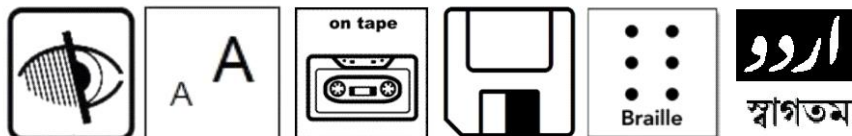


# Monthly Financial Monitoring Report

2014/15 as at end of December 2014

*Including a Glossary of terms on page 32*



## Monthly Financial Monitoring Report 2014/15 – December 2014

### General Fund Revenue Operations – pages 4 to 21

During 2014/15 this monitoring report will be produced in full at the end of each quarter to tie in with reports to Cabinet. Interim budget monitoring reports are being produced each month and discussed with Budget Managers and Heads of Service.

The Q3 monitoring report on the General Fund for 2014/15 is showing a £254k favourable variance compared to the original budget of £8,905k. This assumes that the planned use of £23k from the Transitional Budget Reserve is deferred to support revenue budgets in future years.

It is recommended that the £254k favourable variance is transferred to the Transitional Reserve, thereby keeping the General Fund Reserve at the MTFS target of £1m.

### Earmarked Revenue Reserves – page 22 to 23

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2014 were £7,438k (excluding the Transport Reserve).

The Transitional Reserve now includes an expected net transfer in of £254k of general underspend shown above along with the £189k additional New Homes Bonus and £569k additional Licensing income as shown on pages 10/11. This brings the value at the end of year up to £2,231k, covering the requirement for £1,992k to support the revenue budgets up to 2017/18 as quoted in the MTFS report to Cabinet back in June.

The Vehicle Reserve not only includes the budgeted contribution of £121k, but also the additional £100k contribution noted on pages 8/9.

The forecast closing balance at the 31<sup>st</sup> March 2015 is now predicted to be £8,852k.

### Government Grants Unapplied – page 24

The opening value of Government Grants Unapplied at the 1<sup>st</sup> April 2014 was £683k. This included £376k of Housing Capital Pot and £270k of Homes and Communities Agency (HCA) Grants.

The HCA scheme is progressing, with £4,021k received in the year to date and £4,462k having been invested in homes across Rossendale and its neighbouring authorities so far with the remaining £700k due in the next six months. The total number of properties brought back into use to date is 411 with 86 (21%) within Rossendale. These figures are expected to reach around 480 for the whole scheme with 97 being in Rossendale.

The forecast balance at March 2015 is now revised to £238k, which is expected to reduce to £25k by March 2017.

### Staff Monitoring – page 24

During the first nine months 4.8 FTEs have been removed from the establishment. Of the remaining 158.2 FTEs, there are 5 vacant post at the end of December. These changes have contributed to cash savings of £161k, which are expected to rise to £182k by March.

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### Treasury & Cash Management - page 25 to 27

Interest rates on the Handelsbanken accounts fell at the end of December and our advisors, Capita, forecast that any increase in base rates will be deferred until the end of 2015. With this in mind, the £2m which matured on the 2<sup>nd</sup> January has been rolled over with Lloyds for 364 days to earn 1% interest. The impact of this will improve the interest income forecast for 2014/15 by just under £5k to an overall £20k adverse variance.

At £2,994k, the level of invoices issued since April is 42% up on last year, but collection rates continue to improve. Of the invoices raised up to the end of November, 97.7% have already been collected and a further 0.5% is due in instalment arrangements during January. However, with the higher value of invoices issued, especially in December 2014, the Debtor Days indicator closed the quarter at 69 days compare to 68 days at the end of September.

One S106 agreement for £96k, which is the subject of ongoing negotiations, has been excluded from the calculation of the doubtful debts figure, leaving an estimate of £101k against which the Council has a provision of £88k. Hence, there may be a need to make further bad debt provision at the year-end.

### Capital Receipts – page 28

Receipts from asset sales have been slow in the first six months, but officers are still optimistic about achieving the target of £100k.

Following on from the refuse fleet replacement decision, officers also expect to obtain around £200k from the auction of the old fleet in Q4. These funds will be used to reduce the internal borrowing required to support the new fleet.

### Capital Programme and Funding – page 29 to 30

The capital programme started the year at £910k, to which £896k of slippage has been added. New projects during the year now total £2,978k, with Q3 additions including the renewable energy decision at Cabinet in October and the November Cabinet decisions to purchase one domestic property under the mortgage rescue policy and the £500k investment in the Ski Rossendale. Other new projects being funded by external grants include the Western Park enhancements and Ministry of Defence funding for the Veterans in Communities to purchase a minibus. This means that the revised capital programme for 2014/15 now totals £4,772k.

In terms of capital activity, the Western Park works are well under way and the new vehicles were being delivered in December/January. The DFG programme now stands at £484k, or 54% complete. Overall the programme is 54% complete with £2,590k being spent or committed.

### Collection Fund 2014/15 – page 31 & 32

Collection rate for Council Tax and Business rates are both down on this time last year, however, both are predicting a year-end surplus at this stage.

Council Tax has seen policy changes on empty properties and a slow-down in rating appeals which look set to return a surplus of £150k for the Council.

Business Rates variances are explained in detail on page 32. The in-year surplus on the collection fund for business rates is expected to be around £219k for this council, but these funds cannot be accessed until 2015/16. In terms of Section 31 grants and localism reliefs the council has accrued for £519k, but central government will require £353k of this to be paid back over in March in the form of a levy. All these figures are reflected as transfers in and out of the Business Rates Retention Reserve on page 22.

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### General Fund Revenue Operations

#### General Fund Summary - Quarter 3 (Dec)

Service Area	2014/15 Original Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
<b>Place Directorate</b>					
Customer Services and E-Government	1,386.9	1,369.7	17.3	27.1	(9.8)
Place Operations	2,611.5	2,469.9	141.6	92.5	49.1
<b>Business Directorate</b>					
Building Control Services	6.1	6.8	(0.7)	(0.2)	(0.5)
Legal & Democratic Services	703.5	662.7	40.7	31.3	9.4
Planning Services	(81.5)	(167.4)	85.9	59.8	26.1
Local Land Charges	13.5	(2.6)	16.1	14.7	1.4
Licensing & Enforcement	64.8	62.8	2.0	2.4	(0.4)
Health, Housing & Regeneration	849.7	814.6	35.1	24.4	10.7
<b>Corporate Support Services</b>					
Corporate Management	329.2	260.2	69.0	66.1	3.0
Finance & Property Services	1,424.9	1,468.7	(43.8)	(48.3)	4.5
People and Policy	311.3	238.7	72.6	60.2	12.4
Non Distributed Costs	880.3	1,004.1	(123.8)	(143.5)	19.7
Capital Financing and Interest	185.9	185.1	0.9	(21.8)	22.7
Leisure	241.6	277.4	(35.8)	(35.7)	(0.1)
Use of Earmarked Reserves	(22.8)	-	(22.8)	(22.8)	-
<b>Favourable impact on General Fund</b>	<b>8,905.0</b>	<b>8,650.6</b>	<b>254.4</b>	<b>106.1</b>	<b>148.3</b>

The revenue position at the end of December 2014 takes account of various favourable and adverse variances, including the net transfer of £1,012k to earmarked reserves and not using £23k from reserves as originally planned, coming to a net favourable £148k.

Total anticipated favourable variance in relation to staff is £182k favourable. The table on page 24 shows a current reduction of 4.8 FTEs against the original establishment of 163.0 FTEs at the start of the year. The cash effect during the first 9 months of the year has been savings of £161k.

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

- Fuel cost projections continue to drop as both prices fall and consumption rates improve.
- Cemeteries income has increased by £18.3k with a sharp rise in burials in Q3.
- Planning applications fee income has improved by £26k.
- The internal audit contract accrual for 2013/14 and expected 2014/15 programme have been revised to produce a favourable variance of £13.9k.
- By Q3 VAT Shelter income seems to have recovered by around £15k on previous forecasts.
- One-off refunds from HMRC have been received totalling £35.9k

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Major movements during Q3	Favourable /(Adverse)	Net
<b>Customer Services and E-Government</b>		
Capita contract - reduction in inflation uplift	4.6	
Capita Performance Reward for maximising New Homes Bonus	(9.6)	
Other minor variances	(4.8)	(9.8)
<b>Place Operations</b>		
Staff costs	(12.8)	
Fuel	37.1	
Cemeteries Income	18.3	
Vehicle Maintenance	4.7	
Other minor variances	1.8	49.1
<b>Business Directorate</b>		
Income from Planning Applications	26.0	
Planning Non Pay Budgets	8.1	
Legal Officer Fleible Retirement/Legal Support	(2.5)	
Members Allowances and Expences	4.0	
Other minor variances	0.3	35.9
<b>Business - Health, Housing &amp; Regeneration</b>		
Markets Income	(3.1)	
Staff costs	8.9	
Private Sector Non Pay	4.9	
Other minor variances	0.0	10.7
<b>Corporate Management</b>		
Staff costs	13.0	
Continued support to Regenerate Pennine Lancashire	(11.4)	
Other minor variances	1.4	3.0
<b>Finance &amp; Property Services</b>		
Internal Audit contract with LCC	13.9	
Property running costs	12.6	
Insurance premium	(13.1)	
House of Multiple Occupancy	(6.0)	
Car Parking Contribution to Capital Outlay	(6.0)	
Estates income	3.1	4.5
<b>People &amp; Policy (incl P&amp;P &amp; Comm)</b>		
Staff costs	9.0	
New Health And Safety Contract	2.8	
Other minor variances	0.6	12.4
<b>Non-Distributed Costs &amp; Capital Financing</b>		
Superann added years	(12.7)	
VAT Shelter monies from Green Vale Homes	15.0	
Interest Income	4.6	
One-off refunds from HMRC re VAT & Tax	35.9	
Other minor variances	(0.5)	42.3
<b>This month's favourable/(adverse) variance on the General Fund</b>		<b>148.3</b>

