shelter	346	115	346	-

### Historic issues

VAT Shelter payments for Q4 were received in June at £77k above the level accrued for in 2011/12. When added to the £38k received for Q1 this brings the total received to £115k.

The receipt of £250k in late May pertained to a development in Bacup and has already been earmarked to enable engineering facilities to be installed at Henrietta Street Depot in order to facilitate the eventual transfer of the larger site. This additional capital project is now included in the revised capital programme overleaf.

In August the sale of a ransom strip in Whitworth was concluded and funds received.

### Current issues

This month further funds were received pertaining to the Henrietta Street site which enabled the purchase and resale of a piece of land adjoining Council property. This transaction continues to facilitate the eventual transfer of the larger site, due to bring in a further £300k this year.

At the time of going to press officers are still awaiting indications from Green Vale Homes about the level of Q2 VAT Shelter receipts expected and the revised forecast for the full financial year.

### Financing the Capital Programme

The capital receipts balance brought forward at the start of the year was £1,011k of which £359k was ring-fenced for housing capital projects, £426k was required for ongoing projects rolled over from 2011/12 and £203k was approved for new projects in the February budget setting process.

Of the new receipts in 2012/13 shown in Table 1 above, £533k has been earmarked for new capital projects as shown on the page opposite. Therefore the level of unreserved receipts in 2012/13 to date is £467k.

To date there has been no change in the plans to use £130k to support the cost of compulsory purchase orders (CPOs) and £200k for the decent homes assistance project, leaving just £29k of capital receipts ring-fenced for housing by the end of 2012/13.

The other main source of capital funds is through grants. With £353k of DFG already received, up to £200k being offered by Green Vales Homes and the use of £251k from the unapplied Housing Capital Pot grant, the revised DFG project estimate remains at £804k.

**Future issues** DFG grant available beyond 2014/15 remains uncertain.

**Table 2 - Useable Capital Receipt Balances**

Useable Capital Receipts Forecast	£ 000
Balance at April 2012	1,011
Capital Receipts expected in 2012/13	1,005
	<b>2,016</b>
Revenue Contributions (RCCO)	
VAT Shelter after Pensions	-
Leisure & Regen Reserves	749
other Earmarked Reserves	170
from Revenue Operations	47
<b>Total Capital Resources 2012/13</b>	<b>2,982</b>
Capital Programme spend	(2,486)
<b>Capital Resources at March 2013</b>	<b>496</b>
Reserved for housing at March 2013	(29)
<b>Estimate of Unreserved Capital Receipts at March 2013</b>	<b>467</b>

*RCCO is Revenue Contribution to Capital Outlay*

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### Capital Programme Spending

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

SERVICE AREA	2012/13 Original Capital Programme	2012/13 Revised Capital Programme	Period 7 MONITORING		Full YR Forecast	Revised Programme Funding Arrangements				
	Total £000	Total £000	Spend £000	Committ £000	Forecast £000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Effect
<b>Place Directorate</b>										
Place Operations	60	362	40	16	362	11	323	28	0	0
Customer Services & e Govt Communities	0	0	5	9	0	0	0	0	0	0
Regeneration	0	92	0	15	92	92	0	0	0	0
	0	280	177	83	280	149	0	131	0	0
<b>Corporate Support Services</b>										
Finance & Property Services	153	1,108	655	86	1,108	0	840	119	149	16
Leisure Facilities	0	1,960	1,504	306	1,960	0	27	618	1,315	0
Other PRG Projects	0	73	0	0	73	3	0	70	0	0
<b>Housing</b>	723	1,134	330	24	1,134	804	330	0	0	0
	<b>936</b>	<b>5,009</b>	<b>2,711</b>	<b>539</b>	<b>5,009</b>	<b>1,059</b>	<b>1,520</b>	<b>966</b>	<b>1,464</b>	<b>16</b>

### Historic issues

The original capital programme for 2012/13 approved in February was £936k.

An additional £2,965k of projects ongoing in March were carried forward to 2012/13 and new projects added during April to October mean that the revised programme at the end of October 2012 is £5,009k.

### Current issues

In October costs in relation to the Morrisons development project have risen by £8k, but these are expected to be recouped as part of the overall transaction.

