

<b>Subject:</b>	Q4 Financial Monitoring Report 2015/16 Draft Out-turn	<b>Status:</b>	For Publication
<b>Report to:</b>	Council	<b>Date:</b>	6 <sup>th</sup> July 2016
<b>Report of:</b>	Finance Manager	<b>Portfolio Holder:</b>	Resources & Performance
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Community Impact Assessment:</b>	Required:	<del>Yes</del> /No	Attached: <del>Yes</del> /No
<b>Biodiversity Impact Assessment</b>	Required:	<del>Yes</del> /No	Attached: <del>Yes</del> /No
<b>Contact Officer:</b>	<b>Janice Crawford</b>	<b>Telephone:</b>	<b>01706 252465</b>
<b>Email:</b>	<b>janicecrawford@rossendalebc.gov.uk</b>		

<b>1.</b>	<b>RECOMMENDATION(S)</b>
1.1	That Members note the contents of the report.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to update Members on:
- the draft out-turn for 2015/16, as at the end of June 2016 and
  - The Medium Term Financial Strategy (MTFS)

## 3. CORPORATE PRIORITIES

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

The primary focus of the Council's budget setting is to support its Corporate priorities.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues and opportunities and in particular service department net expenditure.
  - Budget setting for future years is now treated as an integral part of financial monitoring during the current year.
  - Progress in identifying and implementing further savings to meet the challenges in the Medium Term Financial Strategy (MTFS) are being reflected in the 2017/18

budget working papers.

- The budget-setting exercise back in February identified a further reduction in resources over the medium term producing a future in-year deficit at the time totalling up to £600 by 2020/21. Though these figures are continually being reviewed, Members, collectively, still continue to face some difficult choices in order to balance expenditure with available resources over the medium term.
- Continued austerity planning by Central Government resulting in a further reduction of central government resources and the implications of Brexit
- The recent intervention of The Secretary of State in relation to the Scout Moor wind turbine expansion.
- At the October Cabinet meeting the Council's risk register score for the alignment of financial resources and expenditure was updated from E3 to C1 (moderate likelihood and catastrophic impact).
- The Chancellor's recent announcement with regard to the 100% future retention of local business rates.

## **5. BACKGROUND AND OPTIONS**

### **5.1 2015/16 Revenue Draft Out-turn**

Appendix 1 is a financial monitoring update for the end of 2015/16 year, i.e. the draft out-turn. The last forecast, at the end of December, presented to the February Cabinet, indicated a full year budget surplus of £400k. By the end of March that favourable variance had risen to £606k, the main factors being:

- Recovery of overpaid benefits and court costs awarded have resulted in further favourable variance of £144.4k, partly offsetting a deficit of £58k on the benefits subsidy.
- Fuel savings fell £14.4k to a net favourable £58k but vehicle hire costs reduced £14.8k.
- Taxi income is up a further £43.6k to an annual total of £448k favourable.
- MRP savings were £43.5k for vehicles and £45.7k for other assets.
- The Empty Homes operations ended the year at £895k after £45k of repairs costs were transferred to home owners (ie. added to any outstanding loans).
- At year-end officers made a further £20k provision for the MMI historic insurance claims and a £25k contribution to the sunder doubtful debt provision.

More information can be found on pages 4 to 13 of Appendix 1.

The General Fund Reserve remains at its £1m target, and the Transitional Reserve already has enough resources to meet the demands of the MTFs up until 2019/20. Therefore, officers have recommended throughout the year that any favourable General Fund variance in 2015/16 is transferred to the Empty Homes Reserve. However, officers have amended that view, given the £1,164k commitment to 3 renovation tenders in March 2016 and instead have used that favourable variance, plus a further £548k from Earmarked Reserves to create a provision of, as noted in the Earmarked Reserves on page 14-15.

## 5.2 Earmarked Reserves

The MTFs update presented to Members at the February Cabinet showed a requirement to take £2,380k from the Transitional Reserve over the next 5 years. The current balance on the Reserve is £2,403k, therefore no further contributions are anticipated at this stage. Instead, the General Fund surplus resources have been directed into a provision for the Empty Homes commitment to the renovation tenders 1, 2 & 3.

The Change Management Reserve has now been re-designated as the Employment and Transport Reserve (as per Full Council in February) at a required value of £1,500k. The first use of this Reserve has been to finance the initial planning and consultation phase of the Rawtenstall Bus Station project, of which £80k has been spent in 2015/16.

Following discussions with the external auditors, the HCA grant is now being treated as capital, so no funds from that grant will come into the Empty Homes Reserve and prior years have now been restated to reflect this approach. During the year £2m has been transferred from other reserves to fund future revenue and capital requirements. Officers have utilised £548 of those funds to contribute towards a year-end provision of £1,164k as noted in para 5.2k above, leaving £1,452k at the end of March 2016.

The overall Earmarked Reserve balance is therefore £8,833k but future utilisation plans/commitments, including use of the Transitional Reserve to support the MTFs, will bring that down to £2,805k by 2021.

## 5.3 Government Grants Unapplied

For the first time in many years officers have not managed to utilise the full DFG grants received in the year and so £153k of the Better Care Funding is outstanding at the year-end. Confirmations have been received that the Green Vale Homes grant has now ceased, however, Better Care Funding grant for 2016/17 will rise from £424k to over £700k, so additional staffing resources have been secured to ensure that the service delivery can meet these expectations.

## 5.4 Staffing

The re-structure of the People and Policy Team has increased the establishment by 2 FTEs and the creation of a Housing Team has added a further 5 to bring the total establishment at the end of the year up to 168.5 FTEs, against which there were 11 vacant posts at the end of March. With temporary increases in staff required in the planning and housing teams, the net favourable change in staffing costs at the end of March was £14k.

## 5.5 Treasury and Cash Management

At the end of March the bank balances had returned to £10.2m from £16.1m at the end of December 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 from 2014/15 into the current year and from 2015/16 into next year. The higher balances have helped to mitigate impact of lower interest rates to produce a net favourable variance on the interest income for the year of £15.8k.

Officers closely monitor the level of debt, especially in relation to the new housing rent stream. With the implementation of a new housing software system, the housing rent debts are now separate from the Councils' other sundry debts. Of the £457k sundry debts outstanding at the end of March, £202k was under one month old. Collection rates for the

debts raised up to the end of February was 96.3% in the year. The potentially doubtful element was £136k, therefore officers made a further provision of £25k in March to raise the year-end balance on the provision to £106k.

In terms of housing rents, £702.5k was raised during 2015/16 and £501.6 was received, giving an in-year collection rate of 71.4%. The cumulative balance of rents outstanding at the 31st March 2016 was £219.3k, £18.4k of which related to the 2014/15 year. Against this the doubtful debt provision was increased by £115k to £146.7k.

## 5.6 Capital Receipts and the Capital Expenditure Programme

Receipts from land & property sales totalled £180k against the original target of £75k, with a further £10k being received in repaid Equity Release loans which are ring-fenced for future housing needs.

The capital programme started the year at £825k, to which £1,901k of slippage from 2014/15 was added. New projects during 2015/16 totalled £4,818k, with the quarter 4 addition of £95k submission for the Spinning Point project. Actual spend during the year was £1,674k with £5,761k slipping forward, including notably Bacup THI and Empty Homes ongoing costs, Ski Slope and solar panels. A full list of cost carried forward is on page 21.

Three tenders for Empty Homes renovation works were contracted in March, totalling £1,164k, for which a revenue provision has been set aside, as noted at 5.1 and 5.2 above.

## 5.7 Collection Fund - Council Tax and Business Rates

The Collection Fund has returned a £374k surplus on Council Tax, Rossendale's share being £60k, and a £2,172k deficit on Business Rates, Rossendale's element being £869k.

In-year collection rates for Council Tax were 96.8% compared to a target of 96.9% and this has led to arrears of £815k offset partly by a doubtful debt provision of £433k. (These are Rossendale's element only, the full arrears were £5,131k and the full provision was £2,720k).

In-year collection rates for Business Rates were 97.4% compared to a target of 97.9% and this has led to arrears of £535k offset partly by a doubtful debt provision of £427k. (Again, these are Rossendale's element only, the full arrears were £1,337k and the full provision was £1,068k). In this final year before Business Rates Pooling comes into effect officers have taken an extremely prudent view of the potential for Business Rate Appeals and Refunds, setting aside a further £1,291k in the year.

Council received an additional £644k in S31 grants but has placed this into the Earmarked Reserve to fund any levies due to DCLG.

## 5.8 Medium Term Financial Strategy (MTFS)

The last MTFS was presented to Members in February 2016. Based on a number of assumptions and risks an underlying future funding gap of c.£600k per annum was forecast. Since February 2016 there have been no significant changes in the assumptions.

5.9 One of the biggest risks in the MTFs, outside the control of Council, is the Secretary of States determination of the Scout Moor wind farm expansion, schedule to commence October 2016, although a final date for completion is unknown. The Council's latest MTFs assumes a positive determination leading to a development and therefore a future income source to Council (commencing October 2019) of c £600k pa. Should this not be the case the Council's future funding deficit will be in excess of £1.2m pa.

5.10 Following the approval of the 2016/17 budget the following savings have been included in the Council's future core budget:

	£000
Increased Taxis Income	100
New Homes Bonus (100%/average)	428
Staff Turnover	150

5.11 All other assumptions remaining unchanged the future forecast is therefore estimated as follows:

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
<b>Budget Estimates</b>	<b>8,610</b>	<b>8,548</b>	<b>8,639</b>	<b>8,859</b>	<b>8,991</b>
<i>2015/16 forecast savings</i>					
Estimated Funding:					
Council Tax	4,986	5,085	5,186	5,290	5,395
Council Tax Base Growth		30	61	92	123
RSG	1,086	503	189	-	-
NNDR	1,924	2,034	2,094	2,000	2,040
Transitionl Grant	33	-	-	-	-
Collection Fund Surplus - Council Tax	66	-	-	-	-
NNDR Retained	254	400	400	400	400
<b>Resources</b>	<b>8,349</b>	<b>8,052</b>	<b>7,930</b>	<b>7,781</b>	<b>7,958</b>
<b>Surplus / (further savings required)</b>	<b>(261)</b>	<b>(496)</b>	<b>(709)</b>	<b>(1,078)</b>	<b>(1,033)</b>
Potential cost pressures - A		(130)	(770)	(800)	(830)
Potential savings - B		435	575	881	1,187
<b>Surplus / (further savings required)</b>	<b>(261)</b>	<b>(191)</b>	<b>(904)</b>	<b>(997)</b>	<b>(675)</b>
Use of Reserves	261	191	904	997	50
<b>Surplus / (further savings required)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(625)</b>

Future cost pressures and potential savings are as follows:

<b>Cost pressures - A</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'001</b>
DWP Admin Subsidy	30	60	90	120
LCC Cost Share & Recycling Income	0	610	610	610
Volume & Technical	100	100	100	100
	<b>130</b>	<b>770</b>	<b>800</b>	<b>830</b>

<b>Possible savings - B</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Local Business Rates (Renewable Energy)	0	0	190	379
Rental income (Renewable Energy)	0	0	117	233
NNDR Pooling	220	360	360	360
Staff turnover	150	150	150	150
Pension Deficit Savings	65	65	65	65
	<b>435</b>	<b>575</b>	<b>881</b>	<b>1,187</b>

5.12 The above indicates that Transitional Reserve set aside to match any funding gap is all but exhausted by March 2020, requiring a savings plan to be in place and ready for immediate implementation by at least this date.

