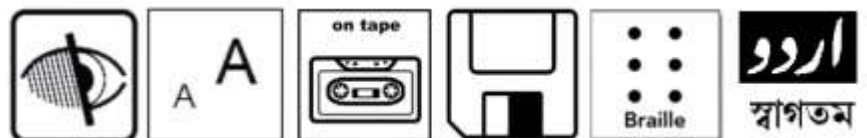


Monthly Financial Monitoring Report

2015/16 as at end July 2015

Including a Glossary of terms on page 32



Monthly Financial Monitoring Report 2015/16 – as at end July 2015

General Fund Revenue Operations – pages 4 to 21

This first monitoring report on the General Fund for 2015/16 is showing a £631k favourable variance compared to the original budget of £8,901k. Funding for the original budget included the planned use of £182k from the Transitional Budget Reserve and £78k from the Business Rates Retention Reserve.

The General Fund Reserve Given remains at its £1m target, therefore officers recommend that any favourable variance is transferred to the Transitional Reserve to contribute towards the £2.9m MTFS requirement to support the revenue budgets up to March 2021.

Earmarked Revenue Reserves – page 22 to 23

The total cash-backed Earmarked Reserves brought forward at 1st April 2015 were £9,847k (excluding the Transport Reserve).

With a contribution of £631k from favourable variances above, the Transitional Reserve might close the year at over £3.1m, though this is expected to drop to £218k by March 2021.

The Business Rates Retention Reserve now reflects the in-year variances discussed in detail on page 32, including receipt of £644k Section 31 grants, less payment of the levy to central government of £305k.

The Bacup THI Reserve will be required as work is due to commence shortly on the buildings phases of the scheme, leaving some staff support for phases in future years.

Requirements to support leisure services will now take £58k from the Leisure Reserve and £50k from the Business Directorate Reserve, as noted on pages 20 & 21, though the closing balance on the Leisure Reserve will need to be reviewed at the year-end.

The forecast closing balance at the 31st March 2016 is now £10,480k, but use of the Transitional Reserve to support the MTFS up to 2020/21 will reduce this to £7,250k.

Government Grants Unapplied – page 24

The opening value of Government Grants Unapplied at the 1st April 2015 was £363k, principally £338k of Housing Capital Pot which will be used to support DFG works in 2015/16 and future years.

The forecast balance at March 2016 is now revised to £138k, which is expected to reduce to £25k by March 2018.

Staff Monitoring – page 24

At the end of July there were 8 vacant posts contributing to a net favourable variance of £77k for the year to date. There are two areas where the current costs are above the budget: in planning, where partnership working with Hyndburn council has ended (see page 10) and housing, where the team now managing the Empty Homes Scheme was not within the original budget (see page 12).

Though there are some potential restructures being discussed at the moment, there have been no agreed changes to the establishment of 161.5 FTEs so far.

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Treasury & Cash Management - page 25 to 27

By the end of July the bank balances had risen to £15.3m from £11.1m at the end of March following the normal annual cash flow patterns. This is above the expected balances, thanks in part to the revenue savings on the General Fund and the level of capital project slippage into 2015/16. Interest rates on the Council's bank accounts continue to be a concern with forecasts that any increase in base rates will be deferred now until summer 2016. The net impact of these two factors is a favourable variance on the interest income for the year of £15.5k, though this will depend upon the profile of capital spend over the next few months.

To date £1,807k of new invoices have been raised, almost 23% more than in 2014/15, and the total outstanding debts are £630k. Following the collection of invoices raised in the last couple of months, the collection rate for 2014/15 debts has now passed 97.3%. This is reflected in the Debtor Days indicator which stands at 56 days compared to 88 days last July.

Of the £630k debt outstanding 44% was under 30 days old. Where specific concerns have been raised, provision for doubtful debt has already been charged into the General Fund, leaving a doubtful debt provision balance of £202k to meet the doubtful debts value of £224k. Officers will be carefully monitoring any need to make additional doubtful debt contributions.

Capital Receipts – page 28

Receipts from asset sales in the first six months total £66k of the original budget £75k, officers are therefore confident that the original target will be achieved. In addition the last 2 refuse vehicles have been sold at auction for £49k in total.

Capital Programme and Funding – page 28 to 30

The capital programme started the year at £825k, to which £1,901k of slippage was added. New projects during the year now total £2,134k, with the addition of the Bacup THI project, Haslingden Grip & Go and the purchase of the former Police Station. This means that the revised capital programme for 2015/16 is £4,860k.

In terms of capital activity so far, £902k has been spent, including the purchase of the Police Station at £152k, £204k on DFG, £120k on car parks and pathways improvements and £321 on Haslingden Grip & Go.

Collection Fund 2014/15 – page 31 & 32

The Council Tax Collection projected out-turn is showing an overall surplus of £325k of which RBC's share is £53k, which includes a prudent view of future banding appeals, with a further £260k being predicted before the year end.

The projected outturn for Business Rates Collection is a cash deficit of £738k of which RBC share is £285k. This is due to a national decision pertaining to the rating of Health Centres has adversely impacted on Business Rates collection at a cost of £450k. Further banding appeals have reduced the collection of business rates income by £400k. At the same time the Council will receive an additional £644k in S31 grants but have to pay £305k of this back in extra Levy.

To summarise the variances above net to a favourable £44k for business rates:-

Business Rates Summary	£'000 (Adv)/Fav Variance
Collection fund deficit 2015/16	(295) Payable in 2016/17
Section 31 Grants & Localism Relief	644 Due in respect of 2015/16
less Central Gov't Levy	(305) Payable in 2015/16
Overall Favourable Movement	44

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General Fund Revenue Operations

General Fund Summary - Quarter 1 (end July 2015)

Service Area (excluding internal recharges)	2015/16 Original Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Quarter 1 (Adv)/Fav £000
Place Directorate					
Customer Services and E-Government Operations	1,503.6	1,448.2	55.4	-	55.4
	2,380.1	2,283.0	97.1	-	97.1
Business Directorate					
Building Control Services	9.1	5.8	3.3	-	3.3
Legal & Democratic Services	690.6	667.2	23.3	-	23.3
Planning Services	(176.5)	(529.5)	353.0	-	353.0
Local Land Charges	(34.3)	(59.7)	25.4	-	25.4
Licensing & Enforcement	24.5	(497.3)	521.8	-	521.8
Health, Housing & Regeneration	988.6	1,533.1	(544.5)	-	(544.5)
Corporate Support Services					
Corporate Management	354.1	275.4	78.6	-	78.6
Finance & Property Services	1,372.0	1,391.7	(19.7)	-	(19.7)
People and Policy	272.8	255.3	17.5	-	17.5
Non Distributed Costs	1,015.0	1,013.7	1.3	-	1.3
Capital Financing and Interest	210.1	191.0	19.0	-	19.0
Leisure	291.6	291.6	-	-	-
Favourable impact on General Fund	8,901.1	8,269.6	631.5	-	631.5

This revenue position at the end of July 2015 takes account of various favourable and adverse variances. The original budget planned the use of £182k from the Transitional Reserve and £78k from the NNDR Reserve, but the overall favourable variance of £631k means that instead we are likely to increase the Transitional Reserve by £449k in order to support the MTFs deficit up to 2019/20.

Total annual variance in relation to current staff costs is £136.8k favourable. The table on page 24 shows that £77k of this has been realised in cash terms to date and there remains 8 current vacancies against the original establishment of 161.5 FTEs.

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

- In operations fuel continues to provide savings with £44.5k predicted for the year so far.
- Income levels are reporting a mix of favourable and adverse variances – markets and recycling are down, whilst trade waste, cemeteries and taxi licensing are showing improvements.
- Once again the New Homes Bonus is above the original budget by £368k
- The operation of the Empty Homes Scheme is being forecast at a cost of £609k in 2015/16, though there are still some operational assumptions on voids, rental incomes and property repair costs which are still being revised.
- Support for leisure services includes an extra £53.3k of costs for RLT restructuring in 2014/15 but of which we were only recently notified and £50k support for the HAPPI initiative. These costs are being borne from the use of Earmarked Reserves.

