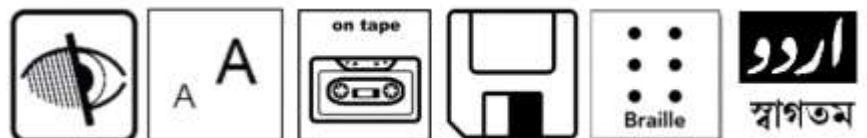


# Financial Monitoring Report

2016/17 as at end September 2016

*Including a Glossary of terms on page 32*



## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

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

This quarter 2 monitoring report on the General Fund for 2016/17 is showing an adverse variance of £708k compared to the original budget of £8,618k, an adverse movement of £232k since Q1. Funding for the original budget included the planned use of £254k from the Business Rates Retention Reserve, £200k from the Empty Homes Reserve and £60k from the Employment & Transport Reserve.

Most of the adverse variance relates to the Empty Homes Scheme and officers are now in the process of gradually transferring properties to the new third party management agent, Calico Housing Association. This is one of the final measures ongoing to exit the scheme and minimise future costs to the Council.

### Earmarked Revenue Reserves – page 22 to 23

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2016 were £8,796k (excluding the Transport Reserve).

As noted above, £514k was planned to be used to support revenue operations within the original budget approved back in February. It is proposed at present that the adverse variance of £708k on the General Fund is supported by the application of the Empty Homes Reserve.

The Business Rates Retention Reserve now reflects the in-year variances discussed in detail on page 32, including receipt of £444k of Section 31 grants, less payment of the levy to central government of £53k.

Officers are considering the likely costs of the Forward Plan and how these might be funded, given that the current value of the Planning Reserve is £107.2k. It is proposed that a further £200k be transferred into this Reserve from the Employment & Transport Reserve to fund the following year's costs. More details can be found on pages 11 and 22.

The Head of Finance is due to report to members in Q4 on the merits of re-financing the Leisure Trust's balance sheet, which could see around £768k of the Leisure Trust Reserve being used in this financial year.

The forecast closing balance at the 31<sup>st</sup> March 2017 is now £7,478k, but usage over the life of the MTFs, including the Transitional Reserve and the Empty Homes Reserve, will reduce this to £2,943k by March 2021.

### Government Grants Unapplied – page 24

The opening value of Government Grants Unapplied at the 1<sup>st</sup> April 2016 was £1,193k, including £338k of Housing Capital Pot which will be used to support DFG works in future years. The DFG grant for 2015/16 was not fully used in 2015/16 so £153k has been brought forward to add to the £791k already received from the Better Care Fund for 2016/17 works.

The Clean Bus Technology Fund was a grant of £486k received towards the end of 2015/16 which is in the process of being used to finance environmental upgrades to Rossendale Transport buses. The Homelessness grant of £191k is the balance of funding received on behalf of Rossendale and its neighbours for homeless prevention initiatives for 16/17 year olds and this is being drawn down as and when these projects commence.

The forecast balance at March 2017 is now revised to £515k.

### Staff Monitoring – page 24

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	2
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

An estimate of £150k of vacancy savings was included in the original budget. At the end of Q2 there were 12 vacant posts which have already contributed this amount and are expected to deliver a further £36k of savings over the rest of the financial year.

The table on page 24 shows the impact of the restructure of the Finance Team, adding 1 FTE post removed in Q4 of 2015/16.

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

At the end of September the total balances had returned to £12.8m from £10.1m at beginning of the year, and a high of £16.8m in the middle of September. The main treasury management concern is the interest rates forecasts. Base rates fell to 0.25% in August and the impact of this has reversed virtually all of the favourable variance reported on interest income back in Q1. Our Treasury Management advisors are forecasting a further cut to 0.1% before Christmas which could last until 2018, therefore officers have been quite prudent with the forecast on the level of interest available in January when the 364-day deposits of £4m are up for renewal.

To date £2,491k of new invoices have been raised, including £791k for the Better Care DFG grant in April which was received very promptly. Of the £716k of general debt outstanding, 60% was under 30 days old. Where specific concerns have been raised, provision for doubtful debt has already been charged into the General Fund, and the current doubtful debt provision balance is £106k to meet the doubtful debts value of £119k. Officers will monitor the need for additional doubtful debt contributions.