5.13 A separate report is being presented to Members regarding the procurement of a partner for the empty homes scheme. Amongst other things, part of the outcome of this is to provide the Council with an exit strategy regarding the majority of its future operational and financial liabilities.

5.14 The key pressures remaining for Council and its MTFS are:

- The future Rate of Council Tax
- Renewable energy income
- Continuing to optimise the value of New Homes Bonus
- Securing an exit strategy for the Empty Homes programme
- Maximising the returns from local business rates
- Renewing the provision of the Revenues and Benefits service on a similar cost base
- Mitigating the negative impact of the end of "Cost Share"

## **6. SECTION 151 OFFICER**

6.1 Financial matters are noted in the report attached.

## **7. MONITORING OFFICER**

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

consideration.

## **8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

8.1 Unless specifically commented upon within the report, there are no implications for consideration. Staffing issues have been discussed with colleagues in the People & Policy section.

## **9. CONSULTATION CARRIED OUT**

9.1 Directors, Heads of Services and Budget Holders

9.2 Capita Asset Services specialist treasury management advisors

## **10. CONCLUSION**

10.1 Robust monitoring of the General Fund and MTFs is essential to control risks expressed in section 4.

10.2 Despite a continued cost reduction programme, the challenge remains for Council to continue its efficiency agenda in order to realise its medium term saving target. Members, collectively, continue to face difficult choices in order to balance expenditure with available resources over the medium term.

Background Papers	
Documents	Place of Inspection
Financial monitoring statements for each service area.	Financial Services.
Capita Asset Services "Citywatch" report for December 2015	Financial Services
2016/17 Corporate Priorities, Budget, Council Tax and The Medium Term Financial Strategy.	RBC website - Cabinet Agenda 10/02/2016





# Financial Monitoring Report

2015/16 Draft Out-turn as at end June 2016

*Including a Glossary of terms on page 32*



## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### General Fund Revenue Operations – pages 4 to 13

This draft out-turn report on the General Fund for 2015/16 is showing a £616k 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 remains at its £1m target, and the Transitional Reserve already has enough resources to meet the demands of the MTFs up until 2020/21 (£2,380k) as reported to Cabinet in February. Therefore, officers have recommended throughout the year that any favourable General Fund variance in 2015/16 is transferred to the Empty Homes Reserve. However, officers have amended that view given the commitment to 3 renovation tenders in March 2016 and instead have used the favourable variance to create a provision, as noted in the Earmarked Reserves on page 14-15.

### Earmarked Revenue Reserves – page 14 to 15

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2015 (after the 2013/14 and 2014/15 HCA restatement) were £9,201k (excluding the Transport Reserve).

The HCA grant is now being treated as capital, therefore it does not touch the Earmarked Reserves (more information is available in Note 2 to the Draft Statement of Accounts). Instead of transferring the General Fund favourable variance into this Reserve, officers have used £548k of the amounts transferred in from other Reserves during the year, to create a provision of £1,164k for the balance of renovation tenders 1-3 outstanding at the end of March.

The Business Rates Retention Reserve now reflects the in-year variances discussed in detail on page 32, including receipt of £636k Section 31 grants. Payment of the levy was still not enacted by central government at the year-end and so a creditor is outstanding which will use up £423k of this balance in the coming months.

Use of the Bacup THI Reserve has begun with physical works now under way on the scheme.

The forecast closing balance at the 31<sup>st</sup> March 2016 is now £8,833k, but its use over the period of the MTFs, including the Transitional Reserve and the Empty Homes Reserve, will reduce this to £2,806k.

### Government Grants Unapplied – page 16

The opening value of Government Grants Unapplied at the 1<sup>st</sup> 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 DFG grant for 2015/16 has been received in full at £424k and contributions from Green Vale Homes are claimed quarterly based on actual usage.

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

### Staff Monitoring – page 16

At the end of March there were 11 vacant posts contributing to a net favourable variance of £14k for the year to date. This figure is net of £218k in additional staffing costs to date for two areas, namely planning (see page 8) and the housing Empty Homes team (see page 9).

The table on page 16 shows the impact of the restructure of the People and Policy Team, adding 1 FTE post, and bringing back in-house the Health & Safety role and now including the Empty Homes team. The Senior Management team restructure had been completed and the closing establishment at the year-end was £168.5 FTEs.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	2
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Treasury & Cash Management - page 17 to 19

At the end of March the bank balances had returned to £10.2m from £16.1m at the end of December 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 from 2014/15 into the current year and from 2015/16 into next year. The higher balances have helped to mitigate impact of lower interest rates to produce a net favourable variance on the interest income for the year of £15.8k.

Interest rate recovery forecasts for the next 18 months have been revised again in March by our treasury management advisors, Capita, following market uncertainty around the EU referendum. Officers will assess what impact that may have on future interest income in the first monitoring review at the end of June.

In 2015/16 £4,050k of new invoices have been raised, of which £3,713k were collected within the year following an in-year collection rate for invoices raised up to the end of February of 96.3% resulting a debtor days performance figure at the end of March of 41days, compared to 44 days at the end of 2014/15. Total outstanding sundry debts were £457k (though £202k of this was under one month old) and housing rent debts £219k, against which there were doubtful debt provisions of £106k and £147k respectively.

### Capital Receipts – page 20

Receipts from land & property sales totalled £180k against the original target of £75k, with a further £10k being received in repaid Equity Release loans which are ring-fenced for future housing needs.

### Capital Programme and Funding – page 21 to 22

The capital programme started the year at £825k, to which £1,901k of slippage was added. New projects during 2015/16 totalled £4,818k, with the quarter 4 addition of £95k submission for the Spinning Point project. Actual spend during the year was £1,674k with £5,761k slipping forward (including Bacup THI and Empty Homes ongoing costs, Ski Slope and solar panels).

Three tenders for Empty Homes renovation works were contracted in March, totalling £1,164k and revenue provision has been set aside for these costs as noted on the previous page.

### Collection Fund 2015/16 - page 23

The Collection Fund has returned a £374k surplus on Council Tax, Rossendale's share being £60k, and a £2,172k deficit on Business Rates, Rossendale's share being £869k.

In-year collection rates for Council Tax were 96.8% compared to a target of 96.9% and this has led to arrears of £815k offset partly by a doubtful debt provision of £433k. (These are Rossendale's element only, the full arrears were £5,131k and the full provision was £2,720k).

In-year collection rates for Business Rates were 97.4% compared to a target of 97.9% and this has led to arrears of £535k offset partly by a doubtful debt provision of £427k. (Again, these are Rossendale's element only, the full arrears were £1,337k and the full provision was £1,068k). In this final year before Business Rates Pooling comes into effect officers have taken an extremely prudent view of the potential for Business Rate Appeals and Refunds, setting aside a further £1,291k in the year.

Council receive an additional £644k in S31 grants but has placed this into the Earmarked Reserve to fund any levies due to DCLG.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	3
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### General Fund Revenue Operations

#### General Fund Summary - Period 12 (March)

Service Area (excluding internal recharges)	2015/16 Original Budget £000	2015/16 Out-turn £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
<b>Place Directorate</b>					
Customer Services and E-Government Operations	1,503.6 2,380.1	1,371.1 2,071.2	132.5 308.9	43.6 216.3	88.9 92.6
<b>Business Directorate</b>					
Building Control Services	9.1	29.1	(20.0)	(32.1)	12.1
Legal & Democratic Services	690.6	698.0	(7.5)	(5.7)	(1.8)
Planning Services	(176.5)	(543.0)	366.5	399.4	(32.9)
Local Land Charges	(34.3)	(101.3)	67.0	76.5	(9.5)
Licensing & Enforcement	24.5	(419.4)	443.9	403.4	40.5
Health, Housing & Regeneration	988.6	1,809.3	(820.7)	(824.5)	3.8
<b>Corporate Support Services</b>					
Corporate Management	354.1	295.6	58.4	50.3	8.1
Finance & Property Services	1,372.0	1,404.3	(32.4)	(55.1)	22.7
People and Policy	272.8	253.5	19.3	49.3	(30.0)
Non Distributed Costs	1,015.0	976.6	38.4	55.9	(17.4)
Capital Financing and Interest	210.1	151.5	58.6	23.1	35.5
Leisure	291.6	287.9	3.7	-	3.7
<b>Favourable impact on General Fund</b>	<b>8,901.1</b>	<b>8,284.4</b>	<b>616.7</b>	<b>400.4</b>	<b>216.3</b>

This revenue position has moved a net favourable of £216k during quarter 4, though this 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. In the updated MTFs considered by members at Cabinet in February, it was suggested that the requirement from the Transitional Reserve between 2016/17 and 2020/21 would be £2,380k in total. Given that the Transitional Reserve already holds this amount, officers recommended that the general favourable variance above be transferred into the Empty Homes Strategy Reserve. At the year-end this advice has been amended in favour of using the £616k favourable variance in-year and a further £548k from the Empty Homes Earmarked Reserve, to create a provision of £1,164k to cover the committed balance on the first 3 renovation tenders entered into in March.

Total annual variance in relation to current staff costs has decreased by £20k to £14k favourable. The table on page 16 shows which services had adverse or favourable variances. At the end of March there were 11 vacancies against the revised establishment of 168.5 FTEs (now including the Empty Homes team).