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Major Variances in Quarter 1	Favourable /(Adverse)	Net
Customer Services and e-Government		
Staff costs	-	
Recovery of Housing Benefit over payments	40.0	
Delayed move of data centre from Hardmans Mill	(9.0)	
Contract savings re inflation expectations	19.0	
Other minor variances	5.4	55.4
Place Operations		
Staff costs (including overtime and savings target)	62.1	
Fuel	44.5	
Vehicle maintenance	(13.5)	
Trade Waste income	42.4	
Recycling income	(33.3)	
Markets income	(23.3)	
Cemeteries income	10.7	
Other minor variances	7.5	97.1
Business Directorate		
Staff costs	(43.6)	
Members allowances	13.0	
Planning Applications	19.0	
New Homes Bonus	368.0	
Taxi Licensing income	520.0	
Other minor variances	50.4	926.8
Business - Health, Housing & Regeneration		
Staff costs (excl Empty Homes Team)	26.3	
Empty Homes Scheme (including staffing)	(609.0)	
Other minor variances	38.2	(544.5)
Corporate Management		
Staff costs (assumed Apr-Nov only - £9.3k/mth thereafter)	74.4	
Other minor variances	4.2	78.6
Finance & Property Services		
Staff costs	(4.9)	
Internal & external audit costs	30.9	
Bank Charges for collection by debit cards (EU ruling)	(11.8)	
Building running costs (gas, electricity, water, NNDR)	(30.4)	
Delayed departure from Hardmans Mill	(11.2)	
Marl Pits Pavillion cleaning costs	(9.4)	
Mount Pleasant HMO income in 15/16 recovers 14/15 costs	23.4	
Other minor variances	(6.3)	(19.7)
People & Policy (incl P&P & Comm)		
Staff costs	22.5	
Temporary HR support from neighbouring authorities	(2.0)	
Other minor variances	(3.0)	17.5
Non-Distributed Costs & Capital Financing		
Interest payable/receivable	19.0	
RLT restructure costs	(53.3)	
Support for HAPPI	(50.0)	
Additional use of Reserves (to fund the above)	103.3	
Other minor variances	1.3	20.3
Favourable/(adverse) variance on the General Fund		631.5

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Customer Services & E-Government - Quarter 1 (end July 2015)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Quarter 1 (Adv)/Fav £000
Strategic Functions					
Management and Support	71.4	71.9	(0.5)	-	(0.5)
Service Assurance Team	150.6	149.2	1.5	-	1.5
Revenues, Benefits and Customer Services					
Local Tax Collection	(342.6)	(382.6)	40.0	-	40.0
Benefits Admin	1,107.8	1,090.7	17.1	-	17.1
Net - Housing Benefit Payments made & Subsidy received	(35.8)	(35.1)	(0.7)	-	(0.7)
Information and Communications Technology					
Technology	552.1	550.4	1.7	-	1.7
Pest Control					
Pest Control	-	3.7	(3.7)	-	(3.7)
Total	1,503.6	1,448.2	55.4	-	55.4

Key changes made during the quarter to the full year forecast	Variance	Variance	Full-Yr Forecast	R
	Bfwd £000	this Pd £000	£000	A G
Recovery of previous year Council Tax Benefit o/payments	-	40.0	40.0	
Delayed movement of data centre from Hardman's Mill	-	(9.0)	(9.0)	
Government Connect / Peneration Testing	-	(3.0)	(3.0)	
Inflation saving on Capita Contract	-	19.0	19.0	
Other IT related savings	-	8.4	8.4	
TOTAL	-	55.4	55.4	

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Customer Service & E-Government Highlight Report – (July 2015)

Historic Issues

- None

Current Quarter's Issues

- The headline figure is a projected under spend of £55.4k against the approved budget.
- The Council continues to collect previous years' overpayments of benefits and the projected recovery in 2015/16 is £40k.
- Delays in moving the Council's data centre from Hardman's Mill are projected to cost 9k.
- The Council's contract with Capita for the provision of housing benefits, revenues and customer contact is due to be uplifted by inflation in September 2015. The current low rates of inflation would result in a projected saving against the original budget of £19k.

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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Place Operations - Quarter 1 (end July 2015)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in January (Adv)/Fav £000
Strategic Functions					
Operations Admin / Vehicle Maintenance	421.4	405.4	16.0	-	16.0
Operational Functions					
Refuse Collection	905.2	851.6	53.6	-	53.6
Street Sweeping	345.1	338.1	6.9	-	6.9
Markets	(97.5)	(74.3)	(23.3)	-	(23.3)
Parks					
Parks & Open Spaces	931.0	897.8	33.2	-	33.2
Cemeteries	(125.0)	(135.7)	10.7	-	10.7
Total	2,380.1	2,283.0	97.1	-	97.1

Key changes made during the quarter to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Fuel	-	44.5	44.5	
Trade Waste Income	-	42.4	42.4	
Parks Salary Variances (Vacancy & Retirement)	-	29.9	29.9	
Street Sweeping Salaries and Agency	-	19.0	19.0	
Cemeteries income	-	10.7	10.7	
Fleet Management Vacancy and Agency	-	8.2	8.2	
Vehicle Tracking Lease	-	5.4	5.4	
Shared Management with Hyndburn	-	5.0	5.0	
Underspend on new route calendars	-	4.5	4.5	
Parks Equipment	-	4.4	4.4	
Purchase of Tools and Equipment	-	(8.9)	(8.9)	
Vehicle Maintenance	-	(13.5)	(13.5)	
Markets Income	-	(23.3)	(23.3)	
Recycling income	-	(33.3)	(33.3)	
Other Variances	-	2.3	2.3	
TOTAL	-	97.1	97.1	

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Operations Highlight Report – Quarter 1 (end of July)

Historic Issues

- None

Current Quarter Issues

- At the end of July the forecast Operations expenditure shows a favourable variance of £97.1k. The key variances are discussed below:
- The parks locality manager resigned at the end of 2014/15, this post is currently still vacant resulting in a significant salary cost saving. This saving has been offset by the decision to extend our use of temporary gardeners to assist with summer grass cutting; the net effect of these variances is a forecast saving against budget of £29.9k.
- Fuel is forecast to underspend by £44.5k, this underspend is expected as the budgets are set with a buffer to combat fuel price rises. Since setting the budgets fuel prices have dropped by approximately £0.15 per litre.
- The favourable variance of £42.4k in trade waste income is due to client base growth. One of the councils competitors ceased trading early in 2015, as a result the council saw a significant increase in new customers.
- Vehicle Maintenance costs are currently forecast to overspend by £13.5k, this is due to some major repair works carried out to one of the old refuse vehicles retained as a backup when we purchased our new fleet in December 2014. We are currently in the process of trying to obtain a replacement for our farm round refuse collection vehicle. Finding an appropriate replacement is proving difficult and as such we are being forced to use the current vehicle beyond its useful economic life, resulting in several breakdowns and associated costs for recovering and repairing the vehicle.
- Markets income projections for the year are £23.3k below the budgets set. The main reasons for this are £4.3k additional running costs and £19k lost income from under occupancy of stalls and increasing arrears for market traders (outside of the debts shown on page 27).
- Recycling Income is still substantially lower than expected when the 2015/16 budgets were set. External market indicators forecast that recycling income will remain at its current low point for the remainder of the year, resulting in a potential adverse variance of £33.3k.

Futures Issues

- There are several high level vacant posts and two members of staff who are on long term sick. If these posts are not filled and staff sickness addressed there are likely to be additional agency staffing costs.