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### Customer Services & E-Government - Quarter 3 (Dec)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
<b>Strategic Functions</b>					
Management and Support	69.5	70.0	(0.5)	(0.4)	(0.1)
Service Assurance Team	111.9	104.4	7.4	9.8	(2.4)
<b>Revenues, Benefits and Customer Services</b>					
Local Tax Collection	(337.8)	(351.0)	13.2	17.0	(3.8)
Benefits Admin	1,020.5	1,016.4	4.1	8.4	(4.3)
Net - Housing Benefit Payments made & Subsidy received	(38.5)	(33.5)	(5.0)	(4.4)	(0.6)
<b>Information and Communications Technology</b>					
Technology	561.4	565.7	(4.4)	(3.6)	(0.8)
<b>Pest Control</b>					
Pest Control	-	(2.4)	2.4	0.3	2.1
<b>Total</b>	<b>1,386.9</b>	<b>1,369.7</b>	<b>17.3</b>	<b>27.1</b>	<b>(9.8)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Bailiffs fees for Housing Benefit over payments recovered	(4.0)		(4.0)	
Recovery costs associated with avoidance of Business Rates		(3.7)	(3.7)	
Cash recovery of Housing Benefit over payments	(0.7)		(0.7)	
Court Costs Awarded	15.0		15.0	
Vacant post within the Service Assurance Team	8.4		8.4	
Projected inflationary uplift - Outsourced contract with Capita for provision of revenue collection & Housing Benefit	5.4	4.6	10.0	
Performance reward monies to Capita for maximisation of New Homes Bonus Grant funding		(9.6)	(9.6)	
Employee joining pension scheme	(3.0)		(3.0)	
External Computer Centre / Disaster Recovery	3.5		3.5	
Web Development & Maintenance	8.0		8.0	
Intruder Testing - Compliance with PSN testing	(4.5)		(4.5)	
Other Miscellaneous variances	(1.0)	(1.1)	(2.1)	
<b>TOTAL</b>	<b>27.1</b>	<b>(9.8)</b>	<b>17.3</b>	

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Customer Service & E-Government Highlight Report – (December 2014)

#### Historic Issues

- A vacancy within the Service Assurance Team (now filled) has generated savings of £8.4k
- The Council has set aside £20k for development and maintenance of it's website, there is a projected saving against this budget of £8k.

#### Current Quarter's Issues

- The headline figure is a projected under spend of £17.3k against the approved budget. There has been an adverse movement of £9.8k in quarter 3, the key variances being:-
- The Council has incurred legal & professional fees of £3.7k relating to an on-going case of Business Rates avoidance.
- In relation to the out sourced contract for revenues collection and housing benefit processing with Capita, the inflation uplift based upon September's CPI figure has improved by £4.6k. The total saving for 2014-15 is now projected at £10k.
- The Council entered into a performance agreement with Capita for the inspection of empty properties in connection with New Homes Bonus funding. A performance payment of £9.6k has been earned by Capita. The benefits to Rossendale Council will accrue in 2015/16 via increased New Homes Bonus funding.

#### Future Issues

- The Council's contract with Capita for the provision of housing benefits, revenues and customer contact ends in September 2016. Officers are currently appraising the options for the Council after this date.

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Place Operations - Quarter 3 (Dec)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
<b>Strategic Functions</b>					
Operations Admin / Vehicle Maintenance	446.3	403.1	43.3	33.0	10.3
<b>Operational Functions</b>					
Refuse Collection	958.4	878.0	80.4	44.9	35.5
Street Sweeping	345.8	370.6	(24.7)	(21.4)	(3.3)
Parks & Open Spaces	1,004.5	952.9	51.6	63.5	(12.0)
Cemeteries	(143.5)	(134.7)	(8.8)	(27.4)	18.6
<b>Total</b>	<b>2,611.5</b>	<b>2,469.9</b>	<b>141.6</b>	<b>92.5</b>	<b>49.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Fuel	68.3	37.1	105.4	
Vehicle Maintenance	71.7	4.7	76.4	
Parks Salary Variances (Officer Vacancy and Retirement)	38.9	(2.7)	36.2	
Parks Summer Agency	17.5	(2.9)	14.6	
Parks Efficiency Savings Target	(35.0)	-	(35.0)	
Fleet Maintenance Staffing Restructure and Agency Use	12.9	4.3	17.2	
Henrietta Street Salary Variances	15.3	(1.7)	13.6	
Insurance Price Variance	-	11.6	11.6	
Purchase of Tools and Equipment	10.8	0.3	11.1	
Overtime Budgets	16.4	(6.0)	10.4	
Refuse Bin Deliveries	10.0	-	10.0	
Reduced Contribution to Healey Dell Park	8.3	-	8.3	
Sale of Obsolete Equipment	7.2	-	7.2	
Car Allowances	4.9	-	4.9	
Vehicle Tax	4.7	-	4.7	
Residual/Trade Waste and Bulky Collections Income	(3.3)	4.4	1.1	
Reduced LCC public realm funding	(3.6)	-	(3.6)	
Street sweeping Salaries and Agency use	(4.9)	(3.8)	(8.7)	
Cemeteries Income	(27.4)	18.3	(9.1)	
Misc. Parks Direct Costs	-	(10.2)	(10.2)	
Recycling Income	(22.5)	(1.2)	(23.7)	
Transfer to Vehicle Replacement Reserve	(100.0)	-	(100.0)	
Other Variances	2.3	(3.1)	(0.8)	
<b>TOTAL</b>	<b>92.5</b>	<b>49.1</b>	<b>141.6</b>	

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# Monthly Financial Monitoring Report 2014/15 – December 2014

## Operations Highlight Report – Quarter 3 (December)

### Historic Issues

- £100k has been moved into the Vehicle Replacement Reserve. This money will fund the outright purchase of any vehicles necessary to support the operational requirements of the department.
- Forecast recycling income is still significantly less than was budgeted; this is due to falling market prices received for our paper and card recycling and a drop in the tonnages of waste being collected.
- The Vehicle Maintenance budget is set to underspend by £76.4k. The actual expenditure to date has been lower than expected and the early purchase of our new frontline fleet has significantly reduced forecast expenditure for the remainder of the year.

### Current Quarter Issues

- At the end of December the Operations budget is forecast to under spend by £141.6k, a favourable movement in quarter 3 of £49.1k. The key movements are discussed below:
- Operations fuel budgets were forecast to underspend by £68.3k at the start of Q3. With a further favourable movement of £37.1k during the quarter, this underspend is now forecast at £105.4k. The majority of this variance (£72k) is due to falling fuel prices over the course of the year. The remainder of the favourable forecast relates to a drop in fuel consumption for the year which has been projected based on the year's usage to date.
- The council-wide insurance costs were reallocated in Q3, the actual costs are lower than expected resulting in a favourable variance of £11.6k for the Operations department. (This is offset by an adverse variance in Property recharges on page 17).
- Several unexpected smaller items of expenditure in the parks department have resulted in an overspend of £10.2k, these include; a contract to combat Japanese Knotweed across the borough, community partnership projects and repairs to one of the Cemetery garages.
- The forecast expenditure on overtime has increased by £6k during the quarter; this is mainly because of refuse driver back payments for starting their shift 15 minutes early to check the vehicles for faults.
- The level of activity at the Cemeteries has increased dramatically during Q3 which has increased Cemeteries income projections by £18.3k. The adverse variance relating to Cemeteries now stands at £9.1k.

### Futures Issues

- The council has purchased a new frontline refuse fleet which will be financed through internal borrowing over the next 5 years. The old fleet of 10 vehicles will be sold at auction in Q4 and is expected to generate income of £200k. This money will offset some of the requirement for internal borrowing and so reduce the annual repayments.

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# Monthly Financial Monitoring Report 2014/15 – December 2014

## Business Services - Quarter 3 (Dec)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
<b>Planning</b>					
Development Control	(221.4)	(302.5)	81.1	59.0	22.1
Forward Planning	139.9	135.1	4.8	0.8	4.0
<b>Land Charges</b>	13.5	(2.6)	16.1	14.7	1.4
<b>Building Control</b>					
Building Control - Fee Earning Account	(46.5)	(41.9)	(4.7)	(2.6)	(2.1)
Building Control - Statutory Function	44.6	41.6	3.0	2.7	0.3
Building Control - Street Signs	8.0	7.1	0.9	(0.3)	1.2
<b>Legal Services</b>	154.6	139.7	14.9	8.2	6.7
<b>Democratic Services</b>					
Electoral Registration	54.7	54.4	0.2	1.5	(1.3)
Elections	69.5	70.4	(0.9)	-	(0.9)
Democratic Representation	364.5	354.0	10.5	8.7	1.8
Mayoralty	57.8	41.7	16.0	12.9	3.1
Town Twinning	2.5	2.5	-	-	-
<b>Licensing &amp; Enforcement</b>	64.8	62.8	2.0	2.4	(0.4)
<b>Total</b>	<b>706.3</b>	<b>562.4</b>	<b>143.9</b>	<b>108.0</b>	<b>35.9</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Planning Re-structure salary related savings	47.4	(3.8)	43.6	
Planning - various non pay budgets		8.1	8.1	
Income from Planning Applications	(3.9)	26.0	22.1	
Planning - use of external consultants	9.2	(1.2)	8.0	
New Homes Bonus Income	189.0		189.0	
Transfer New Homes Bonus Surplus to Earmarked reserve	(189.0)		(189.0)	
Forward Planning - Reduced Hours following Maternity Leave	4.7	(4.6)	0.1	
Forward Planning - Recharge officer time in support of planning application		4.7	4.7	
Land Charges Income / Search fees	15.8	1.4	17.2	
Building Control - Car Allowances	4.4		4.4	
Building Control - Income from Building Inspections	(7.0)	(2.0)	(9.0)	
Legal - Staff regrade following re-structure	(5.4)		(5.4)	
Legal - Flexible Retirement		5.3	5.3	
Legal Income & costs	4.1	1.5	5.6	
Legal - Professional Support	15.8	(7.8)	8.0	
Mayoral Attendants - Casual Staff	5.8	0.2	6.0	
Members Allowances & other expenses	12.6	4.0	16.6	
Taxi Licensing Income	569.0		569.0	
Transfer Surplus Taxi Licensing Income to earmarked reserve	(569.0)		(569.0)	
Miscellaneous Licensing Income	1.7	0.4	2.1	
Various other under spends	2.8	3.7	6.5	
<b>TOTAL</b>	<b>108.0</b>	<b>35.9</b>	<b>143.9</b>	