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

- Recovery of overpaid benefits and court costs awarded have resulted in further favourable variance of £144.4k, partly offsetting a deficit of £58k on the benefits subsidy.
- Fuel savings fell £14.4k to a net favourable £58k but vehicle hire costs reduced £14.8k.
- Taxi income is up a further £43.6k to an annual total of £448k favourable.
- MRP savings were £43.5k for vehicles and £45.7k for other assets.
- The Empty Homes operations ended the year at £895k after £45k of repairs costs were transferred to home owners (ie. added to any outstanding loans).
- At year-end officers made a further £20k provision for the MMI historic insurance claims and a £25k contribution to the sundry doubtful debt provision.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	4
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

Major Variances in Quarter 4	Favourable /(Adverse)	Net
<b>Customer Services and e-Government</b>		
Recovery of Council Tax & Housing Benefit over payments	14.7	
Cash recovery of overpaid benefits & Collection fund adj	52.9	
Benefits Subsidy - contra effect of finding overpayments	(58.0)	
Court Costs awarded	91.5	
ICT delayed move of data centre + damage re floods in Dec	(35.0)	
Other minor variances	22.8	88.9
<b>Place Operations</b>		
Staff costs (including overtime and savings target)	(12.0)	
Fuel	(14.4)	
Vehicle maintenance incl hire of temporary replacements	14.8	
Purchase refuse sacks & bins	16.0	
Parks - release of S106 monies	11.0	
Cemeteries income	19.1	
MRP savings re delay in replacement of vehicles	43.5	
Other minor variances	14.6	92.6
<b>Business Directorate</b>		
Staff costs	(13.1)	
Planning Applications (net of professional support costs)	(20.0)	
European & Parliamentary elections recovery of costs	9.9	
Taxi Licensing income	43.6	
Taxi licensing bad debt provision	(9.8)	
Other minor variances	(2.2)	8.4
<b>Business - Health, Housing &amp; Regeneration</b>		
Staff costs (excl Empty Homes Team)	(3.4)	
Empty Homes Scheme (including staffing) & bad debt prov	30.0	
Area Forum grant allocations used up previous underspend	(5.0)	
Clare House contribution to renovation costs	(7.0)	
Other minor variances	(10.8)	3.8
<b>Corporate Management</b>		
Staff costs (assumed Apr-Nov only - £9.3k/mth thereafter )	2.5	
Other minor variances	5.6	8.1
<b>Finance &amp; Property Services</b>		
Staff costs (incl Empty Homes support)	0.7	
New Burdens grant - Transparency code	8.1	
Internal & external audit costs	11.3	
IT upgrade & integration costs	(12.0)	
Building running costs (gas, electricity, water, NNDR)	10.4	
Emergency Planning costs	4.0	
Other minor variances	0.2	22.7
<b>People &amp; Policy (incl P&amp;P &amp; Comm)</b>		
Staff costs	(12.8)	
External support from neighbouring authorities	(12.0)	
Publicity, tourism & consultation	(11.5)	
External Training & other variances	6.3	(30.0)
<b>Non-Distributed Costs &amp; Capital Financing</b>		
Reduction in Staff Leave Creditor since 2014/15	25.9	
MRP payable (NB - see savings on Operations above)	45.7	
MMI historic insurance claims provision	(20.0)	
Sundry doubtful debt provision	(25.0)	
Interest payable/receivable	(4.8)	21.8
<b>Favourable/(adverse) variance on the General Fund</b>		<b>216.3</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	5
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Customer Services & E-Government - Period 12 (March)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Management and Support	71.4	71.6	(0.2)	(0.1)	(0.1)
Service Assurance Team	150.6	152.4	(1.7)	(1.2)	(0.5)
<b>Revenues, Benefits and Customer Services</b>					
Local Tax Collection	(342.6)	(535.2)	192.6	54.0	138.6
Benefits Admin	1,107.8	1,114.4	(6.6)	(7.8)	1.2
Net - Housing Benefit Payments made & Subsidy received	(35.8)	(43.6)	7.9	21.6	(13.7)
<b>Information and Communications Technology</b>					
Technology	552.1	608.1	(56.0)	(19.8)	(36.2)
<b>Pest Control</b>					
Pest Control	-	3.5	(3.5)	(3.1)	(0.4)
<b>Total</b>	<b>1,503.6</b>	<b>1,371.1</b>	<b>132.5</b>	<b>43.6</b>	<b>88.9</b>

Key changes made during the period to the full year forecast	Variance	Variance	Full-Yr Forecast	R
	Bfwd £000	this Pd £000	£000	A G
Recovery of previous years' Council Tax Benefit o/payments	54.3	14.7	69.0	
Cash recovery of Housing Benefit overpayments	24.0	36.9	60.9	
Collection Fund cash receipts provision reversed		16.0	16.0	
Delayed movement of data centre from Hardman's Mill	(12.0)	(20.0)	(32.0)	
Government Connect / Peneration Testing	(6.7)		(6.7)	
Inflation saving on Capita Contract	31.0		31.0	
Set-up costs re extension of Captia Contract	(28.0)		(28.0)	
Court Costs Awarded		91.5	91.5	
Software Licenses	(11.0)	(9.0)	(20.0)	
Addiitonal ICT costs arising from Flood @ Hardman's Mill		(15.0)	(15.0)	
Capita Reward - New Homes Bonus	(9.0)		(9.0)	
Internal Loan Repayment - purchase of ICT equipment		5.0	5.0	
Miscellaneous Income		10.0	10.0	
2015/16 Housing Benefit Subsidy Return		(58.0)	(58.0)	
Pest Control		(3.4)	(3.4)	
Other savings	1.0	20.2	21.2	
<b>TOTAL</b>	<b>43.6</b>	<b>88.9</b>	<b>132.5</b>	

With the conclusion of the Collection Fund accounts for the year the value of overpaid benefits recovered has increased a further £36.9k. At the same time officers can now confirm that a previous year provision for cash receipt discrepancies is no longer required and the court costs awarded are now definite at £91.5k.

Quarter 4 also included the costs pertaining to the Storm Eva flood on Boxing Day in relation to the IT server suite at Hardmans Mill. During quarter 4 the servers have now been moved out of that site completely. Meanwhile an insurance claim is in progress.

The final submission of the Housing Benefit Subsidy return has produced a net deficit for the year of £58k, which represents an adverse variance of 0.28% on the £20,358k benefits recovered.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	6
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Place Operations - Period 12 (March)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Operations Admin / Vehicle Maintenance	421.4	379.6	41.8	31.1	10.7
<b>Operational Functions</b>					
Refuse Collection	905.2	771.2	134.0	122.5	11.5
Street Sweeping	345.1	324.8	20.3	12.3	8.0
Markets	(97.5)	(84.8)	(12.7)	(13.5)	0.8
<b>Parks</b>					
Parks & Open Spaces	931.0	818.1	112.9	75.7	37.2
Cemeteries	(125.0)	(137.7)	12.7	(11.8)	24.5
<b>Total</b>	<b>2,380.1</b>	<b>2,071.2</b>	<b>308.9</b>	<b>216.3</b>	<b>92.6</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Fuel	72.4	(14.4)	58.0	
Trade Waste Income	44.7	(1.7)	43.0	
Parks Salary Variances (Vacancy & Retirement)	38.1	(12.1)	26.0	
Street Sweeping Salaries and Agency	17.5	(9.3)	8.2	
Cemeteries income	(12.1)	19.1	7.0	
Fleet Management Vacancy and Agency	8.9	(1.7)	7.2	
Overtime Budgets	13.9	2.1	16.0	
Parks - Release of Section 106 monies		11.0	11.0	
Purchase of Refuse Bins		7.0	7.0	
Refuse Sacks		9.0	9.0	
Vehicle Tracking Lease	5.4		5.4	
Vacancies at Operations Admin Offices		9.0	9.0	
Shared Management with Hyndburn	5.0		5.0	
Underspend on new route calendars	6.2		6.2	
Sale of Green Bins	4.4	0.3	4.7	
Parks Equipment	25.0		25.0	
Purchase of Tools and Equipment	1.0		1.0	
Vehicle Maintenance	(6.3)		(6.3)	
Vehicle Hire		14.8	14.8	
Markets Income	(13.8)	0.8	(13.0)	
Insurance Related Costs	18.4		18.4	
Professional Fees in support of grant applications	7.5	1.5	9.0	
MRP - Vehicles		43.5	43.5	
Recycling income	(20.4)	(1.0)	(21.4)	
Miscellaneous Income		3.5	3.5	
Other Variances	0.4	10.4	10.8	
<b>TOTAL</b>	<b>216.2</b>	<b>91.8</b>	<b>308.0</b>	

Fuel prices began to rise again in Q4, reducing the favourable forecast variance by £14.4k to £58k for the year.

With the delay in replacing the parks vehicles the MRP costs have reduced by £43.5k. At the same time vehicle hire costs have also returned a favourable variance of £14.8k.

Cemeteries income has recovered in Q4 to return a net favourable variance of £7k for the year.