The above debts exclude the rent on Empty Homes Scheme properties, which continue to be a concern with a Q2 arrears balance of £312k (of which £156k was former tenants). Against this there was a £146k doubtful debt provision brought forward and a £107k contribution expected during this financial year.

### Capital Receipts – page 28

There have been no further capital receipts during Q1, but overall officers still expect to achieve the target of £75k.

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

The capital programme started the year at £955k, to which £4,945k of slippage was added. New projects during 2016/17 now total £1,370k, including an additional £291k DFG grant (making £944k in total for DFGs this year) and around £1m of Flood Resilience Grants to support over 240 local properties. This brings the revised capital programme up to £7,270k.

Activity in Q2 includes the installation of solar panels at Marl Pits and Whitworth Civic Hall, completion of Fallbarn Play Area. The revised DFG programme is now 40% spent/committed.

### Collection Fund 2016/17 (Council Tax & NNDR) - page 31 to 32

Council Tax collection rates at the end of September are marginally below those of previous years, but the Council Tax element of the Collection Fund is showing a forecast surplus of £630k (up from £470k at Q1) with the Council's share being £96k (up from £72k at Q1).

Meanwhile current collection rates for Business Rates (NNDR) are behind the previous year. Officers suspect that there has been a shift for some business to opt for 12 payments rather than 10. Although officers are forecasting an overall full year deficit on collection of £572k, members should note that this is more than made up for in the precept surplus, Section 31 grants and £216k due solely to RBC from renewable energy. The final table on page 32 shows this gives an overall gain for RBC of £775k, just above the MTFs target of £760k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	3
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### General Fund Revenue Operations

Service Area (excluding internal recharges)	2016/17 Original Budget £000	2016/17 Forecast £000	2016/17 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
<b>Place Directorate</b>					
Customer Services and E-Government Operations	1,365.0	1,322.9	37.8	(10.0)	47.8
	2,396.4	2,434.7	(60.0)	21.8	(81.7)
<b>Business Directorate</b>					
Building Control Services	12.5	17.3	(4.8)	(17.2)	12.4
Legal & Democratic Services	758.4	760.0	(1.6)	(15.3)	13.7
Planning Services	(661.9)	(624.4)	(37.5)	2.0	(39.5)
Local Land Charges	(33.2)	(37.1)	3.9	6.5	(2.6)
Licensing & Enforcement	(76.8)	38.7	(115.6)	(45.0)	(70.6)
Health, Housing & Regeneration	1,218.0	1,972.6	(816.8)	(501.9)	(314.9)
<b>Corporate Support Services</b>					
Corporate Management	419.2	382.3	13.3	14.1	(0.8)
Finance & Property Services	1,308.1	1,217.1	138.4	45.5	92.9
People and Policy	279.7	301.0	(29.0)	7.8	(36.8)
Non Distributed Costs	1,174.0	1,076.3	157.7	(1.0)	158.7
Capital Financing and Interest	216.8	210.3	6.5	16.9	(10.4)
Leisure	241.6	241.6	-	-	-
<b>TOTAL Service Cost</b>	<b>8,617.8</b>	<b>9,313.3</b>	<b>(707.7)</b>	<b>(475.8)</b>	<b>(231.9)</b>
<b>LESS Use of Earmarked Reserves</b>					
<b>NNDR Reserve</b>	(254.0)	(254.0)	-	-	-
<b>Empty Homes Reserve</b>	(200.0)	(200.0)	-	-	-
<b>Employment &amp; Transport Reserve</b>	(60.0)	(60.0)	-	-	-
<b>Net Service Cost</b>	<b>8,103.8</b>	<b>8,799.3</b>	<b>(707.7)</b>	<b>(475.8)</b>	<b>(231.9)</b>

This Q2 monitoring report for 2016/17 is showing a net adverse of £708k. The original budget planned the use of £514k from Reserves as shown in the table above. The amount due to come from the Empty Homes Strategy Reserve was £200k, though this is likely to increase if further savings cannot be found during the remainder of the year to support the current forecast overspend of £590k on the Empty Homes Scheme operations.