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# Monthly Financial Monitoring Report 2014/15 – December 2014

## Business Highlight Report – (December 2014)

### Historic Issues

- The restructure of the planning department will generate in-year savings of £47.4k
- Income from increased land charges searches are projected to be in excess of budget by £15.8k.
- Expenditure on members allowances and miscellaneous expenses are projected to be £12.6k below budget.
- Reduced salary expenditure arising from maternity pay will result in a £4.7k favourable variance on the Forward Planning Budget.
- The income from Building Control inspection fees is running behind budget, the projected year end position is £7k below target.

### Current Quarter Issues

- The Business directorate is currently forecast to under spend by £143.9k, a favourable movement in the month of £35.9k in quarter 3.
- Income from planning applications has improved markedly during the quarter; the projected income for 2014/15 is £22.1k above target, an improvement in the quarter of £26k.
- Officer time has been recharged to an external company to assist them with information gathering in support of a large planning application, this has resulted in a favourable movement of £4.7k
- An officer within the legal team has taken the opportunity to go on flexible retirement, resulting in projected savings of £5.3k.
- The Council has incurred legal costs of £5k pertaining to a House of Multiple Occupancy which was bought under the direct management of the Council,
- Income from Taxi Licensing income is projected to be £569k above target; these surplus monies will be transferred to the Council's transitional reserve to support the Council's Medium Term Financial strategy in future years.

### Futures Issues

- Further significant planning application income is anticipated pertaining to wind farm developments, but the size of the application will entail additional support being purchased to assist the in-house planning section. The wind farm planning income and costs are not included within the current projection.

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Health, Housing & Regeneration - Quarter 3 (Dec)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
<b>Strategic Functions</b>					
Regeneration Management & Admin	217.0	220.3	(3.2)	(1.3)	(1.9)
Tourism	-	1.7	(1.7)	-	(1.7)
Dog Warden	28.2	20.3	7.9	5.8	2.1
<b>Economic Regeneration</b>					
Economic Regeneration	105.8	111.3	(5.5)	(4.9)	(0.6)
Area Forum Grants	20.0	20.0	-	-	-
Markets	(110.2)	(91.8)	(18.4)	(18.3)	(0.1)
Whittaker Park Museum	71.2	72.7	(1.5)	(3.4)	1.9
<b>Strategic Housing</b>					
Housing Strategy	52.5	47.3	5.3	5.5	(0.2)
Homelessness	36.5	29.5	7.0	7.6	(0.6)
Private Sector Renewal	39.6	19.0	20.6	6.4	14.2
<b>Environmental Health</b>					
Environmental Health	389.1	364.2	24.9	27.0	(2.1)
<b>Total</b>	<b>849.7</b>	<b>814.6</b>	<b>35.1</b>	<b>24.4</b>	<b>10.7</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Markets Income	(14.0)	(3.1)	(17.1)	
Increased Market Caretaker Hours	(1.3)		(1.3)	
Dog Warden - reduced call outs	5.9	2.0	7.9	
Council Tax on Compulsory Purchased Properties	(2.3)	0.2	(2.1)	
Private Sector Renewals - Flexible Retirements	6.4	8.9	15.3	
Private Sector Renewals - various non pay budgets	0.2	4.9	5.1	
Housing Strategy - purchase of additional annual leave	1.4		1.4	
Homelessness Bonds in default cases	(4.2)		(4.2)	
Environmental Health - Travel related costs	6.0	0.1	6.1	
Environmental Health - Use of external contractors	6.5	(0.3)	6.2	
Environmental Health - Employee not in pension scheme	5.6		5.6	
Environmental Health - Recharge of Officer time to Rogue Landlords Projects / vacancy	12.5	(1.9)	10.6	
Other Miscellaneous variances	1.7	(0.1)	1.6	
<b>TOTAL</b>	<b>24.4</b>	<b>10.7</b>	<b>35.1</b>	

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Business - Health, Housing & Regeneration Highlight Report – (December 2014)

#### Historic Issues

- An employee leaving the pension scheme has resulted in projected savings of £5.6k
- The use of external contractors to support the council in its statutory duty inspecting permitted processes is projected to be £6k below budget.
- A Flexi retirement within the Private Sector Renewals team is generating savings of £6.4k.
- Officer time within the Environmental Health team recharged to the externally funded Rogue Landlords project is anticipated to generate savings of circa £12k.
- Calls outs to the Council's Dog Warden service are below previous years, consequently there is a projected under spend on this contract of £5.9k.
- Income from the rental of markets stall is projected to be £14k below target reflecting both occupancy levels and various financial incentives being offered on stall rents.

#### Current Quarter Issues

- Health, Housing and Regeneration are forecast to under spend by £35.1k, a favourable movement of £10.7k from the previous quarter. The significant variances are:-
- An officer within the Private Sector Renewals team previously on a flexible retirement has now fully retired; it is not anticipated that the post will be filled in the current financial year. The projected under spend on this post has therefore increased by £8.9k to £15.3k for the year.

#### Future Issues

- Nothing to report

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Corporate Management - Quarter 3 (Dec)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	237.9	148.3	89.6	80.3	9.3
Corporate Contingency	-	18.4	(18.4)	(19.7)	1.3
Executive Support & Corporate Subscriptions	46.8	54.5	(7.7)	0.0	(7.7)
Concessionary Fares	4.0	6.0	(2.0)	(2.0)	-
Community Safety	40.5	33.0	7.5	7.5	-
<b>Total</b>	<b>329.2</b>	<b>260.2</b>	<b>69.0</b>	<b>66.1</b>	<b>3.0</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Recharge of Chief Executive Salary to LCC - Joint Working	60.4		60.4	
Chief Executive vacancy		13.0	13.0	
Director of Communities Vacancy	15.0		15.0	
Continued support to Regenerate Pennine Lancashire		(11.4)	(11.4)	
Contributions from Whitworth Town Council for Town Clerk Function	2.0		2.0	
Contribution to RTB Partnership	(20.0)		(20.0)	
Residual Community Safety budget - no longer required	6.6		6.6	
Other Misc. under /(over) spends	2.1	1.3	3.4	
<b>TOTAL</b>	<b>66.1</b>	<b>2.9</b>	<b>69.0</b>	

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## Corporate Management Highlight Report – (December 2014)

### Historic Issues

- The Chief Executive is working in conjunction with LCC, and a proportion of her salary is being recharged to the County Council resulting in a saving against budget of £60.4k.
- There is in-year savings from the Director of Communities vacancy of £15k which remains unfilled.
- The Council has made a £20k contribution to a Partnership Arrangement with Barnfield & Together Housing looking at developing properties throughout Rossendale.

### Current Quarter Issues

- The Corporate Management budget is forecast to under-spend by £69k, a favourable movement in the quarter of £2.9k
- The movement this quarter includes anticipated savings due in Q4 as a result of the departure of the Chief Executive, net of the costs of the interim management proposals, circa £13k. To date, however, no forecast has been made for any recruitment costs.
- There is also an adverse movement of £11.4k reflecting the decision to continue to support Regenerate Lancashire which has seen other sources of grant funding dry up and has sought additional financial support from its stakeholders.

### Futures Issues

- Regenerate Lancashire is also seeking funding of £23k for 2015/16 onwards.