S106 agreement funds of £11k have been released to support some of the parks works during the year.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	7
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Business Services - Period 12 (March)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Corporate Apprentices</b>	-	13.2	(13.2)	(13.6)	0.4
<b>Planning</b>					
Development Control	(320.1)	(657.6)	337.4	375.5	(38.1)
Forward Planning	143.6	114.5	29.1	23.9	5.2
<b>Land Charges</b>	(34.3)	(101.3)	67.0	76.5	(9.5)
<b>Building Control</b>					
Building Control - Fee Earning Account	(42.7)	(17.5)	(25.1)	(28.5)	3.4
Building Control - Statutory Function	43.7	41.9	1.9	(8.4)	10.3
Building Control - Street Signs	8.0	4.8	3.2	4.8	(1.6)
<b>Legal Services</b>	156.7	181.2	(24.5)	(11.8)	(12.7)
<b>Democratic Services</b>					
Electoral Registration	55.6	62.7	(7.2)	(6.8)	(0.4)
Elections	63.8	50.2	13.6	6.0	7.6
Democratic Representation	360.9	346.3	14.6	12.6	2.0
Mayoralty	51.2	44.2	7.0	5.7	1.3
Town Twinning	2.5	0.3	2.2	2.2	-
<b>Licensing &amp; Enforcement</b>	24.5	(419.4)	443.9	403.4	40.5
<b>Total</b>	<b>513.3</b>	<b>(336.6)</b>	<b>849.9</b>	<b>841.6</b>	<b>8.4</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Members Allowances	10.9	(0.1)	10.8	
Mayoral Attendants	1.4	(1.2)	0.2	
Corporate Apprentices	(13.6)		(13.6)	
European & Parliamentary Elections recovery of costs already included in RBC budgets	6.9	9.9	16.8	
Legal - Additional Agency Costs for Empt yHomes Project	(21.8)	(2.0)	(23.8)	
Legal - Income	6.6		6.6	
New Homes Bonus Income	368.0		368.0	
Projected Planning Application Fee Income	28.0	(20.0)	8.0	
Additional Staffing resource in Planning	(38.0)		(38.0)	
Forward Planning - Extension of Temporary Contract	(10.4)	(5.5)	(15.9)	
Forward Planning - Professional Fees	(9.2)		(9.2)	
Forward Planning - Contribution to Scout Moor costs from Reserves	48.0		48.0	
Building Control Fee Income	(20.0)	1.3	(18.7)	
Building Control - Professional Fees securing unsafe premises	(9.8)		(9.8)	
Land Charges - Income from search fees	4.5	(2.8)	1.7	
Land Charges S31 - New Burden Funding - Property Searches (Tinker Case)	72.0		72.0	
Licensing - Staff vacancy	6.0		6.0	
Taxi Licensing Income & Expenditure	404.4	43.6	448.0	
Licensing bad debt provision for Alcohol Licenses		(9.8)	(9.8)	
Other variances	7.6	(5.0)	2.6	
<b>TOTAL</b>	<b>841.5</b>	<b>8.4</b>	<b>849.9</b>	

Planning fee income in quarter 4 has dropped, though this is still a net favourable variance for the year of £8k.

Another £9.9k of election costs have been recovered from prior year European and Parliamentary elections.

Taxi licensing income continued to out-perform the budget, increasing the favourable variance by £43.6 to a final out-turn of £448k, but £9.8k has been used to increase bad debt provision.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	8
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a



## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Health, Housing & Regeneration - Period 12 (March)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Regeneration Mangement & Admin	189.1	183.0	6.1	15.4	(9.2)
Tourism	-	-	-	-	-
Area Forums	20.0	20.0	0.0	5.1	(5.1)
Dog Warden	24.2	22.5	1.7	6.9	(5.2)
<b>Economic Regeneration</b>					
Economic Regeneration	107.1	103.0	4.0	4.3	(0.2)
Whittaker Park Musuem	70.8	85.5	(14.8)	(13.4)	(1.3)
<b>Strategic Housing</b>					
Housing Strategy	51.2	45.3	5.9	8.0	(2.2)
Homelessness	122.3	138.0	(15.7)	(10.3)	(5.4)
Private Sector Renewal	41.7	3.6	38.1	37.3	0.8
<b>Environmental Health</b>					
Environmental Health	362.2	312.8	49.4	47.9	1.5
<b>Empty Homes Scheme</b>					
HCA	-	895.6	(895.6)	(925.7)	30.1
<b>Total</b>	<b>988.6</b>	<b>1,809.3</b>	<b>(820.7)</b>	<b>(824.5)</b>	<b>3.8</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Housing related costs arising from the demise of AAAW	(925.0)	30.0	(895.0)	
Housing Strategy staffing	6.0	(2.4)	3.6	
Regeneration Officer Vacancies (net of agency support)	15.0	2.5	17.5	
Private Sector Renewal vacancy	34.0	(5.0)	29.0	
Reduced grant allocation - area forums	5.0	(5.0)	-	
Projected under spend - Dog Warden	6.9	(5.2)	1.7	
Whittaker Park Museum Utilities Costs	(11.3)	(3.4)	(14.7)	
Whittaker Park Museum - 60s Weekend	(2.4)		(2.4)	
Environmental Health Staff Vacancies	32.5	2.5	35.0	
Environmental Health - Professional Fees	8.8	2.5	11.3	
Environmental Health - Miscellaneous budgets	10.0	6.0	16.0	
Housing Options Team - additional staffing	(26.0)	(1.0)	(27.0)	
Clare House - revenue contribution to renovation costs		(7.0)	(7.0)	
Return of grant monies not utilised		(5.0)	(5.0)	
Reduced contribution to St Vincent's Handymam service	10.0	(0.3)	9.7	
Other Miscellaneous Variances	12.0	(5.4)	6.6	
<b>TOTAL</b>	<b>(824.5)</b>	<b>3.8</b>	<b>(820.7)</b>	

The changes in the projected costs of the Empty Homes scheme recovery can be broken down as follows:-

- Staffing costs have risen £22.8k to £185.2k
- Repairs cost forecasts have dropped as £45k was transferred to the loans as owner responsibility, bringing the total repairs for the year to £298.7k
- Council Tax payments are forecast to drop by £11.5k to £249.5k following delays in Q4 in letting the renovation tenders (hence reducing the properties brought back into use).
- Officers have made £115k doubtful debt provision for irrecoverable rental income and also made a £1,164k provision for the capital work outstanding (tenders 1,2 & 3).

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	9
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Corporate Management - Period 12 (March)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	246.6	191.0	55.7	48.8	6.9
Corporate Contingency	-	1.6	(1.6)	(1.6)	(0.0)
Executive Support & Corporate Subscriptions	70.4	67.7	2.7	2.8	(0.1)
Concessionary Fares	4.0	2.0	2.0	0.3	1.7
Community Safety	33.0	33.4	(0.4)	-	(0.4)
			-		
<b>Total</b>	<b>354.1</b>	<b>295.6</b>	<b>58.4</b>	<b>50.3</b>	<b>8.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Director of Business vacancy	94.0	1.5	95.5	
Agency & Professional Support pending senior mgmt restructure	(41.0)	1.0	(40.0)	
Recruitment Advertising	(3.0)		(3.0)	
Corporate Subscriptions		2.7	2.7	
Other Misc under / (over) spends	0.1	3.1	3.2	
<b>TOTAL</b>	<b>50.1</b>	<b>8.3</b>	<b>58.4</b>	

The Senior Management Team restructure was concluded and the new Director post was recruited to (post taken up in early May). In the meantime the agency cover continued to support the remaining Management Team.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	10
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Finance and Property Services - Period 12 (March)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Financial Services Team</b>	337.2	355.6	(18.4)	(20.2)	1.8
<b>Internal Audit</b>	70.7	73.3	(2.6)	(8.4)	5.8
<b>Corporate Costs</b>					
External Audit Fee	68.0	47.5	20.5	20.5	-
Bank Charges (net of fees)	17.2	36.2	(19.0)	(19.4)	0.4
Treasury Management	6.6	2.4	4.2	4.3	(0.1)
<b>Property Services</b>					
Property Services Team	349.5	332.5	17.1	14.0	3.1
Corporate Estates	(35.1)	(58.0)	22.9	17.8	5.1
Non Domestic Estates	(113.4)	(112.9)	(0.5)	1.1	(1.6)
Office Accommodation	83.5	127.1	(43.6)	(46.4)	2.8
Operational Properties	378.5	371.8	6.6	4.9	1.7
Leisure Properties	56.8	45.3	11.5	3.5	8.0
Bus Shelters	9.0	8.0	0.9	(2.1)	3.0
Business Centre	143.7	175.6	(32.0)	(24.7)	(7.3)
<b>Total</b>	<b>1,372.0</b>	<b>1,404.3</b>	<b>(32.4)</b>	<b>(55.1)</b>	<b>22.7</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Financial Services Team - HCA recovery project	(8.1)	(5.0)	(13.1)	Red
Financial Services Team - trainee post (for modern apprentice)	(6.5)	0.4	(6.1)	Yellow
Financial Services - vacant post		5.3	5.3	Green
Transparency Code New Burdens Grant		8.1	8.1	Green
External Audit - national reduction in fees chargeable	22.2	(1.8)	20.4	Green
Bank Charges - EU ruling on change to debit card collection charges	(16.4)	0.4	(16.0)	Red
Internal Audit - 2014/15 savings & prov' bfw but HCA audit costs	(15.7)	13.1	(2.6)	Yellow
Finance IT system upgrades/integration work		(12.0)	(12.0)	Red
Finance Misc Expenses	1.3	(0.6)	0.7	Green
Repairs & Maintenance	(0.1)	1.9	1.8	Green
Electricity	(12.0)	1.3	(10.7)	Red
Gas	10.8		10.8	Green
NNDR - Rawtenstall bus station delay	(42.9)	3.0	(39.9)	Red
Water	11.8	4.2	16.0	Green
Estates Income	10.0		10.0	Green
Property Services disestablished post	3.2		3.2	Green
Marl Pits Pavilion - cleaning	(8.8)	(0.7)	(9.5)	Yellow
Allotments	(6.1)		(6.1)	Yellow
Land Drainage		2.3	2.3	Green
Delayed Departure from Hardman's Mill (relocation of servers)	(11.2)		(11.2)	Red
Departure Charges	(2.2)		(2.2)	Yellow
Emergency Planning	5.5	4.0	9.5	Green
Legionella	(0.8)	0.2	(0.6)	Yellow
Mount Pleasant - house of multiple occupancy	24.0	(1.2)	22.8	Green
Insurance Premium	7.5		7.5	Green
Business Centre - new IT connectivity for tenants	(8.0)		(8.0)	Yellow
Business Centre Cleaners	(4.2)	(2.1)	(6.3)	Yellow
Main areas of movement this Quarter	(2.0)		(2.0)	Yellow
Property Misc Expenses	(6.4)	2.1	(4.4)	Yellow
<b>TOTAL</b>	<b>(55.1)</b>	<b>22.7</b>	<b>(32.4)</b>	<b>Red</b>

A second year of £8.1k New Burdens Grant re the January 2015 Transparency Code was unexpected. Prior year accruals for internal audit fees are no longer required, but upgrades to the Finance system are required to maintain the high credit card security standards (PCI/DSS).