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Business Services - Quarter 1 (end July 2015)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Quarter 1 (Adv)/Fav £000
Corporate Apprentices	-	8.0	(8.0)	-	(8.0)
Planning					
Development Control	(320.1)	(687.7)	367.5	-	367.5
Forward Planning	143.6	158.1	(14.5)	-	(14.5)
Land Charges	(34.3)	(59.7)	25.4	-	25.4
Building Control	-	-			
Building Control - Fee Earning Account	(42.7)	(45.0)	2.3	-	2.3
Building Control - Statutory Function	43.7	43.0	0.7	-	0.7
Building Control - Street Signs	8.0	7.8	0.2	-	0.2
Legal Services	156.7	149.4	7.3	-	7.3
Democratic Services	-	-			
Electoral Registration	55.6	58.0	(2.5)	-	(2.5)
Elections	63.8	57.0	6.7	-	6.7
Democratic Representation	360.9	345.5	15.3	-	15.3
Mayoralty	51.2	46.7	4.5	-	4.5
Town Twinning	2.5	2.5	-	-	-
Licensing & Enforcement	24.5	(497.3)	521.8	-	521.8
Total	513.3	(413.5)	926.8	-	926.8

Key changes made during the quarter to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Members Allowances	-	13.0	13.0	
Mayoral Attendants	-	2.4	2.4	
European Elections recovery of costs already included in RBC budgets	-	7.0	7.0	
New Homes Bonus Income	-	368.0	368.0	
Projected Planning Application Fee Income	-	19.0	19.0	
Additional Staffing resource in Planning	-	(28.0)	(28.0)	
Extension of temporary contract in Forward Planning	-	(10.0)	(10.0)	
Section 31 - New Burden Funding - Property Searches (Tinker Case)	-	24.0	24.0	
Taxi Licensing Income	-	520.0	520.0	
Other Miscellaneous Variances	-	11.4	11.4	
TOTAL	-	926.8	926.8	

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Business Highlight Report – (July 2015)

Historic Issues

- None

Current Quarter Issues

- The Business directorate is projecting an underspend of £926.8k, the significant variances are detailed below.
- Adjustments to committee structures are contributing to a projected under spend on member allowances of £13k
- The Council receives New Homes Bonus funding as a reward for the building of new houses and reducing the number of empty homes. The grant funding received in 2015/16 is £368k above budget.
- Income from Planning Applications is projected to be £19k above budget.
- Additional staffing resources were identified to support the work of the Development Control team in light of the failure to progress with combined working with Hyndburn Council. The additional staffing costs are £37k
- The Council has received additional “new burdens” funding of £24k in respect expenditure previously incurred regarding the national adjudication of compensation to personal search companies.
- Income from Taxi licensing is £522k above budget (though this will be subject to a reapportionment of shared costs and overheads given the additional workload).

Future Issues

- Nothing to report

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Health, Housing & Regeneration - Quarter 1 (end July 2015)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Quarter 1 (Adv)/Fav £000
Strategic Functions					
Regeneration Mangement & Admin	189.1	187.4	1.8	-	1.8
Tourism	-	-	-	-	-
Area Forums	20.0	13.0	7.0	-	7.0
Dog Warden	24.2	17.6	6.6	-	6.6
Economic Regeneration					
Economic Regeneration	107.1	106.1	0.9	-	0.9
Whittaker Park Musuem	70.8	80.7	(9.9)	-	(9.9)
Strategic Housing					
Housing Strategy	51.2	38.1	13.1	-	13.1
Homelessness	122.3	135.1	(12.8)	-	(12.8)
Private Sector Renewal	41.7	4.9	36.9	-	36.9
Environmental Health					
Environmental Health	362.2	341.2	21.0	-	21.0
Empty Homes Scheme					
HCA	-	609.1	(609.1)	-	(609.1)
Total	988.6	1,533.1	(544.5)	-	(544.5)

Key changes made during the quarter to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Empty Homes Scheme operating costs	-	(609.0)	(609.0)	
Housing Strategy staffing costs - long term sickness	-	12.3	12.3	
Private Sector Renewal vacancy	-	34.0	34.0	
Reduced grant allocation - area forums	-	7.0	7.0	
Projected under spend - Dog Warden	-	6.6	6.6	
Whittaker Park Museum Utilities Costs	-	(9.0)	(9.0)	
Environmental Health staffing saving long term sickness	-	6.0	6.0	
Environmental Health - Professional Fees	-	7.0	7.0	
Environmental Health - Miscellaneous budgets	-	8.0	8.0	
Additonal Staffing - Housing Options Team	-	(26.0)	(26.0)	
Reduced contribution to St Vincent's Handymam service	-	10.0	10.0	
Other Miscellaneous Variances	-	8.6	8.6	
TOTAL	-	(544.5)	(544.5)	

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Business - Health, Housing & Regeneration Highlight Report – (July 2015)

Historic Issues

- None

Current Quarter Issues

- Health, Housing and Regeneration have over spend by £544k, The significant variances are:-
- On the 31st January 2015, the Council's agent in the delivery of the East Lancashire Empty Homes Revolving Loan scheme ceased trading. Consequently the Council found itself responsible for the management of 350 properties across East Lancashire. The revenue costs associated with the management of these properties in 2015/16 are projected to be £609k, though this is dependent on some key assumptions around the pace of bringing empty properties back into use, occupancy rates and rent collection statistics. As at 31st July 2015 the expenditure totals £264k.
- A long term sickness issue with the Housing Strategy team is projected to generate saving of £12k
- A long term vacancy within the Private Sector Renewal team is projected to generate saving against budget of £34k.
- Utilities costs at the Whittaker Park Museum are £9k above budget provision reflecting the increased opening hours at the Museum and associated café.
- A long term sickness with Environmental Health is projected to generate savings of £6k.
- Projected spend on professional fees in respect of Food Safety inspections is £6.3k below budget.
- In March 2015 a Scheme of Delegation approved the creation of an additional Housing Options Post at a cost of £26k, the 2015/16 budgets had already been formally approved at this point.
- The contribution to the St Vincent's Handyman Service has been reduced by £10k in 2015/16 but due to an oversight this was not reflected in the budget set back in February.

Future Issues

- East Lancashire Empty Homes scheme – in addition to the revenue implications noted above other costs will require accounting for
 - Potential return of Homes & Communities Agency grant funding
 - Potential write-off of amounts owing from property owners
 - Capital recovery programme

All of the above will be offset in part by the Empty Homes Strategy Reserve as the HCA Grant is recycled.

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Corporate Management - Quarter 1 (end July 2015)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in December (Adv)/Fav £000
Corporate Management					
Executive Office	246.6	171.2	75.4	-	75.4
Corporate Contingency	-	0.5	(0.5)	-	(0.5)
Executive Support & Corporate Subscriptions	70.4	68.2	2.3	-	2.3
Concessionary Fares	4.0	2.6	1.4	-	1.4
Community Safety	33.0	33.0	-	-	-
Total	354.1	275.4	78.6	-	78.6

Key changes made during the quarter to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Director of Business vacancy	-	63.1	63.1	
Senior management restructure - potential impacts	-	11.3	11.3	
Other Misc under / (over) spends	-	4.2	4.2	
	-	-	-	
	-	-	-	
TOTAL	-	78.6	78.6	

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Corporate Management Highlight Report – (July 2015)

Historic Issues

- None

Current Quarter Issues

- The Corporate Management budget is forecast to under-spend by £78.6k, the main variances being:-
- Following the recruitment to the new Chief Executive, the post of Director of Business currently lies vacant and this first forecast includes £63.1k savings. This acknowledges that a senior management restructure is under way but that any resulting posts are unlikely to be filled until at least December. For every month that the current Director of Business post is vacant beyond December the favourable variance will increase by c£7.6k.
- Linked to the above, the original budget also includes an ongoing item of £17k for potential impact of the senior management restructure which was planned in 2014/15. As above, the earliest that any call could be made on this budget in 2015/16 is December, equating to a one-off saving of at least £11.3k.

Futures Issues

- Nothing to report.

