

Subject:	Financial Monitoring 2013/14 Update – end February 2014	Status:	For Publication
Report to:	Cabinet	Date:	19 th March 2013
Report of:	Finance Manager	Portfolio Holder:	Finance and Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	Yes/No	Attached: Yes/No
Biodiversity Impact Assessment	Required:	Yes/No	Attached: Yes/No
Contact Officer:	Janice Crawford	Telephone:	01706 252416
Email:	janicecrawford@rossendalebc.gov.uk		

1.	RECOMMENDATION(S)
1.1	The Members note the contents of the report.
1.2	That Members approve the revised bulk waste collection charges for 2014/15 as shown in section 5.6

2. PURPOSE OF REPORT

2.1 As reported previously to Members, Officers are now publishing the full reporting pack on a quarterly basis. The last report in January covered Quarter 3. The purpose of this report is to update Members on the final financial monitoring position for 2013/14 since that last report.

3. CORPORATE PRIORITIES

3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **Regenerating Rossendale:** This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting sustainable investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.
- **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
- **Clean Green Rossendale:** This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

4. RISK ASSESSMENT IMPLICATIONS

4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues and opportunities and in particular service department net expenditure.
- Budget setting for future years is now treated as an integral part of financial monitoring during the current year. Progress in identifying and implementing further savings to meet the challenges in the Medium Term Financial Strategy (MTFS) are reported as they begin to impact upon the 2013/14 out-turn.
- The budget-setting exercise for 2014/15 and beyond has identified a further reduction in resources over the medium term producing a future in year deficit now

totalling up to £1.8m by 2017/18. Members, collectively, continue to face some difficult choices in order to balance expenditure with available resources over the medium term.

- Risks associated with treasury management practices are managed within the Council's Treasury Management Strategy and Treasury Management Practices documents (revised in February 2014).
- The delivery of capital receipts continues to be a prime area of focus for the Council in supporting its corporate priorities, both in 2013/14 and in the years to come.

5. BACKGROUND AND OPTIONS

5.1 2013/14 Forecast

The full reporting pack is now being completed on a quarterly basis. However, managers still receive financial position statements on a monthly basis regarding current and forecast positions. Overall as at the end of January the Council still continues to forecast a full year favourable variance of £ 82k, this is an adverse movement of £51k since the Q3 report. The significant new items are listed below.

- £45 being spent on new parks equipment as per January Scheme of Delegation Decision Notices.
- £10k costs of moving the Council's data centre from Hardmans Mill.
- £13k favourable on vehicle maintenance forecasts.
- £8k favourable on staff training costs as training programmes approach their conclusion for the year.
- £9k cost of works relating to identification of empty homes in order to maximise council tax receipts.
- £5k additional contribution to the bad debt provision for write-off of old debts pre April 2012.

5.2 Earmarked Reserves and Unapplied Government Grants

Other than the potential reduction of year-end transfers into the Transitional Reserve arising from the £46k adverse movement at 5.1 above, there have been no significant movements since Q3 report.

5.3 Capital Resources and Capital Programme

No significant movement in resources since Q3 report.

On the Capital programme

- Progress continues on the Stacksteads Cycleway project despite the weather and some access issues. Natural England have acknowledged the operational delays and allowed for an interim in February and the final claim deadline to be put back to the end of March.
- The Community Covenant Partnership project in Haslingden, being funded by the Ministry of Defence, is virtually complete now and grant funding has been received.
- DFG grant works which have been approved are continuing. Approved grants are now £706k (or 83% of the total programme) with 68% paid over to contractors by the end of February.

5.4 Treasury Management and Cash Flows

The total resources at the end of February were £9m, though this is still expected to drop to around £6.3m by the year end within the normal pattern of revenue collections and precept payments.

Officers were notified in February of further reductions in the interest rates applicable to the current and short-notice accounts from April, with the main current SIBA account dropping from 0.5% to 0.3%. A full cash flow for 2014/15 is being prepared and any resulting impact on the interest income forecast will be reported with the Q4 out-turn report to the June Cabinet meeting.

5.5 Collection Fund

In terms of Council Tax the Valuation Office have settled a large number of appeals since the Q3 report, resulting in over £200k of refunds to householders. Whilst some refunds were anticipated in the earlier forecast this is likely to reduce the Council's share of any final surplus by around £12k to £100k.

Members will note the Irrecoverable Debt Report also being submitted to this Cabinet for approval. That report includes almost £30k of Non-Domestic bills which will be re-billed to the property title holders as a result of a clamp-down on examples of tax avoidance. The total amount being submitted for write-off is £224k which will have an adverse impact of £24k on the Council's element of non-domestic rates income. However, much of this had been included in the £93k surplus forecast at the end of Q3.

5.6 Future Issues

When the 2014/15 budgets were being submitted to members through January and February, the contract for bulky waste collection was out to tender. Following the consideration of the tender bids it has become apparent that the fee proposed at Full Council in February will not be adequate. In order to maintain the budget position, officers now recommend that members approve the bulk waste collection fee be increased from the planned £18.00 to £23.50 for up to 3 items and pro-rata for the other charges as shown below.

Bulky Collection Charges 2014/15	Actual 2013/14	Approved 2014/15	Revised 2014/15	Revised annual increase
	£	£	£	%
up to 3 items (furniture)	17.27	18.00	23.50	36%
up to 6 items (furniture)	33.46	36.00	47.00	40%
Electrical White Goods (cost per item)	17.27	18.00	23.50	36%

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 Financial matters are noted in the report above.

7. MONITORING OFFICER

7.1 Unless specifically commented upon within the report, there are no specific implications for consideration.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 Unless specifically commented upon within the report, there are no implications for

consideration.

Directors, Heads of Services and Budget Holders have been consulted.

9. CONCLUSION

- 9.1 Robust monitoring of the General Fund is essential to control risks expressed in section 4.
- 9.2 Despite a continued cost reduction programme, the challenge remains for Council to continue its efficiency agenda in order to realise its medium term saving target, which given recent consultation is likely to increase. Members, collectively, continue to face difficult choices in order to balance expenditure with available resources over the medium term.
- 9.3 Members are recommended to approve a revised bulk waste collection charges for 2014/15 as shown in section 5.6.

Background Papers	
Document	Place of Inspection
Financial monitoring statements for each service area.	Financial Services.