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	11
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### People and Policy - Period 12 (March)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
People & Organisational Development Human Resources	272.8	253.5	19.3	49.3	(30.0)
<b>Total</b>	<b>272.8</b>	<b>253.5</b>	<b>19.3</b>	<b>49.3</b>	<b>(30.0)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Staff Vacancies (per approved restructure vacancies filled from Nov)	26.0		26.0	Green
Temporary HR support (until new structure is filled)	-	(9.0)	(9.0)	Yellow
Recruitment expenses	(7.7)	(1.3)	(9.0)	Yellow
Additional Mgmt Support provided by Blackburn Council		(12.0)	(12.0)	Red
Health & Safety Support (to end c Oct 2015 - see restructure)	10.0	(2.5)	7.5	Green
External Training	25.0	1.4	26.4	Green
Publicity / Tourism & Consultation	(2.5)	(11.5)	(14.0)	Red
Miscellaneous variances	(1.5)	4.9	3.4	Green
<b>TOTAL</b>	<b>49.3</b>	<b>(30.0)</b>	<b>19.3</b>	Green

The underspending on staff training costs at the end of Q3 has not really changed much by the end of March and ended the year at £26.4k favourable.

Staff savings through much of the year has resulted in the need for joint working and some agency cover, which have cost £12k and £9k respectively, reducing the staff savings to a net of £5k favourable to contribute towards a £9k increase in recruitment expenses for staff across the Council.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	12
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

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

Period 12 (March)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	1,268.3	1,221.9	46.4	20.1	26.4
Other Non-distributed Costs	(253.3)	(245.3)	(8.0)	35.8	(43.8)
<b>Capital Financing</b>					
Minimum Revenue Provision	114.5	74.7	39.8	(0.8)	40.7
Investment Interest	95.6	76.8	18.8	24.0	(5.2)
Use of Earmarked Reserves	-	-	-	-	-
<b>Leisure</b>	291.6	287.9	3.7	-	3.7
<b>Total</b>	<b>1,516.7</b>	<b>1,415.9</b>	<b>100.8</b>	<b>79.0</b>	<b>21.8</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Outstanding Staff Leave Creditor (reduction since 2014/15)		25.9	25.9	
Pension Fund deficit top-up payments	65.9		65.9	
Added Years Pension	(11.3)	0.5	(10.8)	
Increase MMI Provision to 25% of outstanding claims balance		(20.0)	(20.0)	
MRP reduction (mainly in Operations)		49.0	49.0	
General Doubtful Debts Provision		(25.0)	(25.0)	
Interest expenditure	3.5		3.5	
Interest income from bank accounts	20.4	(5.3)	15.1	
Restructure costs - Rossendale Leisure Trust	(53.3)		(53.3)	
Supporting HAPPI, as per Full Council in July - need to move /defer ££7.7k + £25k monies not spent yet	(50.0)	32.7	(17.3)	
Transfers (to)/from Reserves	103.3	(32.7)	70.6	
Other minor variances	0.5	(3.3)	(2.8)	
<b>TOTAL</b>		<b>79.0</b>	<b>21.8</b>	

The year-end accrual for outstanding staff leave has reduced by £25.9k, which comes back into 2015/16 as a favourable variance.

Following an update from the administrators of the former MMI insurance, officers have increased the provision by a further £20k. Officers have also increased the sundry doubtful debt provision by £25k.

Delays in replacing some of the assets bought using internal borrowing have meant that there has been a saving of £49k on the MRP required to be charged for the year.

For more information on interest income see page 17.

The variances highlighted in the table above all net off to zero.

- RBC have covered the Leisure Trust restructure costs of £52.3k, using funds from the Leisure Reserve.
- Members agreed to use £50k from the Business Directorate Reserve to support the HAPPI pool initiative (£25k for building works and £25k in cash flow loan). By the end of the year the group have only drawn down £17.3k for the building works, therefore costs have reduced and the funds not yet required remain in the Reserve until next year.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	13
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Budget Volatility Reserve	Business Rates Retention	Transitional Budgetary Support	Planning Reserve	Homeless' Reserve	Vehicle Reserve
	AN060103	AN060123	AN060110	AN060144	AN060129	AN060109 / AN060145	AN060127	AN060130
<b>Balance at 01/04/2015</b>	<b>1,577.7</b>	<b>85.5</b>	<b>267.1</b>	<b>604.5</b>	<b>2,401.0</b>	<b>234.2</b>	<b>295.6</b>	<b>361.4</b>
<b>Funds Received 2015/16</b>								
2015/16 grants				637.4	S31 grants	restated re HCA		
Revenue income received								100.0
Revenue income anticipated				0.0	NNDR Surplus			
General Fund Surplus Contribution					2.0		(187.7)	
<b>Total Funds Available</b>	<b>1,577.7</b>	<b>85.5</b>	<b>267.1</b>	<b>1,241.9</b>	<b>2,403.0</b>	<b>234.2</b>	<b>107.9</b>	<b>461.4</b>
<b>2015-16 Published Budget Utilisation</b>								
General budget support				0.0	0.0	not required		
<b>2015-16 Other Utilisation Plans</b>								
Transfers between Reserves						(53.4)		
Empty Homes Transfer between Reserves		(45.4)	(267.1)					(231.0)
Support to Tourism								
SHMA survey & Other Local Plans								
Rogue Landlords								
Active East								
Counter Fraud								
Insurance Tender								
Support to Scout Moor Planning Application								
Legionella Risk Assessment								
Bacup THI Support								
Youth Homelessness funding							(118.9)	
Contribution towards Homeless Initiative from Clare Hse							11.0	
Childrens Trust - Summer Fun								
PCC Comm safety funds from LCC								
Warm Front Moonies								
2015/16 NNDR Deficit & Autumn Statement Creditor								
2015/16 DGLC levy 50%				0.0				
Additional pension payments								
Support Fwd Planning Staffing Hours Increase								
Valuation of former Valley Centre Development								
Drainage & Flood Prevention								
Area Forums		(20.0)						
Individual Registration								
Admin Support to Planning						(73.6)		
Apprentice Scheme		(20.1)						
STAN / Counter Fraud								
Clare House Major Repair Provision								
Redundancy costs at RLT								
HCA Empty Homes Scheme								
Xmas Lights								
HAPPI grant & loan cover								
Rawtenstall Bus Station	(80.0)							
<b>Reserve Estimates 31/3/2016</b>	<b>1,497.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1,241.9</b>	<b>2,403.0</b>	<b>107.2</b>	<b>(0.0)</b>	<b>230.4</b>
<b>Future Contributions/Utilisation Plans</b>								
2015/16 Plans						(52.9)	now in Unapplied Grants	
2016/17 Plans		(20.0)		(437.0)	(458.0)			25.5
2017/18 Plans					(57.0)			25.5
2018/19 Plans					(512.0)			(25.5)
2019/20 Plans					(664.0)			(51.0)
2020/21 Plans					(678.0)			25.5
<b>Potential Reserve Balances</b>	<b>1,497.7</b>	<b>(20.0)</b>	<b>0.0</b>	<b>804.9</b>	<b>34.0</b>	<b>54.3</b>	<b>(0.0)</b>	<b>230.4</b>

The Homelessness Reserve has been moved to Unapplied Grants following investigation into the background of these funds. The grants received in the past began to be claimed by RBC and neighbouring authorities towards the end of 2015/16 as the projects to which they relate are now being delivered.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	14
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Leisure Reserve	PRIDE Reserve	Empty Homes Reserve	Perform Reward Grant	Bacup THI	Pension Fund Reserve	Operational Reserves	Total
	AN060118/9	AN060126	AN060148	AN060120	AN060142	AN060117	AN060121	
<b>Balance at 01/04/2015</b>	<b>785.0</b>	<b>15.0</b>	<b>0.0</b>	<b>236.3</b>	<b>353.6</b>	<b>784.9</b>	<b>1,199.7</b>	<b>9,201.5</b>
<b>Funds Received 2015/16</b>								
2015/16 grants				restated to zero			65.6	703.0
Revenue income received				now capital			137.5	237.5
Revenue income anticipated				used for provision instead			0.0	0.0
General Fund Surplus Contribution			0.0					(185.7)
<b>Total Funds Available</b>	<b>785.0</b>	<b>15.0</b>	<b>0.0</b>	<b>236.3</b>	<b>353.6</b>	<b>784.9</b>	<b>1,402.8</b>	<b>9,956.4</b>
<b>2015-16 Published Budget Utilisation</b>								
General budget support								0.0
<b>2015-16 Other Utilisation Plans</b>								
Transfers between Reserves	121.4					(121.4)	53.4	0.0
Empty Homes Transfer between Reserves		(15.0)	2,000.0	(236.3)		(498.0)	(705.0)	2.2
Support to Tourism							(2.0)	(2.0)
SHMA survey							0.0	0.0
Rogue Landlords							0.0	0.0
Active East							(47.4)	(47.4)
Counter Fraud							0.0	0.0
Insurance Tender							0.0	0.0
Support to Scout Moor Planning Application							0.0	0.0
Legionella Risk Assessment							6.0	6.0
Bacup THI Support					(34.0)		0.0	(34.0)
Youth Homelessness funding							0.0	(118.9)
Contribution towards Homeless Initiative from Clare Hse								11.0
Childrens Trust - Summer Fun							(2.0)	(2.0)
PCC Comm safety funds from LCC							0.0	0.0
Warm Front Monies							(14.8)	(14.8)
2015/15 NNDR Deficit & Autumn Statement Creditor							0.0	0.0
2015/16 DGLC levy 50%							0.0	0.0
Additional pension payments							0.0	0.0
Support Fwd Planning Staffing Hours Increase							0.0	0.0
Valuation of former Valley Centre Development							0.0	0.0
Drainage & Flood Prevention							0.0	0.0
Active East							0.0	(20.0)
Individual Registration							0.0	0.0
Refurb of Rossendale Museum							(79.0)	(152.6)
Apprentice Scheme							0.0	(20.1)
Credit Union - Financial Inclusion / STAN							(23.3)	(23.3)
Clare House Major Repair Provision							8.8	8.8
Redundancy costs at RLT	(53.3)						8.8	(44.5)
HCA Empty Homes Scheme			(548.0)				0.0	(548.0)
Xmas Lights							(26.8)	(26.8)
HAPPI grant & loan cover							(17.3)	(17.3)
Rawtenstall Bus Station							0.0	(80.0)
<b>Reserve Estimates 31/3/2016</b>	<b>853.1</b>	<b>0.0</b>	<b>1,452.0</b>	<b>0.0</b>	<b>319.6</b>	<b>165.5</b>	<b>562.3</b>	<b>8,832.8</b>
<b>Future Contributions/Utilisation Plans</b>								
2015/16 Plans							(8.0)	(60.9)
2016/17 Plans			(600.0)		(40.0)	69.0	(112.7)	(1,573.2)
2017/18 Plans			(600.0)		(33.0)		(23.5)	(688.0)
2018/19 Plans			(600.0)				0.0	(1,137.5)
2019/20 Plans			(600.0)				0.0	(1,315.0)
2019/20 Plans			(600.0)					(1,252.5)
	<b>853.1</b>	<b>0.0</b>	<b>(1,548.0)</b>	<b>0.0</b>	<b>246.6</b>	<b>234.5</b>	<b>418.1</b>	<b>2,805.7</b>