In the original budget there was an overall savings target of £150k for staff savings from vacant posts or restructures. This has now been achieved. The forecast savings relating to staff in the table opposite show a further estimated £35.7k savings to come as shown in the table opposite.

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

- Improvement of £27.5k in the housing subsidy deficit
- Adverse £40.4k on Operations vehicle maint and hire
- Adverse variances on income streams in Operations and Business.
- Unexpected areas of income in relation to Mount Pleasant £59.6k, the VAT Shelter £79.6k and a management fee to Rossendale Transport Ltd £91k
- Increasing operational costs relating to the Empty Homes Scheme - further adverse variance of £285.2k in relation to bringing properties back into use and providing for potential bad debts.

<b>Staffing Summary</b>	<b>FAV/ (ADV)</b>
Customer Services	18.8
Operations	5.6
Business	-75.2
Health, Hsg & Regen	66.2
Corporate Mgmt	15.4
Finance & Property	20.8
People & Policy	-27.1
Pensions	11.2
Savings above £150k	35.7

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	4
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

Major Variances in Quarter 2	Favourable /(Adverse)	Net
<b>Customer Services and e-Government</b>		
Staff savings	15.8	
Housing Subsidy (recalculated based on mid-yr estimate)	27.5	
Insurance claim receipt	81.0	
Application of insurance receipt	(81.0)	
Other minor variances	4.5	47.8
<b>Place Operations</b>		
Staff costs (including agency and savings target)	(15.6)	
Overtime Budgets	(21.9)	
Fuel	9.3	
Vehicle maintenance incl hire of temporary replacements	(40.4)	
Trade Waste income	(10.1)	
Other Income	(5.7)	
Other minor variances	2.7	(81.7)
<b>Business Directorate</b>		
Staff costs	(67.7)	
Planning Applications (net of professional support costs)	(25.8)	
Building Control Fee Income	11.4	
Register of Electors costs	7.9	
Land Charges income	(5.0)	
Taxi Licensing income	(9.0)	
Other minor variances	1.5	(86.7)
<b>Business - Health, Housing &amp; Regeneration</b>		
Staff costs (excl Empty Homes Team)	(28.4)	
Empty Homes Scheme (including staffing) & bad debt prov	(285.2)	
Other minor variances	(1.3)	(314.9)
<b>Corporate Management</b>		
Other minor variances	(0.8)	(0.8)
<b>Finance &amp; Property Services</b>		
Staff costs (incl Empty Homes support) net of savings contrib	19.1	
Internal audit fees	10.0	
Building running costs (gas, electricity, water, NNDR)	2.0	
Mount Pleasant settlement of costs	59.6	
Other minor variances	2.2	92.9
<b>People &amp; Policy (incl P&amp;P &amp; Comm)</b>		
Corporate Staff costs	(36.8)	
Other minor variances		(36.8)
<b>Non-Distributed Costs &amp; Capital Financing</b>		
Pensions - added years	5.0	
Interest payable/receivable	(10.7)	
VAT Shelter from GVH - increase in settlement from 2015/16	79.6	
Management charge to Rossendale Transport for 2015/16	91.0	
Environmental Insurance policy on former HRA properties	(15.9)	
Other minor variances	(0.7)	148.3
<b>Favourable/(adverse) variance on the General Fund</b>		<b>(231.9)</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	5
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Customer Services & E-Government - Period 6 (Sept)