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Finance and Property Services - Quarter 3 (Dec)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
<b>Financial Services Team</b>	328.1	319.9	8.2	7.8	0.4
<b>Internal Audit</b>	70.7	51.5	19.1	5.2	13.9
<b>Corporate Costs</b>	-	-	-	-	-
External Audit Fee	66.0	66.0	-	-	-
Bank Charges (net of fees)	17.2	17.3	(0.1)	0.8	(0.9)
Treasury Management	6.6	6.6	-	-	-
<b>Property Services</b>					
Property Services Team	363.1	335.3	27.8	29.1	(1.3)
Corporate Estates	(11.1)	78.0	(89.1)	(85.3)	(3.8)
Non Domestic Estates	(103.2)	(104.2)	1.0	(0.6)	1.6
Office Accommodation	123.7	133.7	(10.1)	(9.2)	(0.8)
Operational Properties	371.0	326.0	44.9	41.3	3.6
Leisure Properties	79.2	85.7	(6.5)	(1.5)	(5.1)
Bus Shelters	8.8	9.4	(0.6)	0.3	(0.9)
Business Centre	105.0	143.4	(38.4)	(36.3)	(2.1)
<b>Total</b>	<b>1,424.9</b>	<b>1,468.7</b>	<b>(43.8)</b>	<b>(48.3)</b>	<b>4.5</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Internal Audit Contract with LCC	5.2	13.9	19.1	
Miscellaneous Finance savings	8.6	(0.5)	8.1	
Repairs & Maintenance	1.8	(2.3)	(0.5)	
Electricity	(1.0)	1.3	0.3	
Gas	7.4	1.9	9.3	
NNDR	4.5	2.9	7.4	
Water	13.6	6.5	20.1	
Estates Income	(4.1)	4.6	0.5	
Emergency Planning / CCTV	15.6	(0.8)	14.8	
Cancellation of BT lines	1.4	-	1.4	
Mount Pleasant - House of Multiple Occupancy	(89.4)	(6.0)	(95.4)	
Delayed Departure from Hardman's Mill (relocation of servers)	(11.2)	-	(11.2)	
Bus Shelters insurance settlement		4.6	4.6	
Legionella	(0.8)	-	(0.8)	
Insurance Premium	-	(13.1)	(13.1)	
Boilers / Alarms etc.	1.0	-	1.0	
Business Centre Manager	18.7	-	18.7	
Business Centre Income - reduce number of tenants	(27.3)	1.2	(26.1)	
Business Centre Cleaners	(2.2)	(1.0)	(3.2)	
Car Parking - contribution to capital		(6.0)	(6.0)	
Business Centre Misc. Expenses	3.7	(0.3)	3.4	
Property Misc. Expenses	6.2	(2.4)	3.8	
<b>TOTAL</b>	<b>(48.3)</b>	<b>4.5</b>	<b>(43.8)</b>	

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Finance & Property Services - Monitoring Highlight Report – (December 2014)

#### **Financial Services**

##### Historic Issues

- None

##### Current Quarter Issues

- The Council's internal audit contract with LCC is anticipated to generate further savings of £13.9k in 2014/15, of which £4.3k is ongoing and has been built into the 2015/16 budget.

##### Futures Issues

- None

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#### **Property Services**

##### Historic Issues

- The Council undertook legal proceeding to obtain an IMO (Interim Management Order) to directly manage a HMO (House of Multiple Occupancy). Upon receipt of the IMO the Council has invested in bringing the property up-to acceptable standards. Some of these costs will be recovered via Housing Benefit rental income. It is projected that £95.4k will be unrecovered at the end of this financial year. The strategy to recover these costs will be from rents over a 5-year management agreement or a charge on the property.
- The Business Centre has lost 4 tenants during the start of the financial year. The room rental income is predicting a shortfall of £26.1k
- The disestablishment of the Business Centre Manager post has made a saving of £18.7k
- The relocation of the Servers has been delayed for 12 months. Causing an over spend of £11.2k rental and £6.4k for utilities and NNDR (captured in Utility and NNDR figures)

##### Current Quarter Issues

- The Property Services budget is forecast to over spend by £71k
- The Repairs & Maintenance budget is showing an over spend of 0.5k
- The Gas budget is showing under spend of 9.3k
- The NNDR budget has moved favourably by £2.9k due to a refund for Bridge End House. The budget is forecast to over achieve by £7.4k
- The water charge budgets are showing an under spend of £20.1k. A favourable movement of £6.5k, mainly due to a refund at Rawtenstall Market for a burst pipe
- Emergency Planning and CCTV Maintenance budgets are forecast to underspend by £14.8k
- The Estates income has moved favourably by £4.6k and is within budget. This is, in part, due to new tenancy agreement at Daniel industrial units
- The Expenses at Mount Pleasant has increased by £6k within the quarter.
- There has been an increase in the insurance premium of £13.1k within Property Services.
- Major works to car parking works across the borough will require £6k revenue contribution to the capital contract

##### Futures Issues

The forecast for the rental income for Heys St Industrial units is based upon the insurance company paying for loss of rental income whilst the units are unfit for commercial use.

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### People and Policy - Quarter 3 (Dec)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
People & Organisational Development Human Resources	311.3	238.7	72.6	60.2	12.4
<b>Total</b>	<b>311.3</b>	<b>238.7</b>	<b>72.6</b>	<b>60.2</b>	<b>12.4</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Recharge of Officer Time to Rogue Landlords Projects	4.5	0.9	5.4	
HR Officer vacancy / Agency cover	2.5	1.5	4.0	
Policy Officer vacancy	-	7.5	7.5	
Training	18.0	-	18.0	
New Health & Safety Contract	17.2	2.8	20.0	
LCC contribution for Children's Trust duties on its behalf	15.0	-	15.0	
Miscellaneous variances	3.0	(0.3)	2.7	
<b>TOTAL</b>	<b>60.2</b>	<b>12.4</b>	<b>72.6</b>	

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### People & Policy Highlight Report – (December 2014)

#### Historic Issues

- The Training budget is projected to under spend by £18k, reflecting past investment in training and the reducing head count of the Council.
- The Council has entered into a new contract for the provision of Health & Safety services, with projected year-end savings of £17.2k
- A proportion of an officer time within the People & Policy unit is recharged to the Rogue Landlords project which is externally funded resulting in savings of £4.5k.
- Children funding from Lancashire County Council is £15k, this funding was not included within the 2014/15 base budgets.

#### Current Quarter Issues

- The People & Policy budget is forecast to under spend by £72.6, a favourable movement in the quarter of £12.6k with the significant changes being:-
- A policy officer vacancy is anticipated to generate savings of £7.5k.
- Changes to the provision of Health & Safety services are projected to generate savings of £2.8k more than previously reported - £20k in total for financial year 2014/15.

#### Future Issues

- None

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## Monthly Financial Monitoring Report 2014/15 – December 2014

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

**Quarter 3 (Dec)**

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance Quarter 2 (Adv)/Fav £000	Change Quarter 3 (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	882.6	1,018.3	(135.7)	(138.0)	2.3
Other Non-distributed Costs	(2.2)	(14.2)	12.0	(5.2)	17.2
<b>Capital Financing</b>	-	-	-	-	-
Minimum Revenue Provision	114.5	114.5	-	-	-
Investment Interest	71.4	70.6	0.9	(21.8)	22.7
Use of earmarked reserve	(23.0)	-	(23.0)	(23.0)	-
<b>Leisure</b>	241.6	277.4	(35.8)	(35.7)	(0.1)
<b>Total</b>	<b>1,284.9</b>	<b>1,466.5</b>	<b>(181.6)</b>	<b>(223.7)</b>	<b>42.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Restructure costs - Rossendale Leisure Trust	(35.6)	(0.2)	(35.8)	
Superannuation added years	11.6	(12.3)	(0.7)	
Vat Shelter monies - Greenvale Homes	(150.0)	15.0	(135.0)	
Non Utilisation of reserves to support revenue budgets	(23.0)		(23.0)	
Interest income	(25.4)	4.6	(20.8)	
One-off interest refund re prior years		18.1	18.1	
One-off VAT Refund re Trade Waste		17.8	17.8	
Closure of the former council mortgage scheme		(3.9)	(3.9)	
Other minor variances	(1.5)	3.2	1.7	
<b>TOTAL</b>	<b>(223.9)</b>	<b>42.3</b>	<b>(181.6)</b>	

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Non-Distributed Costs & Capital Financing - Highlight Report – (December 2014)

#### Historic Issues

- The Council is to bear the Head Office restructure costs of Rossendale Leisure Trust, at a cost of £35.6k.
- The Council continues to bear the legacy costs of former employees who left its employment with added pension years' entitlement. The Council has not funded the costs of added pension years for over 9 years. Consequently as the number of former employees receiving added years naturally declines, the Council's financial burden has started to reduce. There is a projected saving of £11.6k in 2014/15.
- When the Council transferred its housing stock to Greenvale Homes, it entered into a VAT shelter agreement. Essentially RBC would be reimbursed the VAT incurred as Greenvale Homes invested in improving the Housing Stock transferred to it. As the scale of this investment reduces the value of the VAT Shelter to the Council reduces. VAT shelter receipts in 2014/15 are predicted to be £150k less than budget.

#### Current Quarter Issues

- The projected adverse variance on the Non Distributed budgets has improved in Q3 by £42.1k to £181.6k.
- The decision to invest £2m for 364 days on the 2<sup>nd</sup> January at 1% has improved the interest income forecast by £4.6k to £20.8k adverse for the year.
- The Council has received two refunds totalling £35.9k from HMRC during Q3 relating to Tax and VAT calculated incorrectly in previous years.
- The Q3 VAT Shelter forecast has been received from Green Vale Homes and this should improve the previous adverse forecast above by at least £15k.
- The last of the old mortgages granted by the Council back in the early 1990s was closed at the end of 2013/14. Officers have now removed the historical net £3.9k budget for mortgage interest from the accounts.
- In contrast, previous favourable forecasts for added-years pensions costs now look to have been overly optimistic and the out-turn is more likely to match the original budget.

#### Future Issues

- Despite the improvement shown above, VAT Shelter receipts are still expected to be down again for 2015/16 in what will be the 10<sup>th</sup> and final year of the arrangement.