### Current issues

Empty Homes Reserve - following the restatement of the 2013/14 and 2014/15 accounts to treat the HCA grant as capital rather than revenue, the opening balance on this reserve was zero and the £278k required for 2014/15 operational support came from the Transitional Reserve. Officers have used the General Fund favourable variance of £616k and £548k from the Empty homes Reserve to create a provision of £1,164k at the end of the year for the commitment balance of the first 3 house renovation tenders.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	15
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Housing Capital Pot *	Disabled Facilities Grants *	Homeless Grants	Clean Bus Tech Fund	Total
<b>Balance at 01/04/2015</b>	<b>25.2</b>	<b>338.3</b>	<b>0.0</b>	<b>296.0</b>	<b>0.0</b>	<b>659.5</b>
<b>New Funds Received 2015/16</b>						
Grant received			424.0		486.0	<b>910.0</b>
Other contributions			150.0	14.0		<b>164.0</b>
<b>Total Funds Available</b>	<b>25.2</b>	<b>338.3</b>	<b>574.0</b>	<b>310.0</b>	<b>486.0</b>	<b>1,733.5</b>
<b>Planned Utilisation in 2015/16</b>						
DFGs brought forward from 2014/15		0.0	(18.0)			<b>(18.0)</b>
DFGs original Capital Prog 2015/16		0.0	(403.0)			<b>(403.0)</b>
<b>Additional Utilisation in 2015/16</b>						
Young People's homeless initiatives			0.0	(119.0)		<b>(119.0)</b>
<b>Anticipated Balance 31/03/2016</b>	<b>25.2</b>	<b>338.3</b>	<b>153.0</b>	<b>191.0</b>	<b>486.0</b>	<b>1,193.5</b>
<b>Future Utilisation Plans</b>						
2016/17 DFGs		0.0		(39.0)	(486.0)	<b>(525.0)</b>
2017/18 DFGs		0.0				<b>0.0</b>
2018/19 DFGs		0.0				<b>0.0</b>
<b>Potential Reserve Balances</b>	<b>25.2</b>	<b>338.3</b>	<b>153.0</b>	<b>152.0</b>	<b>0.0</b>	<b>668.5</b>

By the yr-end £153k of the Better Care Funding Grant for 2015/16 had not been utilised and it has been confirmed that the 2016/17 will be over £700k. An additional officer has been taken on to ensure service delivery meets the grant available. The increase in DFG grant reduces the expectation of using the former Housing Capital Pot funds for the foreseeable future.

In Q4 £486k has been received from the Clean Bus Technology Fund, which will be distributed during 2016/17. Officers have also transferred the previous Homelessness Reserve to more correctly described it as a 'grant unapplied' which has now begun to be distributed to neighbouring authorities to fund delivery of young people's homelessness initiatives.

### Staff Costs, including agency

At the end of March there were 11 vacant posts contributing to a net favourable cash variance of £14k for the year to date. This figure is net of £218k in additional staffing costs for planning and the new housing Empty Homes team, where 5 FTEs have been added to the budget. With the Senior Management Team restructure, the FTE numbers had risen by 7 to 168.5.

Employment Costs 2015/16 full year	YTD Budget £000	YTD Actual £000	full year Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change in Qtr 4 (Adv)/Fav £000	Original Budget Staff FTEs	FTE Changes during 2015/16	Current Vacant Posts
<b>Place Directorate</b>								
Customer Services	373	349	25	16	9	8.8	0.0	0.0
Operations Service	2,119	1,998	121	91	30	77.5	0.0	3.0
<b>Business Directorate</b>								
Building Control Services	106	104	2	2	0	3.0	0.0	0.0
Legal & Democratic Services	297	298	(2)	(2)	0	11.8	0.0	0.0
Planning Services	401	464	(63)	(43)	(20)	9.8	0.0	0.0
Local Land Charges	19	20	(0)	(0)	-	1.0	0.0	0.0
Public Protection	207	221	(14)	(8)	(6)	11.6	0.0	0.0
Health, Housing & Regen	728	883	(155)	(126)	(28)	17.9	5.0	5.0
<b>Corporate Services</b>								
Corporate Management	241	167	74	44	30	3.0	0.0	1.0
Finance & Property Services	447	449	(3)	(4)	2	11.6	0.0	1.0
People & Org. Performance	180	179	1	38	(37)	5.5	2.0	1.0
<b>Total</b>	<b>5,118</b>	<b>5,131</b>	<b>- 14</b>	<b>6</b>	<b>(20)</b>	<b>161.5</b>	<b>7.0</b>	<b>11.0</b>

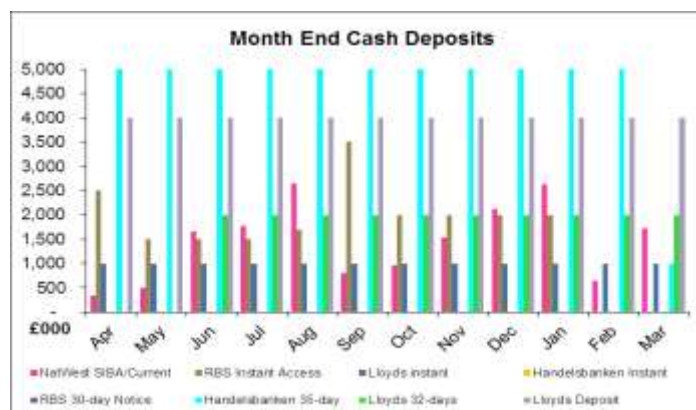
<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	16
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a



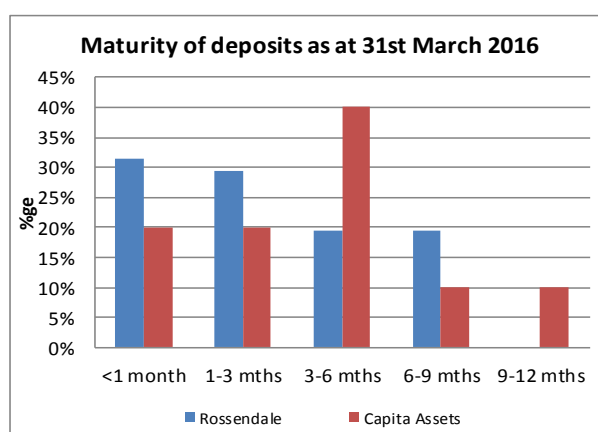
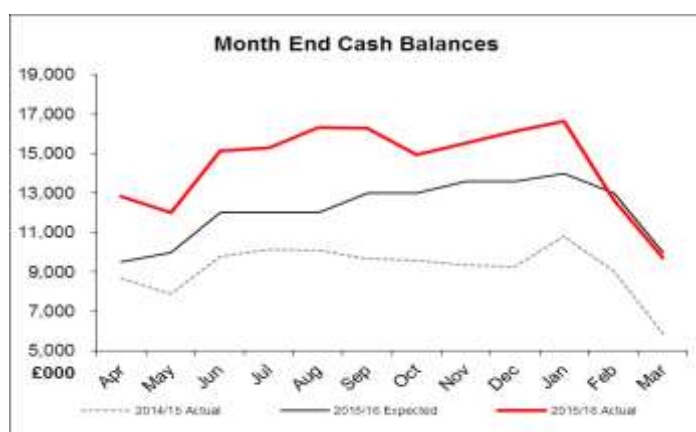
## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Treasury Management & Cash Flow Monitoring

At the end of March the bank balances had followed the normal annual cash flow patterns and reduced to £10,220k. This is above the expected balances of £8,400k, thanks in part to the revenue savings on the General Fund of £616k and delays in the Empty Homes renovations.



Effective Interest Rates at 31st Mar 2016	Current Balance £k	Effective Interest Rate %
NatWest SIBA	1,720	0.25
RBS Instant Access	500	0.25
RBS 30-day notice	-	0.25
Handelsbanken instant	-	0.30
Handelsbanken 35-day	1,000	0.50
Lloyds instant access	1,000	0.40
Lloyds 32-day notice	2,000	0.57
Lloyds Deposit 12mths	2,000	1.05
Lloyds Deposit 12mths	2,000	1.05
<b>Total Bal &amp; Avg interest</b>	<b>10,220</b>	<b>0.66</b>



The two separate £2m Lloyds investments which matured on the 31<sup>st</sup> December and the 21<sup>st</sup> January have both been rolled over for a further 364 days at the slightly higher interest rate of 1.05%. Officers carefully considered the overall cash position, especially the timing of the Empty Homes renovation works when the time came to reinvest, removing £4m of funds from the Handelsbanken account to ensure enough cash was on hand approaching the year-end.

Keeping liquid funds high has impacted adversely on the overall rate of return achieved during 2015/16 which closed the year at 0.66%, well below the Capita Asset Management model portfolio return of 0.88% (see the 'Maturity of deposits' comparison above and the Effective Interest Rates table also above).

### Interest Earned

Though the overall balances are higher than anticipated, the interest income forecast has dropped by £5.2k to ensure that funds are kept liquid to support the capital programme.

Interest Forecast	Budget 2015/16	Forecast 2015/16	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	0.0	(3.0)	(3.0)
Bank Interest income	70.0	85.8	15.8	(5.2)
<b>Net Interest</b>	<b>(89.4)</b>	<b>(76.6)</b>	<b>12.8</b>	<b>(8.2)</b>

Responsible Section/Team	Financial Services	Page	17
Responsible Author	Finance Manager	Version	1
Date last amended	end June 2016	Due for review	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Economic Outlook (issued 14th Jun)

The Consumer Prices Index (CPI) rose by 0.3% in the year to May 2016, unchanged from April.