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Finance and Property Services - Quarter 1 (end July 2015)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Quarter 1 (Adv)/Fav £000
Financial Services Team	337.2	345.7	(8.6)	0.0	(8.6)
Internal Audit	70.7	61.9	8.7	0.0	8.7
Corporate Costs	-	-	-	-	-
External Audit Fee	68.0	45.8	22.2	0.0	22.2
Bank Charges (net of fees)	20.2	32.0	(11.8)	0.0	(11.8)
Treasury Management	3.6	1.4	2.2	0.0	2.2
Property Services	-	-	-	-	-
Property Services Team	345.6	333.5	12.1	0.0	12.1
Corporate Estates	(35.1)	(51.2)	16.1	0.0	16.1
Non Domestic Estates	(109.4)	(112.3)	2.9	0.0	2.9
Office Accommodation	83.5	135.9	(52.4)	0.0	(52.4)
Operational Properties	378.5	366.5	11.9	0.0	11.9
Leisure Properties	56.8	65.4	(8.6)	0.0	(8.6)
Bus Shelters	9.0	11.1	(2.1)	0.0	(2.1)
Business Centre	143.7	156.0	(12.3)	0.0	(12.3)
Total	1,372.0	1,391.7	(19.7)	-	(19.7)

Key changes made during the quarter to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Financial Services Team - HCA recovery project	-	(8.1)	(8.1)	Y
External Audit - national reduction in fees chargeable	-	22.2	22.2	G
Bank Charges - EU ruling on change to debit card collection charges	-	(11.8)	(11.8)	R
Internal Audit Contract with LCC one-off reduction in 2014/15	-	8.7	8.7	G
Finance Misc Expenses	-	1.7	1.7	G
Repairs & Maintenance	-	0.2	0.2	G
Electricity	-	0.4	0.4	G
Gas	-	8.0	8.0	G
NNDR - Rawtenstall bus station delay	-	(41.9)	(41.9)	R
Water	-	3.1	3.1	G
Estates Income	-	2.3	2.3	G
Property Services disestablished post	-	3.2	3.2	G
Marl Pits Pavilion - cleaning	-	(9.4)	(9.4)	Y
Allotments	-	(2.5)	(2.5)	Y
Delayed Departure from Hardman's Mill (relocation of servers)	-	(11.2)	(11.2)	R
Departure Charges	-	(2.6)	(2.6)	Y
Emergency Planning	-	4.5	4.5	G
Legionella	-	-	-	G
Mount Pleasant - house of multiple occupancy	-	23.4	23.4	G
Insurance Premium	-	-	-	G
Business Centre Cleaners	-	(3.3)	(3.3)	Y
Business Centre recharges	-	(2.0)	(2.0)	Y
Property Misc Expenses	-	(4.6)	(4.6)	Y
TOTAL	-	(19.7)	(19.7)	R

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Finance & Property Services - Monitoring Highlight Report – (July 2015)

Financial Services

Historic Issues

- None

Current Quarter Issues

- The external audit fees show a reduction of £22.2k in expected costs for 2015/16 and in future.
- Internal audit fees, one-off reduction in outstanding days re 2014/15 = £8.7k fav variance.
- Changes to charges for collection of income using debit cards forecast additional costs of £11.8k.
- HCA project staffing costs and interim cover £8.2k adverse variance.

Futures Issues

- Nothing to report.

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. At the end of the previous financial year there was £89,729 outstanding. The strategy to recover these costs will be from rents over a 5-year management agreement or a charge on the property.

Current Months Issues

- The Property Services budget is forecast to over spend by £32.5k
- The Property Support Assistant post has become vacant with a saving of £3.2k for the year
- The Gas budget is showing an under spend of £8k mainly due to refunds and ceased accounts
- The Business Rates is forecast to over spend by £41.9k due to delays in the development of the bus station in Rawtenstall and the purchase of the police station
- The water costs are showing an under spend of £3.1k
- The Estates income is projected to under achieve by £2.3k
- Rossendale Borough Council are incurring the cost for the cleaning at Marl Pits Pavilion at a cost of £9.4k per annum
- The transfer of servers from New Hall Hey has been delayed costing £11.2k in property rent.
- Mount Pleasant is showing a net surplus of £23.4k. This will offset the 2014/15 debt noted above.
- The cleaning at The Business Centre is forecast to over spend by £3.4k due to an over sight in the budget setting

Futures Issues

- Nothing to report.

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

People and Policy - Quarter 1 (end July 2015)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Quarter 1 (Adv)/Fav £000
People & Organisational Development					
Human Resources	272.8	255.3	17.5	-	17.5
Total	272.8	255.3	17.5	-	17.5

Key changes made during the quarter to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Staff Vacancies (assume to end of Q2 at present)	-	22.5	22.5	Green
Temporary HR support from neighbour authorities	-	(2.0)	(2.0)	Yellow
Rawtenstall Gateway improvements - re tourism activity	-	(2.5)	(2.5)	Yellow
Miscellaneous variances	-	(0.5)	(0.5)	Yellow
TOTAL	-	17.5	17.5	Green

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People & Policy Highlight Report – (July 2015)

Historic Issues

- None

Current Quarter Issues

- The People & Policy budget is forecasting an underspend of £17.5k in this first monitoring report of 2015/16, with the significant changes being:-
- Continued vacancy of the Policy Officer and the HR Trainee will generate savings of £22.5k to the end of Q2. In the meantime the required structure is being revised, so posts are not likely to be filled until at least October.
- Approximately £2k of the above saving has been used to procure additional HR advice from neighbouring authorities in Q1 to provide essential cover for holidays and sickness.
- Linking in with the recent tourism and branding activity, Civic Pride have assisted in providing improvements to the bypass gateway into Rawtenstall, supported by £2.5k from the Council.

Future Issues

- Nothing to report.

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Non-distributed Costs, Corporate Resources

& Leisure Services

Quarter 1 (end July 2015)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Quarter 1 (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	1,268.4	1,302.9	(34.5)	-	(34.5)
Other Non-distributed Costs	(253.4)	(289.2)	35.8	-	35.8
Capital Financing	-	-	-	-	-
Minimum Revenue Provision	114.5	114.5	-	-	-
Investment Interest	95.6	76.5	19.0	-	19.0
Use of Earmarked Reserves	-	-	-	-	-
Leisure	291.6	291.6	-	-	-
Total	1,516.7	1,496.4	20.3	-	20.3

Key changes made during the quarter to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Interest expenditure	-	3.5	3.5	
Interest income from bank accounts	-	15.5	15.5	
Restructure costs - Rossendale Leisure Trust	-	(53.3)	(53.3)	
Supporting HAPPI, as per Full Council in July	-	(50.0)	(50.0)	
Transfers (to)/from Reserves	-	103.3	103.3	
Other minor variances	-	1.3	1.3	
TOTAL	-	20.3	20.3	

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Non-Distributed Costs & Capital Financing - Highlight Report – (July 2015)

Historic Issues

- None.

Current Quarter Issues

- Bank interest earned in 2015/16 is expected to result in an additional £15.5k due to the value of balances being held. Other interest expenditure of £3.5k is not expected to match the original budgets, giving a total favourable variance of £19k.
- Restructuring costs of £53.3k for Rossendale Leisure Trust are being supported from the Leisure Services Reserve, however at year end the value of this Reserve will be reviewed to ensure that it covers the Trust's Balance Sheet.
- Support for the HAPPI project, £50k as per Full Council in July, is being funded from the Business Directorate Reserve (albeit £25k is in the form of a loan).

Future Issues

- Nothing to report.