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Change Manag't	Director Invest Reserve	Budget Volatility Reserve	Business Rates Retention	Transitional Budgetary Support	Regen Reserve & Planning	Homeless' Reserve	Vehicle Reserve
	AN060103	AN060123	AN060110	AN060144	AN060129	AN060109 / AN060145	AN060127	AN060130
<b>Balance at 01/04/2014</b>	<b>1,577.7</b>	<b>169.5</b>	<b>267.1</b>	<b>311.8</b>	<b>1,219.6</b>	<b>265.7</b>	<b>134.9</b>	<b>396.9</b>
<b>Funds Received 2014/15</b>								
2014/15 grants								
Revenue income received				578.8	189.0		168.0	135.5
Revenue income anticipated				407.0	823.0			85.8
<b>Total Funds Available</b>	<b>1,577.7</b>	<b>169.5</b>	<b>267.1</b>	<b>1,297.6</b>	<b>2,231.6</b>	<b>265.7</b>	<b>302.9</b>	<b>618.2</b>
<b>2014-15 Published Budget Utilisation</b>								
General budget support								
<b>2014-15 Other Utilisation Plans</b>								
Warm Homes Healthy people Packs								
Bacup Cemetery Drainage works								
Purchase of Pavement Sweepers								(138.5)
Support to Tourism								
Strategic Housing Market Assessment / L'scape Assesment						(49.6)		
Insurance Tender								
Hardmans Mill								
Legionella Risk								
Add'l Vehicle Maintenance spend year 5								(104.0)
Bacup THI Support								
Youth Homelessness funding							(7.0)	
Childrens Trust - Summer Fun								
2013/14 NNDR Deficit & Autumn Statement Creditor				(212.2)				
2013/14 NNDR Central Gov't Levy				(82.5)				
2014/15 DGLC levy 50%				(353.0)				
Additional pension payments								
Transfer Pitch Strategy to Capital								
Corporate Support Apprentices		(13.4)						
Valuation of former Valley Centre Development		(10.0)						
Drainage & Flood Prevention		(50.0)						
Active East		(20.0)						
Individual Registration								
Apprentice Scheme		(24.0)						
Credit Union - Financial Inclusion / STAN								
<b>Reserve Estimates 31/3/2015</b>	<b>1,577.7</b>	<b>52.1</b>	<b>267.1</b>	<b>649.9</b>	<b>2,231.6</b>	<b>216.1</b>	<b>295.9</b>	<b>375.7</b>
<b>Future Contributions/Utilisation Plans</b>								
2015/16 Plans		(20.1)		(78.0)	613.0	(202.9)		35.5
2016/17 Plans				(350.0)	(148.0)			35.5
2017/18 Plans					201.0			
2018/19 Plans					(249.0)			
<b>Potential Reserve Balances</b>	<b>1,577.7</b>	<b>32.0</b>	<b>267.1</b>	<b>221.9</b>	<b>2,648.6</b>	<b>13.2</b>	<b>295.9</b>	<b>446.7</b>

The Business Rates Retention Reserve now reflects the in-year variances discussed in detail on page 32. This includes receipts in 2014/15 of £550k Section 31 grants less payment of the levy to central government of £371k. These transactions are unlikely to be one-off in nature and so officers currently anticipate c£300k favourable each financial year from this Section 31 grant.

Under the new business rates regulations in any one financial year the net surplus or deficit on the NDR Collection Fund cannot be realised by the local authority until after the year-end, ie. the following year. Hence, the table above reflects the 2013/14 deficit as a cost on the Business Rates Retention Reserve but the predicted surplus of £219k for 2014/15 will be within the anticipated favourable transactions in 2015/16.

The net balance of the benefit generated during 2013/14, ie. £78k will be taken into the 2015/16 Budget.

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### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Leisure Reserve	PRIDE Reserve	Perform Reward Grant	Bacup THI	Pension Fund Reserve	Operational Reserves	Total
	AN060118/9	AN060126	AN060120	AN060142	AN060117	AN060121	
<b>Balance at 01/04/2014</b>	<b>750.0</b>	<b>7.6</b>	<b>238.9</b>	<b>400.6</b>	<b>721.5</b>	<b>977.1</b>	<b>7,438.9</b>
<b>Funds Received 2014/15</b>							
2014/15 grants						16.4	16.4
Revenue income received						141.7	1,213.0
Revenue income anticipated					63.3	39.5	1,418.6
<b>Total Funds Available</b>	<b>750.0</b>	<b>7.6</b>	<b>238.9</b>	<b>400.6</b>	<b>784.8</b>	<b>1,174.7</b>	<b>10,086.9</b>
<b>2014-15 Published Budget Utilisation</b>							
General budget support							0.0
<b>2014-15 Other Utilisation Plans</b>							
Warm Homes Healthy People Packs						(3.9)	(3.9)
Bacup Cemetery Drainage works						(8.4)	(8.4)
Purchase of Pavement Sweepers						0.0	(138.5)
Support to Tourism						(8.0)	(8.0)
Strategic Housing Market Landscape Assessment						0.0	(49.6)
Insurance Tender						(5.0)	(5.0)
Hardmans Mill						(26.9)	(26.9)
Legionella Risk						(4.0)	(4.0)
Add'l Vehicle Maintenance spend year 5						0.0	(104.0)
Bacup THI				(44.0)		0.0	(44.0)
Youth Homelessness funding						0.0	(7.0)
Childrens Trust - Summer Fun						(12.0)	(12.0)
2013/14 NNDR Deficit						0.0	(212.2)
2013/14 NNDR Central Gov't Levy						0.0	(82.5)
2014/15 DGLC levy 50%						0.0	(353.0)
Additional pension payments						0.0	0.0
Transfer Pitch Strategy to Capital						(4.0)	(4.0)
Corporate Support Apprentices						0.0	(13.4)
Valuation of former Valley Centre Development						0.0	(10.0)
Drainage & Flood Prevention						0.0	(50.0)
Active East						0.0	(20.0)
Individual Registration						(20.4)	(20.4)
Apprentice Scheme						0.0	(24.0)
Credit Union - Financial Inclusion / STAN						(34.1)	(34.1)
<b>Reserve Estimates 31/3/2015</b>	<b>750.0</b>	<b>7.6</b>	<b>238.9</b>	<b>356.6</b>	<b>784.8</b>	<b>1,048.0</b>	<b>8,852.0</b>
<b>Future Contributions/Utilisation Plans</b>							
2015/16 Plans				(80.0)	66.0	(21.7)	311.8
2016/17 Plans				(80.0)	69.0	(33.5)	(507.0)
2017/18 Plans				(80.0)		0.0	121.0
2018/19 Plans				(116.6)		0.0	(365.6)
	<b>750.0</b>	<b>7.6</b>	<b>238.9</b>	<b>0.0</b>	<b>919.8</b>	<b>992.8</b>	<b>8,412.2</b>

### Current issues

The expected usage of the earmarked reserves for 2014/15 and the coming years has been reflected above.

Since the General Fund Reserve has already reached the target of £1m set in the MTFs, any favourable variances generated during 2014/15 will be transferred to earmarked reserves, principally to the Transitional Budget Reserve to support the Medium Term Financial Strategy.

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### Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Housing Capital Pot *	Disabled Facilities Grants *	Regen Grants (HMR)*	HCA Empty Homes	DEFRA Grant	Total
<b>Balance at 01/04/2014</b>	<b>25.2</b>	<b>376.0</b>	<b>0.0</b>	<b>11.6</b>	<b>270.4</b>	<b>0.0</b>	<b>683.2</b>
<b>New Funds Received 2014/15</b>							
Grant received			366.0		4,021.0	22.0	4,409.0
Other contributions			200.0				200.0
<b>Total Funds Available</b>	<b>25.2</b>	<b>376.0</b>	<b>566.0</b>	<b>11.6</b>	<b>4,291.4</b>	<b>22.0</b>	<b>5,292.2</b>
<b>Planned Utilisation in 2014/15</b>							
DFGs brought forward from 2013/14		(91.1)	(18.0)				(109.1)
DFGs original Capital Prog 2014/15		(72.4)	(366.0)	(11.6)			(450.0)
<b>Additional Utilisation in 2014/15</b>							<b>0.0</b>
DFGs additional GVH element			(182.0)				(182.0)
Released to fund capital works					(4,291.4)	(22.0)	(4,313.4)
Released to GF Revenue							0.0
<b>Anticipated Balance 31/3/15</b>	<b>25.2</b>	<b>212.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>237.7</b>
<b>Future Utilisation Plans</b>							
2015/16 DFGs		(76.0)			0.0		(76.0)
2016/17 DFGs		(76.0)					(76.0)
2017/18 DFGs		(60.5)					(60.5)
<b>Potential Reserve Balances</b>	<b>25.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>25.2</b>

A further £4,021k has been received from the Homes and Communities Agency to date and all funds are to be used by the end of 2014/15. To date 368 properties have been brought back into use (78 in Rossendale), but this should reach around 480 by the conclusion of the scheme (113 being in Rossendale).

### Staff Costs, including agency

In Q3 a further 4.8 FTE posts have been disestablished and 5 posts remain vacant. The total favourable variance in cash to date is £161k, a rise of £105k during Q3.

Employment Costs Quarter 3 - Dec 2014	YTD Budget £000	YTD Actual £000	In year Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	Original Budget Staff FTEs	FTE Changes during 2014/15	Current Vacant Posts
<b>Place Directorate</b>								
Customer Services	247	233	14	6	9	8.8	0.0	0.0
Operations Service	1,640	1,566	74	24	50	78.3	-2.0	1.0
<b>Business Directorate</b>								
Building Control Services	78	77	1	0	0	3.0	0.0	0.0
Legal & Democratic Services	212	219	(7)	(2)	(6)	11.5	0.0	0.0
Planning Services	337	304	33	10	24	10.8	0.0	1.0
Local Land Charges	19	20	(0)	-	(0)	2.0	0.0	0.0
Public Protection	120	137	(17)	(3)	(15)	5.6	0.0	0.0
Health, Housing & Regen	603	581	22	10	11	21.3	-1.0	2.0
<b>Corporate Services</b>								
Corporate Management	187	176	11	3	8	4.0	-1.0	0.0
Finance & Property Services	338	326	12	4	8	12.2	-0.8	0.0
People & Org. Performance	140	121	19	3	16	5.5	0.0	1.0
<b>Total</b>	<b>3,920</b>	<b>3,760</b>	<b>161</b>	<b>56</b>	<b>105</b>	<b>163.0</b>	<b>-4.8</b>	<b>5.0</b>