This continues the position seen since the beginning of the year of a rate which is a little above zero. With the exception of March, when the rate was influenced by the timing of Easter, headline inflation has been 0.3% for all months of 2016.

Rises in transport costs, restaurant and hotel bills and the price of telecommunication services were the main upward contributors to change in the rate. These upward pressures were offset by falls in the price of clothing, food and games, toys and hobbies.

For the Council the September inflation rate was important as it impacts on the level of benefits and pensions payable from April 2016 onwards. The Council has already benefited from fixing these low interest rates into the Capita contract extension up to September 2019.

### Interest rate forward predictions

“Volatility continued into February as markets remain unnerved by the prospects for global growth, and China in particular. The EU Referendum looks set to divide the population over the in/out question and ensure that uncertainty will prevail over markets through to the vote itself. An “out” vote would likely prolong uncertainty as the impact of such an outcome would not be immediately apparent..”

*Capita Asset Services ‘Citywatch’ March 2016.*

as at March 2016	Jun 2016	Sept 2016	Dec 2016	Mar 2017	June 2017	Sept 2017	Dec 2017	Mar 2018	Jun 2018
<b>Dec Base Rate</b>	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.50%	1.50%
<b>March 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>	3.20%	3.30%	3.30%	3.50%	3.50%	3.60%	3.60%	3.70%	3.70%

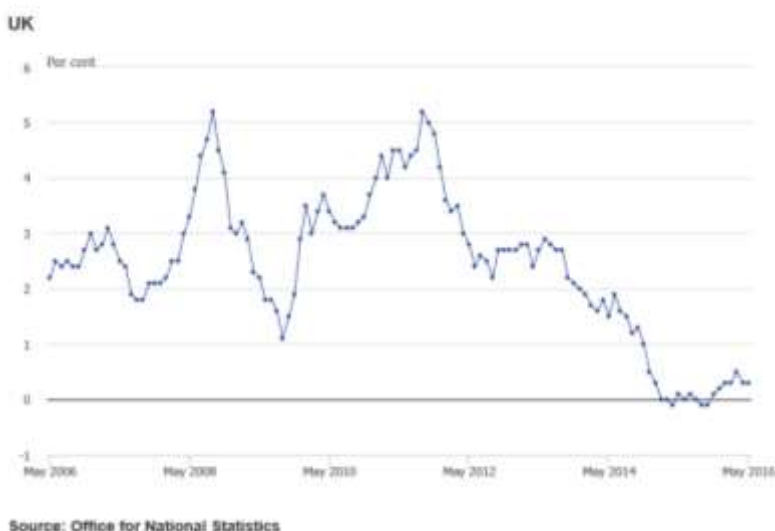
### Treasury Management Practices (TMPs) and Prudential Indicators

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. With overall resources consistently above £15m, the decision was taken in June 2015 to increase the deposits with Lloyds up to £7m as their interest rates are consistently the best available. The Council’s Natwest accounts exceeded £6.25m for 2 days in March, when the last Benefit Subsidy receipt of £1.8m took total resources over £14.7m until the final precepts of £2.8m the day after. Throughout Q4 the Council’s NatWest main current and reserve accounts, when combined with the RBS call account, to create a group balance, has never exceeded the same £7m cap used with the Lloyds group.

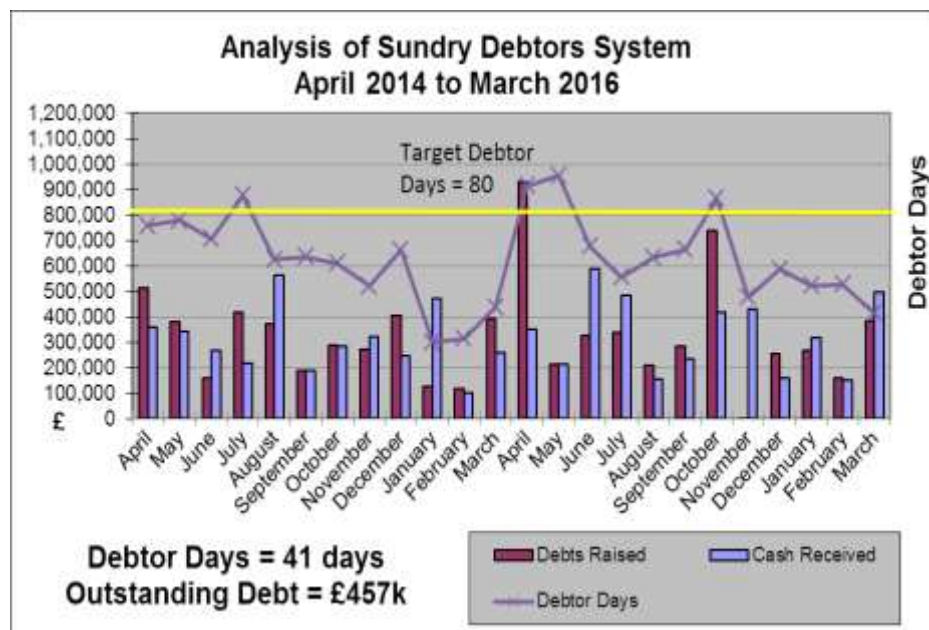
<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	18
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

Figure B: CPI 12-month inflation rate for the last 10 years: May 2006 to May 2016



## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Sundry Debts Monitoring



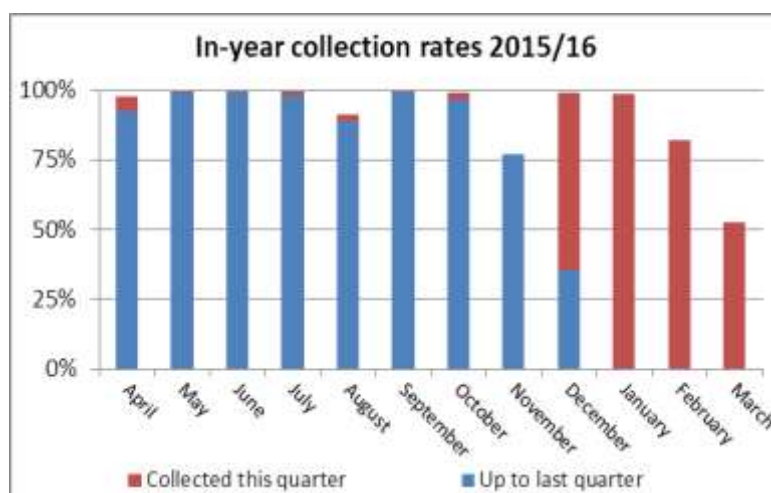
In 2015/16 £4,050k of new invoices were raised, of which £3,713k had been collected within the year, a collection rate of 91.68%. However, invoices raised in March 2016 are not yet overdue, therefore the true collection rate for invoices raised up to the end of February is 96.3%

During March housing rent debts of £221.9k were transferred to the new housing system and these will now be reported separately in 2016/17.

Debtor Days collection performance in March was 41 days from 59 days at the end of December compared to 44 days at the end of 2014/15, (excluding housing rents).

#### Housing Rents

During 2015/16 £702.5k was raised in housing rents and £501.6 was received, giving an in-year collection rate of 71.4%. The cumulative balance of rents outstanding at the 31<sup>st</sup> March 2016 was £219.3k, £18.4k of which related to the 2014/15 year. Against this there was a doubtful debt provision of £146.7k.



Debts Outstanding	Mar 2014	Mar 2015	31 Dec 2015		31 Mar 2016		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
<b>Earlier Debt</b>	420.2	76.7		60.9		56.3	100%	56.3
<b>2014/15 Debt</b>								
Q1		13.3		2.5		1.6	100%	1.6
Q2		13.1		8.3		7.6	100%	7.6
Q3		52.1		23.1		20.7	100%	20.7
Q4		125.1		36.9		34.3	100%	16.1
<b>2015/16 Debt</b>								
Q1 Apr			82.1		24.9		75%	18.7
Q1 May			2.5		1.9		75%	1.4
Q1 Jun			1.5	86.1	0.6	27.4	75%	0.5
Q2 Jul			6.2		1.2		50%	0.6
Q2 Aug			24.1		18.7		50%	2.4
Q2 Sept			1.9	32.2	0.2	20.1	50%	0.1
Q3 Oct			15.3		4.7		10%	0.5
Q3 Nov			43.7		46.9		10%	0.1
Q3 Dec			167.2	226.2	2.9	54.5	10%	0.3
Q4 Jan					3.4		10%	0.3
Q4 Feb					29.5		10%	1.6
Q4 Mar				0.0	202.0	234.9	10%	7.7
<b>Total Debt o/s</b>	<b>420.2</b>	<b>280.3</b>		<b>476.2</b>		<b>457.4</b>		<b>136.5</b>

#### Doubtful debts

The consideration for doubtful debts rises from 10% at creation to 100% for any debts over 1 year old. This resulted in a sundry doubtful element of £136.5k at the year-end, leading officers to make a further doubtful debt provision of £25k as noted on page 13. The total sundry doubtful debt provision now stands at £106.4k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	19
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Capital Resources

**Table 1 - 2015/16 receipts**

Major Receipts:	Original Expect'ns	Actual	Surplus / (Deficit)
	£000	£000	£000
<b>Capital Receipts</b>			
Land & Property Sales	75	141	66
Osolete refuse vehicles	-	49	49
Cost of sales		-	-
Net receipts to table 2	75	190	115

**Table 2 - Useable Capital Receipts**

Useable Capital Resources	£ 000 Q3 est	£ 000 Actual
Balance at April 2015	1,736	1,736
Capital Grants in 2015/16	2,661	707
Capital Receipts in 2015/16	134	190
	<b>4,531</b>	<b>2,633</b>
Revenue Contributions (RCCO)		
from Earmarked Reserves	358	118
from S106 agreements	205	75
from Revenue Operations	125	133
<b>Total Capital Resources 2015/16</b>	<b>5,219</b>	<b>2,959</b>
Capital Programme spend	(4,313)	(2,156)
<b>Useable Capital Receipts Mar 2016</b>	<b>907</b>	<b>803</b>
Reserved for housing	(378)	(378)
Unreserved balance	529	425

*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 and £10k of Equity Release loan repayments which are ring-fenced for housing services. The total income from asset sales was £190k, a favourable variance of £115k on the original budget.