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Change	Director	Budget	Business	Transitional	Regen	Homeless'	Vehicle
	Manag't	Invest	Volatility	Rates	Budgetary	Reserve &	Reserve	Reserve
	AN060103	AN060123	AN060110	AN060144	AN060129	AN060109 / AN060145	AN060127	AN060130
Balance at 01/04/2015	1,577.7	85.5	267.1	464.0	2,679.3	236.2	295.6	361.4
Funds Received 2015/16								
2015/16 grants								
Revenue income received								76.2
Revenue income anticipated				644.0	631.5			
Total Funds Available	1,577.7	85.5	267.1	1,108.0	3,310.8	236.2	295.6	437.6
2015-16 Published Budget Utilisation								
General budget support				(78.0)	(182.0)			
2015-16 Other Utilisation Plans								
Transfers between Reserves						(53.4)		
Support to Tourism								
SHMA survey								
Rogue Landlords								
Strategic Housing Market & L'scape Assesment								
PDG funded projects								
Economic Regeneration								
Public Health Grant								
Insurance Tender								
Hardmans Mill								
Legionella Risk								
Bacup THI Support								
Youth Homelessness funding								
Childrens Trust - Summer Fun								
PCC Comm safety funds from LCC								
2015/16 NNDR Deficit & Autumn Statement Creditor				(295.0)				
2015/16 DGLC levy 50%				(305.0)				
Additional pension payments								
Support Fwd Planning Staffing Hours Increase								
Valuation of former Valley Centre Development								
Drainage & Flood Prevention		(50.0)						
Active East		(20.0)						
Individual Registration								
Refurb of Rossendale Museum								
Apprentice Scheme		(20.1)						
Credit Union - Financial Inclusion / STAN								
Redundancy costs at RLT								
HCA Empty Homes Scheme								
HAPPI grant & loan cover								
Reserve Estimates 31/3/2016	1,577.7	(4.6)	267.1	430.0	3,128.8	182.8	295.6	437.6
Future Contributions/Utilisation Plans								
2015/16 Plans						(182.8)		
2016/17 Plans					(771.0)			25.5
2017/18 Plans					(231.0)			25.5
2018/19 Plans					(665.0)			(25.5)
2019/20 Plans					(669.0)			(51.0)
2020/21 Plans					(574.0)			(51.0)
Potential Reserve Balances	1,577.7	(4.6)	267.1	430.0	218.8	0.0	295.6	361.1

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Monthly Financial Monitoring Report 2015/16 – as at end July 2015

Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Leisure Reserve	PRIDE Reserve	Empty Homes Strategy Reserve	Perform Reward Grant	Bacup THI	Pension Fund Reserve	Operational Reserves	Total
	AN060118/9	AN060126	AN060148	AN060120	AN060142	AN060117	AN060121	
Balance at 01/04/2015	785.0	15.0	458.9	236.3	400.6	784.9	1,199.7	9,847.3
Funds Received 2015/16								
2015/16 grants							0.0	0.0
Revenue income received						66.0	0.0	142.2
Revenue income anticipated			565.0				0.0	1,840.5
Total Funds Available	785.0	15.0	1,023.9	236.3	400.6	850.9	1,199.7	11,830.0
2015-16 Published Budget Utilisation								
General budget support								(260.0)
2015-16 Other Utilisation Plans								
Transfers between Reserves							53.4	0.0
Support to Tourism							0.0	0.0
SHMA survey							0.0	0.0
Rogue Landlords							0.0	0.0
Strategic Housing Market & L'scape Assesment							0.0	0.0
PDG funded projects							0.0	0.0
Economic Regeneration							0.0	0.0
Public Health Grant							0.0	0.0
Insurance Tender							0.0	0.0
Hardmans Mill							0.0	0.0
Legionella Risk							0.0	0.0
Bacup THI Support					(280.6)		0.0	(280.6)
Youth Homelessness funding							0.0	0.0
Childrens Trust - Summer Fun							(4.0)	(4.0)
PCC Comm safety funds from LCC							(4.8)	(4.8)
2015/15 NNDR Deficit & Autumn Statement Creditor							0.0	(295.0)
2015/16 DGLC levy 50%							0.0	(305.0)
Additional pension payments							0.0	0.0
Support Fwd Planning Staffing Hours Increase							(2.0)	(2.0)
Valuation of former Valley Centre Development							0.0	0.0
Drainage & Flood Prevention							0.0	(50.0)
Active East							0.0	(20.0)
Individual Registration							0.0	0.0
Refurb of Rossendale Museum							0.0	0.0
Apprentice Scheme							0.0	(20.1)
Credit Union - Financial Inclusion / STAN							0.0	0.0
Redundancy costs at RLT	(58.0)						0.0	(58.0)
HCA Empty Homes Scheme							0.0	0.0
HAPPI grant & loan cover							(50.0)	(50.0)
Reserve Estimates 31/3/2016	727.0	15.0	1,023.9	236.3	120.0	850.9	1,192.2	10,480.5
Future Contributions/Utilisation Plans								
2015/16 Plans							(10.0)	(192.8)
2016/17 Plans					(40.0)	69.0	0.0	(716.5)
2017/18 Plans					(40.0)		0.0	(245.5)
2018/19 Plans					(40.0)		0.0	(730.5)
2019/20 Plans							0.0	(720.0)
2019/20 Plans							0.0	(625.0)
	727.0	15.0	1,023.9	236.3	0.0	919.9	1,182.2	7,250.2

Current issues

Funding for the original budget of £8.9m approved in February included the use of £182k from the Transitional Reserve and £78k from the Business Rates Retention Reserve as reflected in the above table. However, as noted on page 2 of this report, the General Fund is currently predicting a favourable variance of £631.5k, and since the General Fund Reserve has already reached the target of £1m set in the MTFS any favourable variances may instead be an opportunity to contribute into the Transitional Reserve.

Use of the Bacup THI Reserve is included within the capital programme on pages 28 & 29. The opening balance will be used to support £40k of revenue costs in 2015/16 to 2018/19, plus £240.6k of contribution towards the buildings phases between summer 2015 and summer 2016.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Housing Capital Pot *	Disabled Facilities Grants *	Total
Balance at 01/04/2015	25.2	338.3	0.0	363.5
New Funds Received 2015/16				
Grant received			424.0	424.0
Other contributions			150.0	150.0
Total Funds Available	25.2	338.3	574.0	937.5
Planned Utilisation in 2015/16				
DFGs brought forward from 2014/15		(149.0)	(18.0)	(167.0)
DFGs original Capital Prog 2015/16		(76.0)	(424.0)	(500.0)
Additional Utilisation in 2015/16				
DFGs additional works			(132.0)	(132.0)
Anticipated Balance 31/03/2016	25.2	113.3	0.0	138.5
Future Utilisation Plans				
2016/17 DFGs		(76.0)		(76.0)
2017/18 DFGs		(37.3)		(37.3)
2018/19 DFGs		0.0		0.0
Potential Reserve Balances	25.2	0.0	0.0	25.2

The funds held from the old Housing Capital Pot grant scheme look set to run out in 2017/18. Beyond this the only funds available for DFG works will be the annual grant from the Better Care Fund and any contribution from Green Vale Homes for works to their properties.

Staff Costs, including agency

At the end of July there were 8 vacant posts contributing to a net favourable cash variance of £77k for the year to date. There are two areas where the current costs are above the budget: in planning, where partnership working with Hyndburn council has ended (see page 10) and housing, where the team now managing the Empty Homes Scheme was not within the original budget (see page 12).