Summary	2016/17 Org Budget £000	2016/17 Forecast £000	2016/17 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Management and Support	73.3	71.6	1.7	1.7	0.0
Service Assurance Team	119.3	76.9	42.4	30.9	11.5
<b>Revenues, Benefits and Customer Services</b>					
Local Tax Collection	(342.6)	(347.7)	5.1	17.4	(12.3)
Benefits Admin	995.2	972.4	22.8	(0.4)	23.2
Net - Housing Benefit Payments made & Subsidy received	(35.8)	(6.2)	(29.5)	(55.6)	26.1
<b>Information and Communications Technology</b>					
Technology	551.2	555.9	(4.7)	(4.0)	(0.7)
<b>Pest Control</b>					
Pest Control	-	-	-	-	0.0
<b>Total</b>	<b>1,360.7</b>	<b>1,322.9</b>	<b>37.8</b>	<b>(10.0)</b>	<b>47.8</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr Forecast £000	R A G
2016/17 Housing Benefit Subsidy (from mid-year subsidy return)	(62.9)	27.5	(35.4)	
Cash recovery of Housing Benefit overpayments	7.4	(1.5)	5.9	
Additional Local Council Tax Support Grant	28.4		28.4	
Payment of 2015/16 50% levy to DCLG	(12.0)	(41.2)	(53.2)	
Transfer from Retained Business Rates Reserve re. 2015/16 Levy	12.0	41.2	53.2	
Court Costs Awarded	6.8		6.8	
Disaster Recovery provision & network testing	(14.2)		(14.2)	
Insurance claim re Hardman's Mill		81.0	81.0	
Additional ICT costs arising from Flood @ Hardman's Mill	(5.5)	(21.4)	(26.9)	
Upgrade Website - funded from Hardmans Mill insurance claim		(47.3)	(47.3)	
Upgrade Civica Financials - funded from capital & insurance claim		(6.8)	(6.8)	
Service Assurance Team Grants (incl Universal Credit Implement)	43.9	6.0	49.9	
Capita & Northgate changes funded by New Burden Grants above	(15.6)	(3.7)	(19.3)	
Staff savings (retirement vacancy) net of £4k contribution to NDC	3.0	15.8	18.8	
Other savings	(1.3)	(1.8)	(3.1)	
<b>TOTAL</b>	<b>(10.0)</b>	<b>47.8</b>	<b>37.8</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	6
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016



# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## Customer Service & E-Government Highlight Report – Q1 (end Sept 2016)

### Historic Issues

- At the end of 2015/16 there was a net levy due to central government for their share of business rates of £12k. The Business Rates Earmarked Reserve holds the funds to pay for this, so the net impact on 2016/17 is nil.
- The impact of repercussions from Storm Eva on our future disaster recovery protocols and their testing has added a further £14.2k this year.

### Current Quarter's Issues

The headline figure is a projected underspend of £37.8k against the approved budget, an overall improvement of £47.8k during Q2.

- The Housing Benefit Subsidy mid-year return calculation has provided officers with more data around grant payments and the pattern of overpayments through the year. A significant review during quarter 1 identified a number of overpayments in prior years which result in only a 40% subsidy rate. That rate of overpayments has now slowed, improving the overall subsidy estimates for the year by £27.5k.
- Disaster recovery costs pertaining to Hardmans Mill from Storm Eva have cost a further £5.5k this year. In September the insurance receipt finally arrived at £81k. Officers have now put together a summary of projects being funded by this receipt, as shown in the orange section of the table opposite.
- The Service Assurance team continues to receive New Burdens grants for very specific activities. Of the £49.9k received to date we expect to pay £19.3k over to Capita to fund the works required in relation to these new service/reporting burdens.
- Following the resignation of the Service Assurance Team Client Services Manager back in June, the staff savings from vacancies is now expected to be around £18.8k by the end of the year, assuming that the post is filled from January. This is over and above the contribution of £4.3k towards the corporate vacancy savings required back in Q1.

### Future Issues

- Nothing to report.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	7
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Place Operations - Period 6 (Sept)