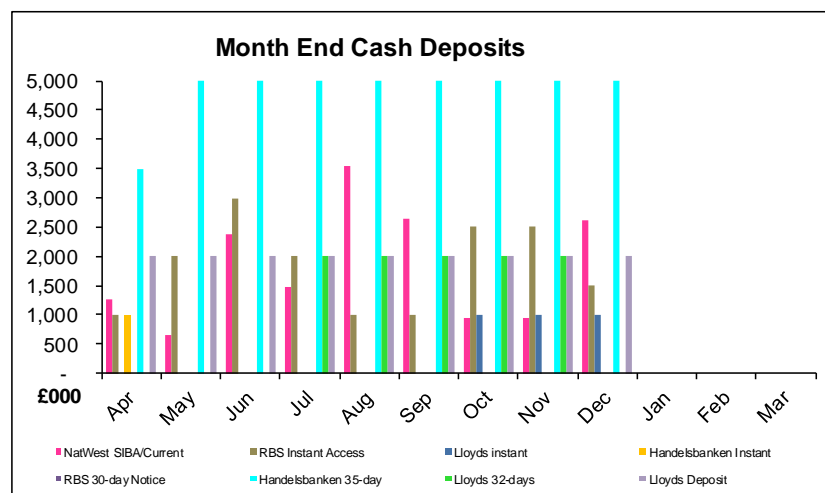
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## Treasury Management & Cash Flow Monitoring

### Cash Flow Management

By the middle of December the bank balances had risen to £17.3m, but the end of December saw the payment of precepts, monthly benefits and the capital purchase of the replacement refuse fleet, which meant that the closing balance at the end of Q3 was £12.1m. This is above the expected balances, mainly thanks to the out-turn for 2013/14 financial year returning a £2.5m favourable variance on the original budget.

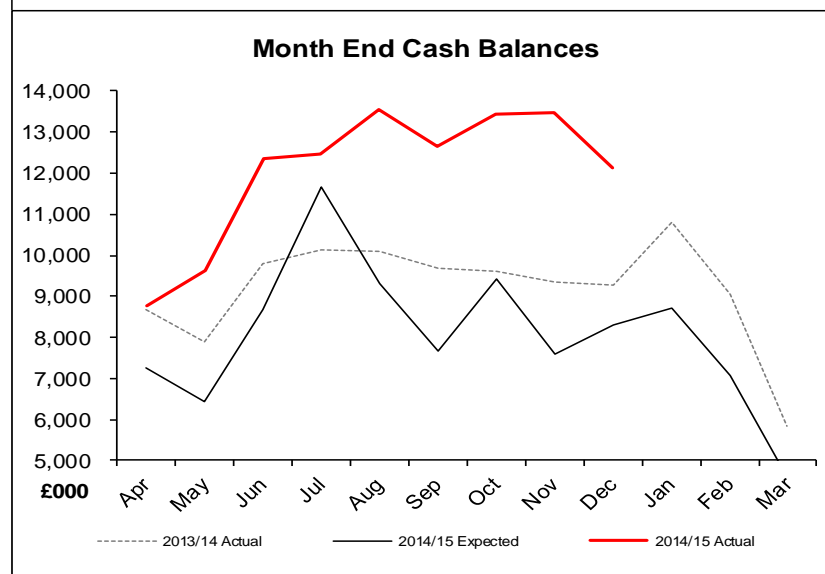


as at 31 Dec 2014	Current Balance £k	Effective Interest Rate %
NatWest SIBA	2,624	0.25
RBS Instant Access	1,500	0.25
RBS 30-day notice	-	0.25
Handelsbanken instant	-	0.30
Handelsbanken 35-day	5,000	0.50
Lloyds instant access	1,000	0.40
Lloyds 32-day notice	-	0.57
Lloyds Deposit 6mths	2,000	0.70
<b>Total Bal &amp; Avg interest</b>	<b>12,124</b>	<b>0.44</b>

The downward slide on interest rates continued with a fall in the Handelsbanken rates in December.

Delays in interest rate rises led Capita Asset Management to extend the deposit terms on their model portfolio during Q3. By the end of the quarter their average interest rate had risen to 0.72% and their duration had lengthened to 148 days.

With this in mind officers arranged for the £2m Lloyds deposit, which matures on the 2<sup>nd</sup> January, to be reinvested for 364 days to earn 1.0%. Our effective interest rate rose to 0.49% and the duration lengthened to 75 days.



### Interest Earned

The Council's cash flow pattern forces us to keep more funds liquid in the period January to March, but where we can, we continue to maximise the interest income available. However, with the knowledge that the Lloyds deposit will earn 1.0% for the balance of the year, the full-year interest income forecast has risen by £4.7k in the quarter.

Interest Forecast	Budget 2014/15	Forecast 2014/15	Variance Fav/(Adv)	Change Fav/(Adv)
<b>Revenue</b>				
Interest payable (PWLB)	(162.4)	(162.4)	0.0	0.0
Misc Interest income	3.0	4.5	1.5	0.0
Bank Interest income	89.0	68.3	(20.7)	4.7
<b>Net Interest</b>	<b>(70.4)</b>	<b>(89.6)</b>	<b>(19.2)</b>	<b>4.7</b>

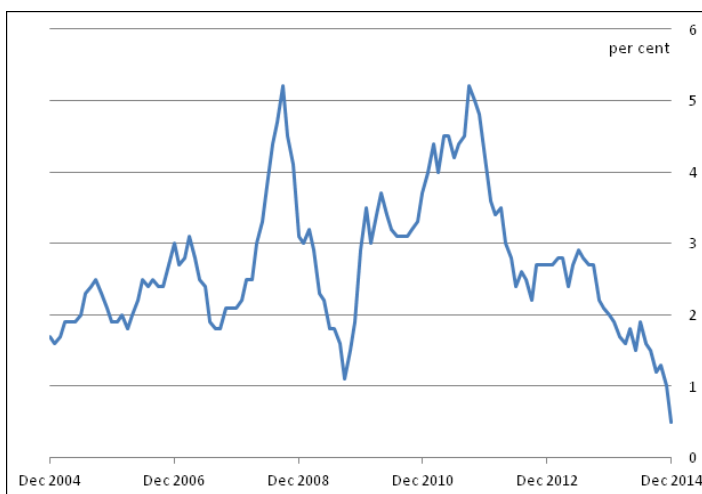
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### Economic Outlook (issued 13th Jan)

During Q3 the rate of inflation faced by households fell from 1.3% in October to 1% in November and fell again to 0.5% in December.

Falls in transport costs, alcohol and certain recreational and cultural goods were the main contributors to the slowdown. Overall, food prices fell by 1.7% over the last year and motor fuels by 5.9%. December figures also saw the Dec 2013 gas and electricity price rises falling out of the calculation.



As fuel prices have continued to fall the Council has recently paid just 92p per litre (excl VAT) compared to £1.08p back in April 2014. This is leading to a price-relating saving of over £72k in the year, as reported on pages 8 & 9.

### Interest rate forward predictions (updated 8<sup>th</sup> Jan 2015)

On the 8<sup>th</sup> January Capita Asset Services (formerly Sector) updated their forecast of the rise in base rate interest to autumn/winter 2015, based on the continuing slide in crude oil prices.

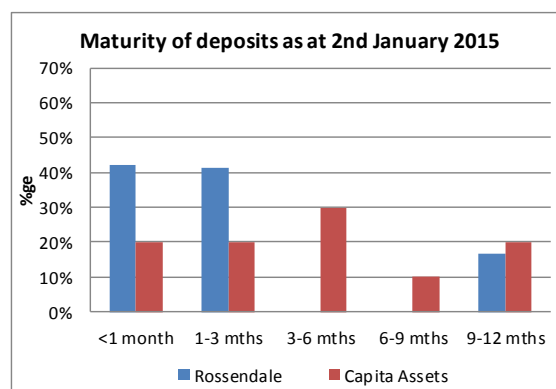
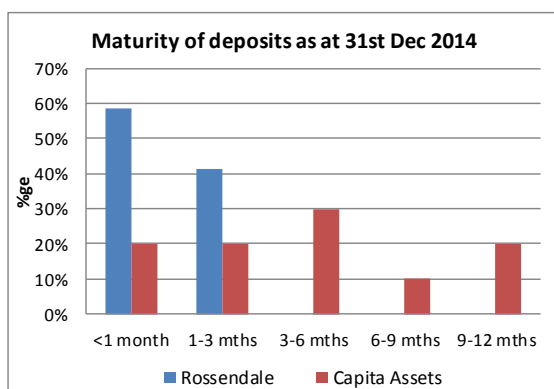
as at	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar
8 Jan 2015	2015	2015	2015	2015	2016	2016	2016	2016	2017
<b>Base Rate</b>	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%
<b>25yr PWLB</b>	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%

### Treasury Management Practices (TMPs) and Prudential Indicators

All the Council's investments continue to follow the policies laid down in the Treasury Management Strategy (TMS) document, only using UK high street banks and limiting investments to short-term (ie. 364 days maximum). Also the Council's TMPs provide operational limits for the maximum investment with any single institution as the greater of £5m or 50% of total funds available at the time of the deposit, and £10m across a single group.

The Council's Natwest accounts exceeded £5m on the 23<sup>rd</sup> December as officers prepared for payments of £4.7m to be made automatically over the holiday period. However, given that the total resources available at the time were £16.5m the TMPs were not contravened.

The maturity of deposits changed on the 2<sup>nd</sup> January with the re-investment of £2m for 364 days with Lloyds.