Employment Costs 2015/16 to end July	YTD Budget £000	YTD Actual £000	full year Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	Original Budget Staff FTEs	FTE Changes during 2015/16	Current Vacant Posts
Place Directorate								
Customer Services	125	116	8	-	8	8.8	0.0	0.0
Operations Service	1,296	1,239	57	-	57	77.5	0.0	3.0
Business Directorate								
Building Control Services	35	35	1	-	1	3.0	0.0	0.0
Legal & Democratic Services	99	101	(2)	-	(2)	11.8	0.0	0.0
Planning Services	124	149	(24)	-	(24)	9.8	0.0	0.0
Local Land Charges	19	20	(0)	-	(0)	1.0	0.0	0.0
Public Protection	78	60	18	-	18	11.6	0.0	0.0
Health, Housing & Regen	237	274	(38)	-	(38)	17.9	0.0	2.0
Corporate Services								
Corporate Management	80	49	32	-	32	3.0	0.0	1.0
Finance & Property Services	149	154	(5)	-	(5)	11.6	0.0	0.0
People & Org. Performance	60	30	30	-	30	5.5	0.0	2.0
Total	2,303	2,225	77	-	77	161.5	0.0	8.0

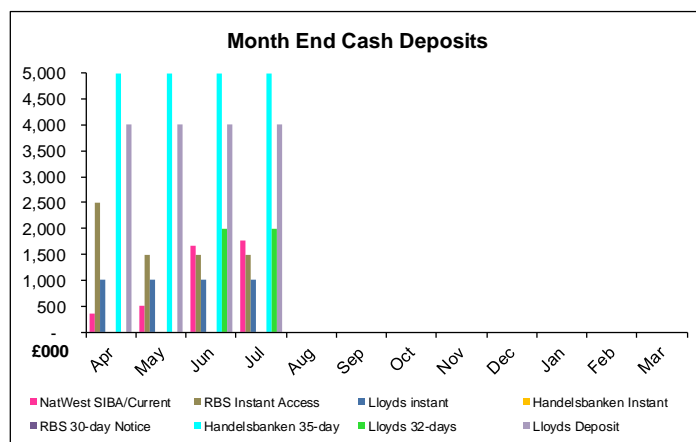
NB - re the variance column, figures in brackets are adverse variances, those without brackets are favourable variances

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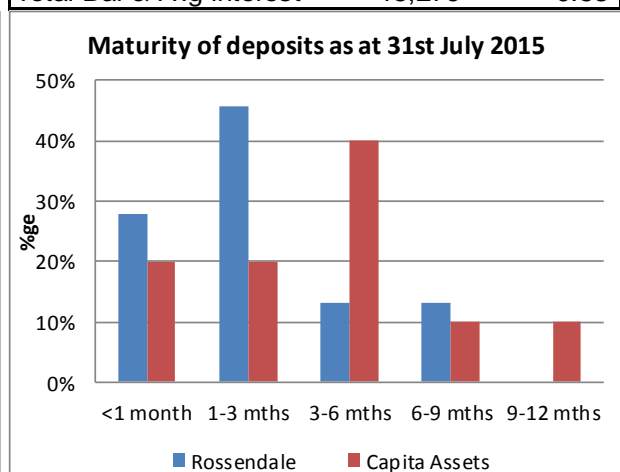
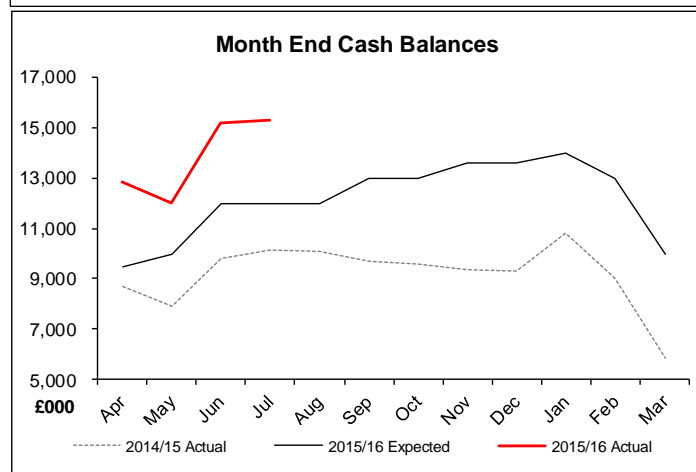
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Treasury Management & Cash Flow Monitoring

By the end of July the bank balances had risen to £15.3m from £11.1m at the end of March following the normal annual cash flow patterns. This is above the expected balances, thanks in part to the revenue savings on the General Fund and the level of capital project slippage into 2015/16.



as at 31st July 2015	Current Balance £k	Effective Interest Rate %
NatWest SIBA	1,779	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	2,000	0.57
Lloyds Deposit 12mths	2,000	1.00
Lloyds Deposit 12mths	2,000	1.00
Total Bal & Avg interest	15,279	0.58



With some uncertainty around cash flow requirements for capital projects in the coming months, officers are keeping further investments as short-term as possible, using the Lloyds 32-day notice account which is paying 0.57%. Though this has raised the total deposits with Lloyds to £7m, it still falls within the Treasury Management limits given that the overall resources are above £15m (see page 26).

The overall return rate is currently 0.58%, which is below the Capita Asset Management model portfolio return of 0.76%. Officers intend to consider the merits of investing in Money Market Funds during 2015/16, but this is unlikely to bridge the gap in terms of overall rate of return.

Interest Earned

The Council's cash flow pattern forces us to keep more funds liquid in the 1-3 months area and reducing the interest rates being achieved, but the overall balances are higher than anticipated

Interest Forecast	Budget 2015/16	Forecast 2015/16	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(162.4)	(162.4)	0.0	0.0
Misc Interest income	3.0	3.0	0.0	0.0
Bank Interest income	70.0	85.5	15.5	15.5
Net Interest	(89.4)	(73.9)	15.5	15.5

so the interest income is currently expected to out-perform the original budget by around £15k .

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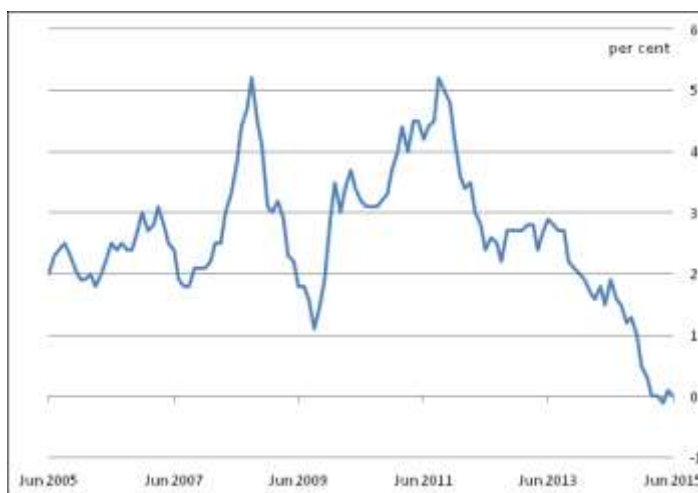
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Economic Outlook (issued 14th July)

The Consumer Prices Index (CPI) was unchanged in the year to June 2015, that is, a 12-month rate of 0.0%, down from 0.1% in the year to May.

Falls in clothing and food prices were the main contributors to the change in the rate along with smaller rises in air fares than a year ago. There were no large upward effects to offset the change.

For the Council the important inflation rate is the one for September, which will impact on benefits and pensions etc.



Interest rate forward predictions

Over the last few months Capita Asset Services (formerly Sector) have delayed their forecast of the rise in base rate interest to summer 2016. This view is in line with officer expectations of no increase in interest rates during this financial year, though it may impact upon interest rate predictions for future years in the next round of budgets in the autumn.

<i>as at end</i>	Sept	Dec	Mar	Jun	Sept	Dec	Mar	June	Sept
<i>July 2015</i>	2015	2015	2016	2016	2016	2016	2017	2017	2017
Base Rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%
25yr PWLB	3.60%	3.70%	3.80%	4.00%	4.10%	4.20%	4.30%	4.40%	4.40%

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).

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. Up until recently the practice has been to adhere to the £5m limit, but with overall resources now above £15m a carefully considered decision was taken to increase the deposits with Lloyds by placing £2m in their 32-day notice account to earn a return of 0.57%.