Summary	2016/17 Org Budget £000	2016/17 Forecast £000	2016/17 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Operations Admin / Vehicle Maintenance	412.3	424.3	(12.0)	(6.2)	(5.8)
<b>Operational Functions</b>	0.0	-			
Refuse Collection	932.9	988.6	(55.7)	(40.1)	(15.6)
Street Sweeping	338.7	332.7	6.0	15.2	(9.2)
Markets	(103.1)	(76.2)	(26.9)	(24.3)	(2.6)
<b>Parks</b>	0.0	-			
Parks & Open Spaces	918.8	898.2	20.6	67.1	(46.5)
Cemeteries	(125.0)	(133.1)	8.1	10.1	(2.0)
<b>Total</b>	<b>2,374.7</b>	<b>2,434.7</b>	<b>(60.0)</b>	<b>21.8</b>	<b>(81.7)</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
Vacancies at Operations Admin Offices	6.3	(2.3)	4.0	
Parks Salary Variances (Including temporary gardeners)	25.2	(5.9)	19.3	
Street Sweeping Salaries	12.2	9.2	21.4	
Refuse Salaries and Agency	(30.8)	(15.0)	(45.8)	
Fleet Management Vacancy and Agency	(3.4)	(1.6)	(5.0)	
Markets Salary Vacancies	10.2	-	10.2	
Overtime Budgets	23.4	(21.9)	1.5	
Vehicle Maintenance (including tyres/ parts)	(16.5)	(15.8)	(32.3)	
Vehicle Hire	(22.2)	(0.1)	(22.3)	
Vehicle Tracking Lease	5.3	-	5.3	
Purchase of Tools and Equipment	(6.0)	(8.0)	(14.0)	
Mowers Investment / Maintenance	12.5	(9.0)	3.5	
HAV and WBV testing	2.8	(5.8)	(3.0)	
Parks Equipment	6.9	(1.3)	5.6	
Fuel	(15.3)	9.3	(6.0)	
Insurance Related Costs	16.1	(0.4)	15.7	
Trade Waste Income	18.0	(10.1)	7.9	
Refuse Bin Repairs	(7.9)	6.1	(1.8)	
Refuse Sacks	9.1	-	9.1	
Sale of Green Bins	1.8	(0.3)	1.5	
Recycling Income	(6.6)	(6.8)	(13.4)	
Cemeteries income	10.1	(2.1)	8.0	
Markets Income	(34.5)	(2.6)	(37.1)	
Rock Salt purchase	(1.2)	(2.4)	(3.6)	
Other Variances	6.3	5.0	11.3	
<b>TOTAL</b>	<b>21.8</b>	<b>(81.8)</b>	<b>(60.0)</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	8
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016



# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## Operations Highlight Report – Q2 (end Sept 2016)

### Historic Issues

- Vehicle hire costs are forecasting to overspend by £22.3k the main reason for this is due to the suspension of 5 vehicles which were found during Health & Safety Inspections to be inappropriate in design given their use. A replacement plan is being instigated but will take some time (upto 6 months) due to bespoke design. As a result, external vehicles have been hired in temporary arrangements.
- Markets income projections for the year are £37.1k below the set budget. The main reasons for this is the under occupancy of stalls with Rawtenstall seeing a 19% vacancy rate and Bacup being 35% empty. However, there is a projected saving on the Market Supervisor vacant post of £10k and a potential restructure in the pipeline to redistribute the workload which could save a further £6k

### Current Quarter Issues

The Operations budget is forecast to over spend by £60k, an adverse movement of £81.7k this quarter.

- Refuse staffing costs adverse variance costs have increased £15k to £45.8k. This is mainly due to high agency costs in relation to additional resources and the recruitment of the vacant Puller/Loader post. Conversely, staff and agency costs in areas of Operations Admin, Parks and Street Sweeping are projecting savings for the remainder of the year at 4k, £19.3k and £21.4k respectively.
- The overtime costs across all the service areas are forecasted at £1.5k favourable over the year. However, this is an adverse movement of £21.9k from Q1 mainly due to revised forecasts for the difficult winter months ahead.
- Vehicle Maintenance costs are currently forecast to overspend by £32.3k, mainly due to works carried out to older fleet vehicles and the replacement of tyres. Some one-off costs include installation of reversing cameras £4k, tyres for the telehandler £3k and refurbishment of the hook-lift for the skip wagon £5k. The Director of Business is in the process of trying to obtain replacement vehicles so in time these costs may reduce.
- Fuel is forecasting to overspend by £6k a favourable movement of 9.3k during this quarter. The overspend is a combination of a gradual increase in fuel prices and a reduction in the original fuel budget which now looks over-optimistic. A contingency has already been assumed for future year fuel increases in the draft budgets & MTFS, so this adverse variance should not be repeated in future years.
- Trade Waste income favourable variance reported at Q1 has been revised following data from the quarterly cost of tipping fees. Recycling income is also continuing its adverse trend as global market prices for paper and card are falling from £30/tonne in May 2015 down to £16/tonne now.