### 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.

Comparing the two columns in Table 2 above, revenue resources were expected to contribute a further £688k alongside the capital receipts anticipated above, including the use of £95k from the Transport & Infrastructure Reserve to fund the Rawtenstall bus station development project. When officers completed the year-end capital accounts only £326k was required to support the element of works which has been completed during the year, the balance being deferred to 2016/17 along with the costs shown as slippage on the following page.

Capital Grants and contributions expected at Q3 had risen to £2,661k with the addition of £99k of grant funding for the Fallbarn Play Area community project and the inclusion of the Bacup THI Scheme and the Ski Slope grant bid. The total capital resources available in 2015/16 were therefore expected to be £5,219k at Q3. The actual position at the year was very different as most of the Bacup THI and almost all the Ski Slope project were slippage items through into 2016/17.

As shown in detail on the following page, the value of the capital programme concluded by the year-end was £1,164k and the slippage to next year was £4,925k. The amount being funded through internal borrowing was £482k with the delays in the allocation of the Empty Homes renovation works tenders delayed until early March (see notes on pages 2, 4 & 9 re the provision for £1,164k of renovation works committed but not complete at the 31<sup>st</sup> of March)..

This means that £2,156k was used from the total capital resources of £2,959, a balance of capital resources of £803k at the end of this year.

### Future issues

The Better Care Funding for DFGs in 2016/17 has been confirmed as £791k (an increase of 86% on 2015/16's grant) but GVH have indicated that their contributions have now ceased.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	20
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Capital Programme Spending

SERVICE AREA	2015/16 Original Capital Programme	2015/16 Revised Q3 Cap Programme	2015/16 Out-turn	Slippage to 2016/17	Revised Programme Funding Arrangements				
	Total £000	Total £000	Spend £000	Forecast £000	Grants/Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Effect
<b>Place Directorate</b>									
Communities & Operations	190	724	181	552	89	25	68	0	0
Customer Services & e Govt	0	56	53	3	0	10	10	33	10
Regeneration	0	2,778	309	2,469	145	0	165	0	0
<b>Corporate Support Services</b>									
Finance & Property Services	135	1,039	678	350	0	125	104	449	75
Other PRG Projects	0	18	1	17	0	1	0	0	0
Renewable Energy Projects	0	0	0	88	0	0	0	0	0
<b>Housing</b>	500	2,929	450	2,284	450	0	0	0	0
	<b>825</b>	<b>7,544</b>	<b>1,673</b>	<b>5,761</b>	<b>684</b>	<b>161</b>	<b>347</b>	<b>482</b>	<b>86</b>

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

### Capital Programme

The original capital programme approved in February was £825k and slippage brought forward totalled £1,901k (for details of those projects please refer to July 2015 monitoring report).

Additional projects approved since April 2015 were shown in the Q3 monitoring report, bringing the total programme up to £7,544k.

Slippage items carried forward at 31st March 2016	Costs '£000	Funding Arrangements			
		Grants/Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Parks Equipment	140				140
Sports Playing Fields	198		198		
Playgrounds (community projects)	110	102		8	
Cemeteries	96		96		
Crook Hill Wind Farm	50			50	
Ski Slope Investment	477	403		74	
Bacup THI	1,906	1,554		352	
Emergency Works	110		110		
Building Maint (ongoing projects)	240		240		
Renewable Energy - Leisure	88				88
DFGs	154	154			
CPOs	130		130		
Empty Homes Renovations	2,000				2,000
Others	62	21	17	24	
	<b>5,761</b>	<b>2,234</b>	<b>791</b>	<b>508</b>	<b>2,228</b>

Quarter 4 changes to the programme include

- Rawtenstall Bus station project development funded from the Transport & Infrastructure Reserve in the first instance (though support from LCC is expected), actual was £80k
- Empty Homes renovations tenders were tendered in Q3 and contracted in March in 3 separate tenders. The costs committed were £1,164k and provision was set aside at the end of March finance these costs.
- The first phase of the Bacup BHI scheme got underway in Q4, spending £194k by the end of March, therefore £1,906k has been carried forward as slippage.
- Fallbarn Play Area - a community project funded almost entirely by external grants, has got under way
- In Q3 2 of the 4 the renewable energy projects approved by members in November 2014 were withdrawn and the remaining 2 (at Whitworth Riverside and Marl Pits) were tendered, ready to commence in the new financial year.
- With the increase in DFG grant funding through the Better Care Fund, not all of the 2015/16 resources were spent by the end of the year. £154k has been carried forward in Grants Unapplied to be added to the £791k grant recently announced for 2016/17. A new member of staff has been taken on to complete this volume of grants.
- The delay in replacing the parks equipment has led to revenue MRP savings (see over).

Responsible Section/Team	Financial Services	Page	21
Responsible Author	Finance Manager	Version	1
Date last amended	end June 2016	Due for review	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### Minimum Revenue Provision

As at Q3 officers expected the Empty Homes renovation costs to increase the MRP charges by c£400k per annum over the next 5 years, which would in turn be funded through use of the Empty Homes Reserve. However, revenue resources have been set aside at the end of 2015/16 to fund the value of the first 3 tenders at £1,164k, so ongoing MRP is not likely to be affected to such an extent (see notes on page 2, 4, 9 & 20).

Minimum Revenue Provision (MRP)	MRP		Variance (Adv)/Fav 2015/16
	Budget 2015/16	Forecast 2015/16	
Refuse Collection	323	282	41
Street Sweeping	50	17	33
Parks	56	18	38
IT	35	14	21
Facilities/Property	19	35	-16
Leisure Investment	107	103	4
Corporate Services	5	5	0
Housing	0	0	0
Non-distributed Costs	114	117	-3
	709	591	118

### Section 106 Receipts Monitoring

Section 106 Agreements	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2015	418.8	152.7	199.9	771.4
Deposits received in 2015/16	282.8	3.8	127.32	413.9
Deposits applied in 2015/16	(64.1)	(15.0)	(26.8)	(105.8)
<b>Current Balance</b>	<b>637.5</b>	<b>141.5</b>	<b>300.5</b>	<b>1,079.5</b>

Q4 has seen further application of the third party elements of the Holmefield House S106, but no change in the monies held for Rossendale revenue or capital projects.

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

Planning Ref	Area	Site	Purpose	Time Period	Current 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	6,841
2004/372	Crawshawbooth	Crawsbooth Con Club conversion	Bus Shelters	none stated	12,000
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	104,846
		Others			5,745
<b>RBC Revenue Maintenance Projects</b>					<b>144,432</b>
2002/497	Haslingden	Grane Mill, Laneside Rd	Provision/Maint of Public Open Spaces	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	Holmefield House	Public Open Spaces	Exp Aug 2017	3,644
2011/0046	Helmshore	Holmefield House	??		25,800
2012/0162	Rawtenstall	Rossendale General Hospital	Sports Provision	Exp Nov 2019	35,581
2013/0277	Waterfoot	Waterfoot	Public Open Spaces within the vicinity	no time limit	16,392
2013/0455	Bacup	Bacup	Public Open Spaces within the vicinity	no time limit	27,320
<b>RBC Capital Projects</b>					<b>300,412</b>

Responsible Section/Team	Financial Services	Page	22
Responsible Author	Finance Manager	Version	1
Date last amended	end June 2016	Due for review	n/a

## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

COLLECTION FUND		2014/15		2015/16	
		Council Tax £000	Business Rates £000	Council Tax £000	Business Rates £000
<b>Income</b>					
	Council Tax Income	30,707	-	31,831	-
	Council Tax Benefit	-	-	-	-
	Non Domestic Rates	-	13,743	-	13,330
		<b>30,707</b>	<b>13,743</b>	<b>31,831</b>	<b>13,330</b>
<b>Expenditure</b>					
	Precepts paid out				
	Lancashire County Council	20,185	1,151	21,808	1,240
	Rossendale Borough Council	4,672	5,114	4,939	5,513
	Lancashire Police Authority	2,842	-	3,070	-
	Lancashire Fire Authority	1,160	128	1,252	138
	Other costs and provisions				
	Payment to Central Government	-	6,392	-	6,891
	Provisions for Rating Appeals	-	554	-	1,291
	Provisions for Bad Debts	407	165	388	328
	Cost of Collection Allowance	-	101	-	101
		<b>29,266</b>	<b>13,605</b>	<b>31,457</b>	<b>15,502</b>
<b>Surplus / (deficit) Council Tax</b>		<b>1,441</b>	<b>138</b>	<b>374</b>	<b>(2,172)</b>

### Note 1 - Apportionment of in-year surplus/(deficit) to major preceptors

Apportionment of in-year surplus/(deficit) to major preceptors		2014/15		2015/16	
		Council Tax £000	Business Rates £000	Council Tax £000	Business Rates £000
<b>Preceptor</b>	Central Government	-	70		(1,086)
	Lancashire County Council	1,010	12	262	(195)
	Rossendale Borough Council	231	55	60	(869)
	Lancashire Police Authority	142	-	37	-
	Lancashire Fire Authority	58	1	15	(22)
<b>Surplus/(deficit) for the year</b>		<b>1,441</b>	<b>138</b>	<b>374</b>	<b>(2,172)</b>

The Collection Fund has returned a £374k surplus on Council Tax, Rossendale's share being £60k, and a £2,172k deficit on Business Rates, Rossendale's share being £869k (albeit offset by the precept and section 31 grants received).

In-year collection rates for Council Tax were 96.8% compared to a target of 96.9% and this has led to arrears of £815k offset partly by a doubtful debt provision of £433k. (These are Rossendale's element only, the full arrears were £5,131k and the full provision was £2,720k).

In-year collection rates for Business Rates were 97.4% compared to a target of 97.9% and this has led to arrears of £535k offset partly by a doubtful debt provision of £427k. (Again, these are Rossendale's element only, the full arrears were £1,337k and the full provision was £1,068k). In this final year before Business Rates Pooling comes into effect officers have taken an extremely prudent view of the potential for Business Rate Appeals and Refunds, setting aside a further £1,291k in the year.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	23
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

# Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

## 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.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	24
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a



## Monthly Financial Monitoring Report 2015/16 – Draft Out-turn

### 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.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	25
<b>Responsible Author</b>	Finance Manager	<b>Version</b>	1
<b>Date last amended</b>	end June 2016	<b>Due for review</b>	n/a