Other progress to date is shown above and October activity included:-

- Marl Pits building with a further £307k being paid. This leaves a balance of £306k on the original construction order and a further £150k not yet committed.
- A further £45k of mandatory DFGs have been completed and paid for.
- At the Henrietta Street garage conversion £63k of works previously on order have now been completed and paid for and a further order of £20k has been placed.
- An order has been placed for £15k of works to survey the condition of all sports playing fields in order to prioritise the works planned which will utilise the balance of the £220k capital programme allocation included above.
- Work has begun on installing the solar panels at Futures Park and to date 50% of the £113k order has been paid.

Against the revised programme of £4,989k costs paid or committed to date are £3,250k (64.8%)

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## Monthly Financial Monitoring Report 2012/13 – end of October 2012

### 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 2012/13 was £570.7k, of which £437.1k related specifically to operational vehicles and equipment and £7.7k for the new desktop virtualisation project.

MRP in 2012/13 is set to rise further with the addition of the repayment of the Leisure and Regeneration investment projects once the building becomes operational. The value of this rise has been accounted for in the ongoing cost budgets.

As reported on the previous page c£14k will be added to MRP payments from 2013/14 onwards in relation to the solar panels at Futures Park. These costs will be met from current electricity budgets and additional income resulting from the project.

### Section 106 Receipts Monitoring

<u>Section 106 Agreements</u>	Third Party Projects £000	RBC Revenue Projects £000	RBC Capital projects £000	Total Held £000
Balance bfwd at 1st April 2012	155.2	281.7	142.0	<b>578.9</b>
Deposits received in 2012/13	121.9	-	257.8	<b>379.7</b>
Deposits applied in 2012/13	(31.4)	(3.9)	(100.0)	<b>(135.2)</b>
Current Balance	245.7	277.9	299.8	<b>823.4</b>

The table above shows details of deposits received and used to date in 2012/13, including those relating to Holmefield House in Helmshore and Orama Mill and Eastgate in Whitworth.

### Collection Fund

Collection rates on council tax are only marginally below this time last year. However, the Q2 monitoring of the Collection Fund in early October showed that over the summer months a high volume of banding decreases have been approved by the Valuation Office, generating over £384k in refunds to date going back to 1993 in some cases. The end of October shows this figure rising to £494k and this is now under regular review, but the Council has virtually no control over the Valuation Office decisions in the matter.

Whilst some reductions are expected each year, the figures above are far beyond the normal levels and could lead to a year-end deficit on the Collection Fund of around £290k, of which RBC's element would be £46k. Whilst any resulting deficit will eventually be split between all preceptors Rossendale Borough Council is obligated to pay over funds during the year based on the original estimates, thereby standing the full cash flow impact until any preceptor portions of the deficit can be recovered.

NNDR collection rates to the end of October are marginally below this time last year, though any surplus or deficit for the year is payable to central government under the current business rates pooling scheme. These current arrangements will cease as from 31<sup>st</sup> March 2013. New arrangements will commence as part of the new Local Government Finance Act (2012), paving the way for 50% retention of locally generated business rates income.

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## Glossary

### 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. 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 or loss of interest. For the Council this is the balance on the NatWest account. 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.

### Full Time Equivalent (FTE)

Each full-time post within the Council works 37 hours per week. Part-time posts are expressed in relation to this, for example a post working 4 days a week would be 0.8FTE.

### 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.

### 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.

### 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.

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### Medium Term Financial Strategy (MTFS)

The Council's financial planning document for the foreseeable future.

### Minimum Revenue Provision (MRP)

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

### National non-domestic rates (NNDR)

National non-domestic rates for commercial premises are set annually by the government and collected by all local authorities. The proceeds are redistributed through the Central Formula Grant.

### 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. The Sector model investment portfolio is the benchmark by which we measure our investment performance.

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Rossendale Borough Council

PO BOX 74

Bacup

OL13 0WU

T: 01706 217777

E: [generalenquiries@rossendalebc.gov.uk](mailto:generalenquiries@rossendalebc.gov.uk)

اگر آپ کو ان معلومات کا خلاصہ یا مزید سے تروف میں، ایجیکٹس پر، یا انگریزی کے علاوہ کسی اور زبان میں اور کارہے ہے، ہمارے  
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Other formats available on request.

Tel: 01706 217777 or contact:

Rossendale Borough Council

PO BOX 74, Bacup, OL13 0WU

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