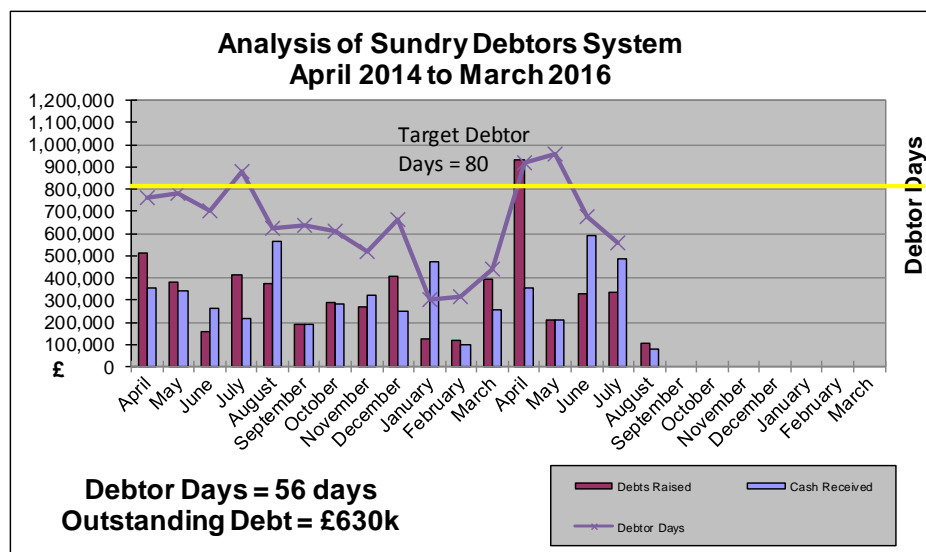
The Council's Natwest accounts exceeded £6.2m for a 2-day period during April before the precepts were paid out. However, given that the total resources available at the time were above £17m, the above TMPs were not contravened.

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Sundry Debts Monitoring

In 2015/16 £1,807k of new invoices were raised in the first 4 months, almost 23% more than in 2014/15, and the total outstanding debts are £630k.



Half of the 2014/15 invoices outstanding at March have now been collected. This brings the total collection rate for 2014/15 debt up to 97.3% with £100k still outstanding.

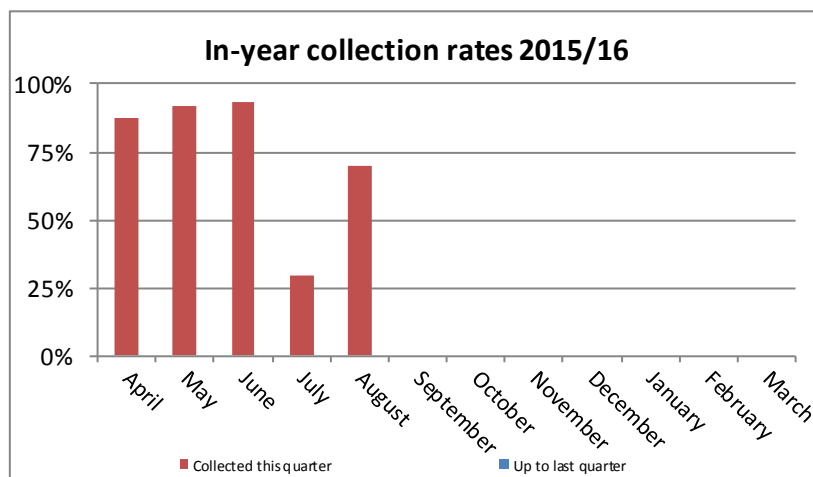
The new year debt outstanding of £459.9k includes £97.4k of service invoices raised in April which will be collected in instalments throughout the year. Collection of invoices raised in May and June have already reached 92% and 93%.

Collection performance remains a focus and at the end

of July the Debtor Days indicator stood at 56 days, comparing well with 88 days at the end of July last year and a target of 80 days.

Doubtful debts

In calculating the amount of potentially doubtful debts, officers are currently assuming a level of 15% against all housing rent debts raised, though this is subject to change with experience over the coming months. In all other cases the potential for doubtful debts rises from 10% at origin, to 50% after 6 months, 75% after 9 months and 100% for any debts over 1 year old. This has resulted in a doubtful element of £224k, against a current doubtful debt provision of £202k.



Debts Outstanding	Mar 2014	Mar 2015	31 May 2015		31 July 2015		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	420.2	76.7		71.7		70.9	100%	70.9
2014/15 Debt								
Q1		13.3		3.5		2.9	100%	2.9
Q2		13.1		9.7		9.5	100%	9.5
Q3		52.1		24.8		24.3	75%	18.2
Q4		125.1		79.3		62.9	50%	31.5
2015/16 Debt								
Q1 Apr			672.0		141.0		10%*	25.6
Q1 May			144.1		17.7		10%*	12.4
Q1 Jun			60.2	876.3	23.6	182.3	10%*	13.8
Q2 Jul					245.9		10%*	36.0
Q2 Aug					31.7		10%	3.2
Q2 Sept				0.0		277.6	10%	0.0
Total Debt o/s	420.2	280.3		1,065.3		630.4		224.0

Officers will continue to monitor the requirement to make further bad debt provisions from the General Fund.

Secured Debts

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

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Capital Resources

Table 1 - 2014/15 receipts

Major Receipts:	Original Expect'ns £000	YTD Actual £000	Total Forecast £000	Surplus / (Deficit) £000
Capital Receipts				
Land & Property Sales	75	66	75	-
Osolete refuse vehicles	-	49	49	49
Cost of sales		-	-	-
Net receipts to table 2	75	115	124	49

Table 2 - Useable Capital Receipts

Useable Capital Resources	£ 000
Balance at April 2015	1,736
Capital Grants in 2015/16	2,503
Capital Receipts in 2015/16	124
	4,363
Revenue Contributions (RCCO)	
from Earmarked Reserves	253
from S106 agreements	159
from Revenue Operations	125
Total Capital Resources 2014/15	4,900
Capital Programme spend	(3,993)
Useable Capital Receipts Mar 2015	908
Reserved for housing	(377)
Unreserved balance	531

RCCO is Revenue Contribution to Capital Outlay

Current issues

The income from asset sales in table 1 above includes £49k from the sale of the last 2 refuse vehicles at auction in April. The land and property capital income includes monies from the sale of land at Commercial Street, Loveclough. The net favourable variance on capital receipts is therefore £49k.

Financing the Capital Programme

The opening balance of Useable Capital Receipts was £1,736k, though £943k of this was required to finance continuing projects, as shown in earlier reports.

During the year revenue resources are expected to contribute a further £537k alongside the capital receipts anticipated above.

Capital Grants and contributions of £2,503k include £799k for Disabled Facilities Grants (including £150k from Green Vale Homes), £403k for the redevelopment at the Ski Slope and £1,269 relating to the Bacup THI project from the Heritage Lottery Fund, LCC and property owners.

The total capital resources available in 2015/16 are therefore expected to be £4,900 k.

As shown in detail on the following page, the actual capital programme now stands at £4,860k with £867k being funded through internal borrowing and £3,993k coming from the capital resources above, leaving an expected balance of capital resources of £908k at the end of this year.

Future issues

The first DFG grant through the Better Care Fund has now been received for 2015/16 at the same value as originally budgeted of £424k but GVH have indicated that their contribution for the year will not exceed £150k (down from previous years). Any indications for future grants will be notified to members as soon as possible.

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Capital Programme Spending

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

SERVICE AREA	2015/16 Original Capital Programme	2015/16 Revised Capital Programme	July 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
Place Directorate										
Communities & Operations	190	517	43	15	517	12	335	30	140	28
Customer Services & e Govt	0	28	3	25	28	0	0	0	28	9
Regeneration	0	2,086	0	0	2,086	1,692	0	394	0	0
Corporate Support Services										
Finance & Property Services	135	1,029	450	151	1,029	0	488	95	446	75
Other PRG Projects	0	18	1	0	18	0	0	18	0	0
Renewable Energy Projects	0	253	0	0	253	0	0	0	253	55
Housing	500	929	162	52	929	799	130	0	0	0
	825	4,860	659	243	4,860	2,503	953	537	867	167

Capital Programme 2015/15	£000
Original Capital Programme	825
Slippage from 2014/15 projects	1,901
New projects in 2015/16	
Haslingden Grip & Go + bldg wk	321
Valley Centre - Police Stn	150
DFGs - additional GVH funds	132
Printers & MFDs	28
Bacup THI (buildings phases 1-3)	1,503
Revised Capital Programme	4,860

Slippage items b fwd from 2014/15	Costs '£000
Pathways, Playgrounds & Cemeteries	103
Sports Playing Fields	200
Western Park	12
Crook Hill Wind Farm	75
Ski Slope Investment	487
Whitworth land remediation	21
Car Parks Upgrading	72
Emergency Works	110
Building Maint (ongoing projects)	253
Signage (funded from PRG Reserve)	18
Renwable Energy - Leisure	253
DFGs	167
CPOs	130
	1,901

Capital Programme

The original capital programme was £825k and slippage brought forward totalled £1,901k.