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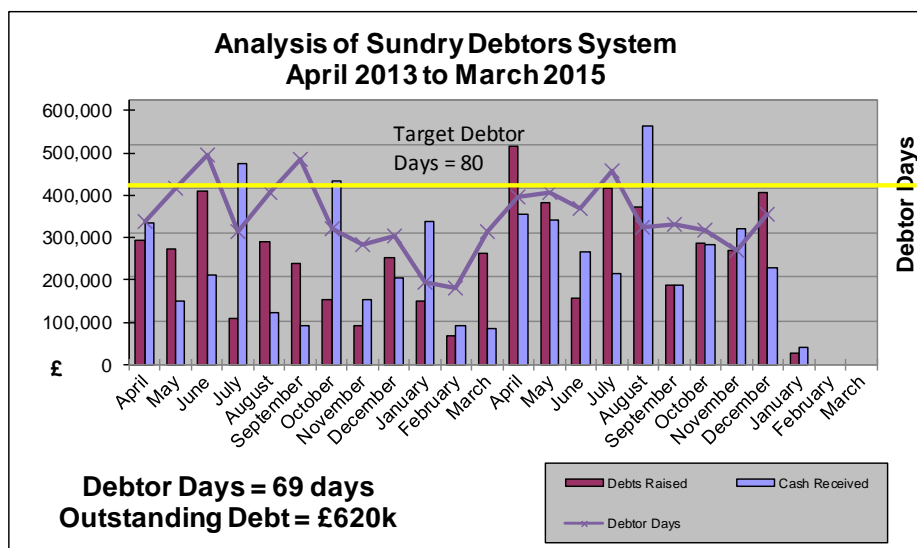
## Sundry Debts Monitoring

By Q3 £2,994k of new invoices had been raised, almost 42% more than at the same date last year. Despite this, staff continue to maintain a high recovery rate, with only 2.7% of invoices raised in April to

November still unpaid by the end of December.

At the end of Q3 the total outstanding debt was £620k but 65% of this was under 30 days old and so not yet overdue and around £15k of invoices issued in April are collectable through installments in Q4.

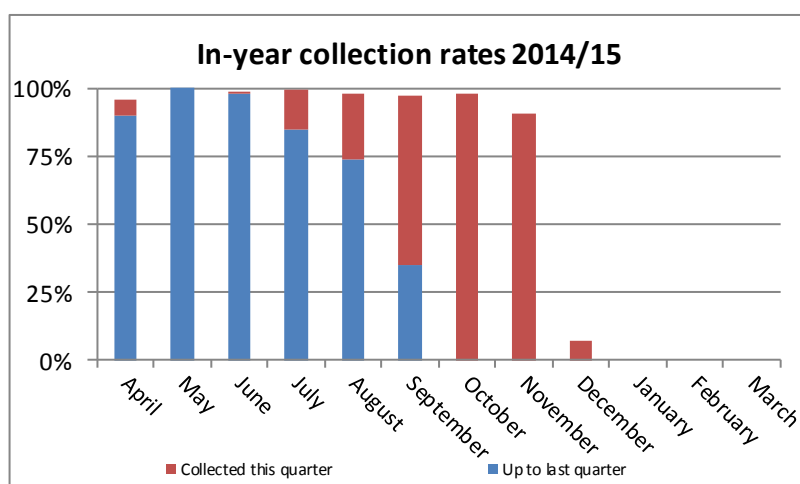
The £173k prior-year debt includes a S106 debt of £96k from 2013/14 for which officers continue their negotiations with the developer.



As noted above, collection performance has continued to keep pace with the value of debts raised at 97.7% for the current financial year. At 69 days the Debtor Days indicator has continued to be well below the target of 80 days, though it could not match the 55 days at the end of December 2013.

### Doubtful debts

In calculating the amount of doubtful debts officers have excluded the S106 agreement discussed above and any debts for LCC relating to waste collection and disposal.



Debts Outstanding	Mar 2014	30 Sept 2014		31 Dec 2014		Doubtful Debts	
	£k	£k	£k	£k	£k	rate	value
<b>Earlier Debt</b>	70.2		65.4		63.3	100%	56.9
<b>2013/14 Debt</b>							
Q1	8.2		7.1		5.9	100%	5.9
Q2	99.6		98.7		98.3	100%	2.3
Q3	18.1		7.0		4.2	100%	4.2
Q4	224.1		1.9		1.1	75%	0.0
<b>2014/15 Debt</b>							
Q1 Apr		53.9		20.2		50%	2.5
Q1 May		0.8		0.8		50%	0.4
Q1 Jun		3.1	57.8	1.7	22.7	50%	0.9
Q2 Jul		62.4		2.7		10%	0.3
Q2 Aug		97.7		7.8		10%	0.8
Q2 Sept		123.5	283.6	5.2	15.7	10%	0.5
Q3 Oct				6.2		10%	0.6
Q3 Nov				24.9		10%	2.5
Q3 Dec			0.0	375.3	406.4	10%	22.6
Q4 Jan			0.0	2.6	2.6	10%	0.3
<b>Total Debt o/s</b>	<b>420.2</b>		<b>521.5</b>		<b>620.2</b>		<b>100.7</b>

Against the remaining debts the doubtful element remains at the £101k, level reported in September. Officers will continue to chase outstanding debts during the year, but given the balance on the bad debt provision of £88k, there may be a requirement to make further provisions as we approach the year-end.

### Secured Debts

In addition to the debts opposite, a major default work debt of £11.4k remains outstanding, secured against the premises to which the costs relate. Officers are in the process of trying to recover this debt through the legal systems.

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## Monthly Financial Monitoring Report 2014/15 – December 2014

### Capital Resources

**Table 1 - 2014/15 receipts**

Major Receipts:	Original Expect'ns £000	YTD Actual £000	Total Forecast £000	Surplus/ (Deficit) £000
<b>Capital Receipts</b>				
Land & Property Sales	100	48	100	-
Osolete refuse vehicles			200	200
Cost of sales		-	-	-
Net receipts to table 2	100	48	300	200

**Table 2 - Useable Capital Receipts**

Useable Capital Resources	£ 000
Balance at April 2014	1,207
Capital Grants in 2014/15	1,418
Capital Receipts in 2014/15	300
	<b>2,925</b>
Revenue Contributions (RCCO)	
from Earmarked Reserves	230
from S106 agreements	97
from Revenue Operations	212
<b>Total Capital Resources 2014/15</b>	<b>3,464</b>
Capital Programme spend	(3,046)
<b>Useable Capital Receipts Mar 2015</b>	<b>418</b>
Reserved for housing	(240)
Unreserved balance	178

### Current issues

The income from asset sales in table 1 above now includes £200k anticipated from the sale of refuse vehicles at auction in Q4. The predictions for sale of land and property remain that the full year forecast will meet the original expectations of £100k.

*RCCO is Revenue Contribution to Capital Outlay*

### Financing the Capital Programme

The opening balance of Useable Capital Receipts was £1,207k, though £517k of this was required to finance continuing projects, as shown in earlier reports.

During the year revenue resources are expected to contribute £539k from earmarked reserves, Section 106 agreements and revenue operations as shown above. Capital Grant receipts have risen during Q3 to £1,418k with the addition of the Western Park scheme, the MOD minibus project and the HCA contributions towards the mortgage rescue property purchase as well as £350k from Sport England towards the Ski Rossendale investment. The total capital resources available in 2014/15 are therefore predicted to be £3,464k.

As shown in detail on the following page, the revised capital programme is expected to require the use of £3,046k, leaving a £418k balance at the year-end.

In November the Cabinet approved a report on proposals for a list of long-term empty properties to be targeted for potential CPO. In the main, purchase costs should be recouped from the eventual resale of these properties, but the capital programme has always included a £130k project to provide short-term cash funding for such purchases. Therefore, if the £130k is incurred during 2014/15 it should be recovered in the following year, but continually maintained as a resource which is ring-fenced for housing services.

The estimate of useable capital receipts at March 2015 is £418k, £240k of which is ring-fenced for future housing projects, such as DFGs.

### Future issues

Draft notification of the DFG grant allowance for 2015/16 has been received at £424k but the GVH support of £200k for DFG works to ex-council house properties is only likely to be confirmed in late March/early April. Any drop in DFG grant funding would be supported initially by other housing capital grant balances until these are exhausted.

Members should also note that the level of property sales income being reported above may not be sustainable in the future. The potential drop in both of these capital funding streams will be reflected in the proposed capital programme for 2015/16 to 2017/18 at Council in February.

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### Capital Programme Spending

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

SERVICE AREA	2014/15 Original Capital Programme	2014/15 Revised Capital Programme	December 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>										
Communities & Operations	30	2,242	1,857	54	2,242	128	482	251	1,381	276
Customer Services & e Govt	0	35	25	6	35	0	0	0	35	6
Regeneration	0	728	0	0	728	474	0	197	57	4
<b>Corporate Support Services</b>										
Finance & Property Services	300	606	164	0	604	60	477	67	0	0
Other PRG Projects	0	18	0	0	18	0	0	18	0	0
Renewable Energy Projects	0	253	0	0	253	0	0	0	253	55
<b>Housing</b>	580	892	433	51	892	756	130	6	0	0
	<b>910</b>	<b>4,774</b>	<b>2,479</b>	<b>111</b>	<b>4,772</b>	<b>1,418</b>	<b>1,089</b>	<b>539</b>	<b>1,726</b>	<b>342</b>

### Capital Programme

The original capital programme for 2014/15 approved in February was £910k, to which £896k of ongoing projects was added in April. The new projects added since April can be seen in the list opposite, including the replacement of the refuse fleet. Projects added in Q3 include Cabinet decisions on renewable energy in October and the November decisions to purchase one domestic property under the mortgage rescue scheme and to invest in Ski Rossendale. This brings the revised capital programme for the year up to £4,772k.

Capital Programme 2014/15	£000	Funded by
Original Capital Programme	910	
Slippage from 2013/14 projects	886	
New projects in 2014/15		
Additional DFG funding GVH	182	grant
Additional DFG funding LCC	21	grant
Whitworth projects re Crook Hill	100	RCCO receipts
Marl Pits pavilion additional wks	60	grants
Vet's in Communities (Arts)	19	grant
Replacement of Refuse Fleet	1,581	£200k sale receipts + internal borrowing
Western Park playarea upgrade	88	grant
Vet's in Communities (Minibus)	21	MOD grant
Mortgage Rescue purchase	107	grant £50k + internal borrowing
ICT hardware/software	35	internal borrowing
Renewable Energy Projects	253	October Cabinet
Ski Rossendale investment	500	Sport England, Ski Ross Ltd & S106
Other misc adjustments	9	RCCOs
<b>Revised Capital Programme</b>	<b>4,772</b>	

### Current Issues

Other changes to the capital programme during Q3 were:-

- Works at Western Park are now well under way.
- The Ministry of Defence has approved another grant to the Veterans in Communities project to finance the purchase of a minibus and this acquisition is in progress.

Progress on the capital programme during Q3 included:-

- The replacement refuse vehicles have now been received and the sale of the obsolete vehicles will occur over the next 3 months.
- The purchase of one domestic property under the mortgage rescue has now been concluded and the element being funded by RBC is being repaid through the rental charges.
- A further £142k of DFG works have been approved in Q3, bringing the completed rate up to 54%.

Against the revised programme of £4,772k costs paid or committed to date are £2,590k (54%).

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### Minimum Revenue Provision

The capital programme on the previous page includes plans to finance the replacement refuse collection fleet from internal borrowing in 2014/15, following the conclusion of the payments for the current fleet. 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 budget for this in 2014/15 is £679k. The effect on the revenue costs of the vehicle replacement decisions for 2014/15 is a one-year saving of £67k followed by annual savings of £7k.

There are other asset repayments coming to a conclusion during 2014/15 and 2015/16 in Street Sweeping and Parks. The MRP budgets of £39k and £37k respectively have been maintained to provide the option for future replacements to be funded in the same way. The new MRP charge of £4k per annum for the mortgage rescue property will be met by the rental incomes.

Minimum Revenue Provision (MRP)	Original MRP Budget	Revised Budget	Variance (Adv)/Fav	Original MRP Budget	Revised MRP Required	Budget (Additions) / Savings
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16
Refuse Collection	323	256	67	323	316	7
Street Sweeping	50	37	13	50	11	39
Parks	56	56	0	56	19	37
IT	35	30	5	35	32	3
Facilities/Property	14	18	-4	14	18	-4
Leisure Investment	87	87	0	87	87	0
Non-distributed Costs	114	117	-3	115	113	2
	679	601	78	680	596	84

### Section 106 Receipts Monitoring

Section 106 Agreements	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance fwd at 1st April 2014	423.9	147.7	94.5	666.1
Deposits received in 2014/15	111.3	8.0	98.6	217.9
Deposits applied in 2014/15	(98.7)	(20.0)	(1.2)	(119.9)
<b>Current Balance</b>	<b>436.5</b>	<b>135.7</b>	<b>191.9</b>	<b>764.1</b>

The amounts available to support Rossendale Council projects are shown below.

Planning Ref	Area	Site	Purpose	Time Period	Current Balance
<b>RBC Maintenance:-</b>					
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	none stated	114,846
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	none stated	10,000
2004/012	Crawshawbooth	Former Chapel, Crawshawbooth	Recreation Area	none stated	8,000
2006/696	Whitewell Bottom	Whitewell Bottom open space	Edgeside Park / Millenium Steps		1,968
2008/587	Borough	PCT, Bacup Rd, Rawtenstall	Irwell Sculpture Trail	none stated	977
					<b>135,791</b>
<b>RBC Capital:-</b>					
2007/737	Edenfield	Market St	Edenfield Community Centre	Exp May 2018	549
2010/433	Whitworth	Eastgate	Open Spaces/ Affordable housing	Exp Jul 2017	87,875
2011/0046	Helmshore	Holmeffield House	Open Space	Exp Aug 2017	4,864
2011/0030	Shawforth	Crook Hill	School and Residents of Shawforth		50,000
2012/0162	Rawtenstall	Rossendale General Hospital	Sports Provision		48,581
					<b>191,869</b>

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### Council Tax & NNDR Collection Rates

Cumulative collection rates	LI 9 Council Tax			LI 10 NNDR		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
April	11.16	11.15	10.16	14.31	12.25	10.97
May	20.51	20.40	20.16	23.33	20.47	21.66
June	29.62	29.55	29.02	31.44	30.5	31.1
July	39.10	39.01	38.43	40.33	39.43	38.83
August	48.60	48.13	47.63	53.3	51.6	51.6
September	57.76	57.47	57.00	61.76	60.92	61.01
October	67.41	66.98	66.30	68.6	67.88	68.55
November	76.91	76.37	75.52	78.39	76.23	75.72
December	86.30	85.57	84.81	86.4	84.92	82.61
January	95.48	94.97		94.61	95.64	
February	96.75	96.61		95.63	96.38	
March	97.50	97.10		96.70	97.2	

The Council Tax collection rate at Q3 was 84.8%, slightly below that at the same time last year. This is mainly due to reduced collection rates for Local Council Tax Support.

Business Rates (NNDR) collection rate at 82.6% is again slightly below the same period in 2013/14. The decline in business rates collection compared with December 2014, is explained by businesses increasingly (including the major supermarkets) paying over 12 months, rather than 10.

Given that officers are experiencing some collection issues with one major commercial property owner in particular, we will continue to take a prudent approach to bad debt provisions.

### Council Tax Collection Fund

	£'000
Council Tax Collectable after Discounts & Exemptions	30,840
less Bad Debt Provision	(363)
less Precepts	
Lancashire County	(20,667)
Police	(2,910)
Fire	(1,188)
Rossendale Council	(4,784)
Subtotal	(29,548)
Surplus	929
RBC Share	150

The Council Tax Collection fund is projecting a surplus of £929k of which RBC's share is £150k. The three main factors contributing to this surplus are:

- In order to reduce empty property numbers the exemptions offered were scaled back. The change in policy resulted in an additional £433k being collectable. Due to timing issues it was not included in the Collection Fund Budget.
- Projected costs arising from banding appeals are £311k below target, however these are difficult to predict both in terms of volume and timing.
- Conversely there was an error in setting the tax base for the 2014/15 Collection Fund with regards to Local Council Tax Support. The tax base setting exercise did not incorporate the reduction in support offered from 92.5 to 80%.

In addition, in setting the tax base for 2014/15 an overly prudent approach was taken on the level of banding appeals as well as on the provision for bad debts, in respect of local Council Tax Support and for the changes to empty property reliefs.

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### Local retention of Local Business Rates (NNDR)

Under the new business rates scheme variances from the original budgets fall into two categories – those arising from changes to the collection fund and those arising from grants and levies received or charged to the General Fund.

The collection fund for business rates is currently projecting a cash surplus of £547k for 2014/15, due in part to changes in gross billing, discounts, banding appeals and bad debt provisions etc. Rossendale Borough Council can retain 40% of this surplus, but it cannot access those funds until 2015/16 through inclusion in the budget decisions in February.

<b>Business Rates Collection Fund 2014/15</b>		£'000
Business Rates Income	13,364	excluding grants to Gfund
less recovery of 2013/14 deficit	(378)	
less Precepts paid	(12,439)	
Cash Surplus on Business Rates Collected	<b>547</b>	
<b>RBC Share @ 40%</b>	<b>219</b>	<b>Receivable in 2015/16</b>
Central Government share 50%	274	
LCC and Fire share 10%	55	

The second area of variance occurs within the council's General Fund. Here we must compare the amounts received from business rates with the amount of funding that we would have received under the previous national scheme.

In theory RBC should retain 40% of business rates, which would be £5,147k, but this is reduced to a baseline figure by a central government tariff so that no individual authority could gain an undue benefit from the new scheme - for RBC this is £3,217k.

In addition central government are giving authorities Section 31 grants to cover small business rate reliefs and localism reliefs. If these grants push any authority over the original baseline figure, then central government impose a 50% levy. For RBC this means that we have received £519k in S31 grants but will have to repay £274k. Both these transactions will occur in 2014/15.

<b>RBC General Fund</b>		£'000
Business Rates Income	13,364	
RBC Share @ 40%	5,346	
less tariff paid to Central Government	(3,217)	
plus Enhanced Small Business Relief	413	Due in respect of 2014/15
plus other Section 31 Grants	106	Due in respect of 2014/15
Subtotal	2,648	
RBC Baseline Funding Level	1,941	
Surplus for Levy Calculations	707	
<b>Levy to Central Gov't @ 50%</b>	<b>353</b>	<b>Payable in 2014/15</b>

To summarise the variances relating to 2014/15 financial year for business rates:-

<b>Business Rates Summary</b>	£'000	(Adv)/Fav Variance
Collection fund surplus 2014/15	219	Receivable in 2015/16
Section 31 Grants & Localism Relief	519	Due in respect of 2014/15
less Central Gov't Levy	(353)	Payable in 2014/15
<b>Overall Favourable Movement</b>	<b>385</b>	

The variances above are all recommended to be transferred to the Business Rates Retention Reserve – see page 22.

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## Glossary

### Capita Asset Services (formerly Sector)

Capita Asset Services (formerly 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 Capita model investment portfolio is the benchmark by which we measure our investment performance.

### 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.

### Compulsory Purchase Order (CPO)

Compulsory acquisition of key properties in accordance with the Council's regeneration agenda. Compensation must be paid to the property owners, but where they cannot be traced the Council must deposit the funds with the courts for a minimum of 12 years.

### 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.

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### 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.

### 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 (NDR)

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.

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Other formats available on request.

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