Additional projects approved since April, include

- £321k for the new climbing facility “Grip & Go” at Haslingden Sports Centre, which is being repaid by the Leisure Trust over 3-5 years,
- acquisition of the former Police Station in Rawtenstall re town centre development plans,
- confirmation from Green Vale Homes that they will fund up to £150k for DFGs in 2015/16,
- purchase of replacement multi-function devices (printers) which are to be funded from internal borrowing over the next 3 years, replacing the former leasing cost budgets and
- Bacup THI – the buildings works phases are now starting to take shape and £1,503k of costs (prelims, fees and physical works) are expected to be incurred between summer 2015 and summer 2016, funded from Heritage Lottery, LCC, owners and RBC Reserves.

Current Issues

By the end of July:-

- Acquisition of the Police Station and installation of the Grip & Go are now complete.
- Car park and pathway works have been ordered and are ongoing across the borough.
- The DFGs completed total £214k for the year, 27% of the revised programme.

Future Issues

- At July Cabinet members approved the purchase of a development site.
- Officers anticipate that the Empty Homes capital expenditure will be £1.2m in 2015/16.

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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 2015/16 was £685k. The revised capital programme includes new printers and the Leisure Trust's Grip & Go project. MRP for the printers (£5k) will replace the former lease budgets and the Leisure investment is being repaid by the Trust (£20k), therefore the budget has been amended to £709k in 2015/16 and increased to full-year charges for these projects in 2016/17.

There are other asset repayments coming to a conclusion during 2015/16 the Parks section. These MRP budgets of £79k have been maintained at current levels to provide the option for future replacements to be funded in the same way.

Minimum Revenue Provision (MRP)	MRP		Variance (Adv)/Fav 2015/16	MRP		Potential (Additions) / Savings 2016/17
	Budget 2015/16	Forecast 2015/16		Budget 2016/17	Revised MRP Required 2016/17	
Refuse Collection	323	309	14	323	309	14
Street Sweeping	50	26	24	50	25	25
Parks	56	18	38	56	18	38
IT	35	30	5	35	30	5
Facilities/Property	19	20	-1	19	19	0
Leisure Investment	107	107	0	146	146	0
Corporate Services	5	5	0	9	9	0
Non-distributed Costs	114	116	-2	115	130	-15
	709	631	78	753	686	67

Section 106 Receipts Monitoring

Section 106 Agreements	Third Party Projects	RBC	RBC	Total Held
		Revenue Projects	Capital projects	
	£000	£000	£000	£000
Balance b/wd at 1st April 2015	419.5	152.7	199.9	772.1
Deposits received in 2015/16	23.4	2.6	101.52	127.5
Deposits applied in 2015/16	(15.0)	(10.0)	(1.2)	(26.2)
Current Balance	427.9	145.3	300.2	873.4

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

Planning Ref	Area	Site	Purpose	Time Period	Currant Balance
2002/407	Bacup	Former Victoria WMC Bacup	Bus Shelters	none stated	5,000
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	no time limit	10,000
2004/012	Crawshawbooth	Former Chapel, Crawshawbooth	Recreation Area	no time limit	8,000
2004/372	Crawshawbooth	Conversion of Crawsbooth Con Club to 8 apartments	Bus Shelters	none stated	12,000
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	104,846
		Others			5,551
RBC Revenue Maintenance Projects					145,397
2007/737	Edenfield	Market St	Edenfield Community Centre	Exp May 2018	549
2002/497	Haslingden	Grane Mill, Laneside Rd	Provision & Maintenance of any other areas of	no time limit	46,000
2010/433	Whitworth	Eastgate	Open Spaces/ Affordable housing	Exp Jul 2017	87,875
2010/0667	Whitworth	Orama Mill	Public & Open Spaces	Exp June 2020	57,800
2011/0046	Helmshore	Holmeffield House	Open Space	Exp Aug 2017	3,644
2011/0030	Shawforth	Crook Hill	School and Residents of Shawforth	no time limit	25,000
2012/0162	Rawtenstall	Rossendale General Hospital	Sports Provision	Exp Nov 2019	35,581
2013/0277	Waterfoot	Waterfoot	POS within the vicinity	no time limit	16,392
2013/0455	Bacup	Bacup	POS within the vicinity	no time limit	27,320
RBC Capital Projects					300,161

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Council Tax & NNDR Collection Rates

Cumulative collection rates	LI 9 Council Tax			LI 10 NNDR		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/15
	April	11.15	10.16	10.91	12.25	10.97
May	20.40	20.16	19.98	20.47	21.66	20.8
June	29.55	29.02	29.22	30.5	31.1	29.31
July	39.01	38.43	38.49	39.43	38.83	43.25
August	48.13	47.63		51.6	51.6	
September	57.47	57.00		60.92	61.01	
October	66.98	66.30		67.88	68.55	
November	76.37	75.52		76.23	75.72	
December	85.57	84.81		84.92	82.61	
January	94.97	94.15		95.64	90.30	
February	96.61	95.69		96.38	94.46	
March	97.10	96.90		97.20	97.60	

Both council tax and business rates collections are ahead of last year at the end of July.

However, 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

The Council Tax Collection projected out-turn is showing an overall surplus of £325k of which RBC's share is £53k. This includes

- A prudent view of future banding appeals, with a further £260k being predicted before the year end.

	£'000
Council Tax Collectable after Discounts & Exemptions	31,903
less Bad Debt Provision	(510)
	31,393
less Precepts	
Lancashire County	(21,808)
Police	(3,070)
Fire	(1,252)
Rossendale Council	(4,939)
	(31,068)
Surplus	325
RBC Share	53

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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 projected outturn for Business Rates Collection is a cash deficit of £738k of which RBC share is £285k. This is due to a national decision pertaining to the rating of Health Centres has adversely impacted on Business Rates collection at a cost of £450k. Further banding appeals have reduced the collection of business rates income by £400k.

Business Rates Collection Fund 2015/16	£'000
Business Rates Income	13,004 excluding grants to Gfund
add receipt of 2014/15 debtor	41
less Precepts paid	(13,783)
Cash Deficit on Business Rates Collected	(738)
RBC Share @ 40%	(295) payable in 2016/17
Central Government share 50%	(369)
LCC and Fire share 10%	(74)

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 £5,202k, 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 £3,278k.

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 will receive £664k in S31 grants but will have to repay £305k. Both these transactions will occur in 2015/16.

RBC General Fund	£'000
Business Rates Income	13,004
RBC Share @ 40%	5,202
less tariff paid to Central Government	(3,278)
plus Enhanced Small Business Relief	423 Due in respect of 2015/16
plus other Section 31 Grants	241 Due in respect of 2015/16
Subtotal	2,588
RBC Baseline Funding Level	1,978
Surplus for Levy Calculations	610
Levy to Central Gov't @ 50%	305 Payable in 2015/16

To summarise the variances relating to 2015/16 financial year for business rates:-

Business Rates Summary	£'000 (Adv)/Fav Variance
Collection fund deficit 2015/16	(295) Payable in 2016/17
Section 31 Grants & Localism Relief	644 Due in respect of 2015/16
less Central Gov't Levy	(305) Payable in 2015/16
Overall Favourable Movement	44

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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انڈرھ کرے 01706 217777 ہر ناٹھارے اٹھا ہر کمپیونیکشن سیکشن، ڈاؤن سٹار
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