### Futures Issues

- The Head of Operations has proposed a new establishment restructure which, pending approval, could create savings not yet anticipated above.
- Due to a contractor going into liquidation there is some uncertainty of costs around the Bulky Waste service. This is being done in-house at the moment however this is likely to change now as the tendering process has just completed.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	9
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Business Services - Period 6 (Sept)

Summary	2016/17 Org	2016/17	2016/17	Variance last	Change in Qtr
	Budget	Forecast	Variance	reported	(Adv)/Fav
	£000	£000	(Adv)/Fav	£000	£000
<b>Corporate Apprentices</b>	-	1.7	(1.7)	(0.7)	(1.0)
<b>Planning</b>	-	-	-	-	-
Development Control	(809.97)	(780.8)	(29.1)	13.6	(42.7)
Forward Planning	148.06	156.5	(8.4)	(11.6)	3.2
<b>Land Charges</b>	(33.19)	(37.1)	3.9	6.5	(2.6)
<b>Building Control</b>	-	-	-	-	-
Building Control - Fee Earning Account	(40.48)	(34.0)	(6.5)	(19.6)	13.1
Building Control - Statutory Function	45.00	44.3	0.7	1.6	(0.9)
Building Control - Street Signs	8.00	7.0	1.0	0.8	0.2
<b>Legal Services</b>	221.33	240.8	(19.5)	(23.3)	3.8
<b>Democratic Services</b>	-	-	-	-	-
Electoral Registration	56.37	54.8	1.6	(6.3)	7.9
Elections	64.57	64.5	0.0	(0.7)	0.7
Democratic Representation	361.76	341.2	20.6	16.3	4.3
Mayoralty	51.87	54.5	(2.6)	(2.6)	(0.0)
Town Twinning	2.50	2.5	-	2.0	(2.0)
<b>Licensing &amp; Enforcement</b>	(76.83)	38.7	(115.6)	(45.0)	(70.6)
<b>Total</b>	<b>(1.0)</b>	<b>154.6</b>	<b>(155.6)</b>	<b>(69.0)</b>	<b>(86.6)</b>

Key changes made during the period to the full year forecast	Variance Bfwd	Variance this Pd	Full-Yr	R
	£000	£000	£000	A
				G
Legal - Additional Agency Costs for Empty Homes Project	(26.8)	(3.8)	(30.6)	
Legal salary costs	2.2	4.0	6.2	
Legal Fees	3.0		3.0	
Members Allowances	8.1	1.2	9.3	
Democratic Services salary savings	5.3	5.0	10.3	
Freedom Parade - Haslingden	(5.3)	(1.0)	(6.3)	
Register of Electors	(6.3)	7.9	1.6	
Additional Staffing resource in Planning	(9.8)	(7.0)	(16.8)	
DCLG Grant income including New Homes Bonus	4.8		4.8	
Planning Application Fee Income	14.4	(15.8)	(1.4)	
Professional Fees on planning application	(5.0)	(10.0)	(15.0)	
Forward Planning - Extension of Temporary Contract cover maternity	(14.6)	4.8	(9.8)	
Building Control Fee Income	(22.8)	11.4	(11.4)	
Land Charges - Salary saving	-	2.3	2.3	
Land Charges - Income from search fees	6.5	(5.0)	1.5	
Licensing - Salary costs including agency for Manager	36.2	(73.0)	(36.8)	
Taxi Licensing Income & Expenditure	(82.1)	(9.0)	(91.1)	
Miscellaneous Variances	23.2	1.4	24.6	
<b>TOTAL</b>	<b>(69.0)</b>	<b>(86.6)</b>	<b>(155.6)</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	10
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Business Highlight Report – Q1 (end Sept 2016)

#### Historic Issues

- Member's allowances are forecast to under spend by £8.1k. This is in part due to changes in the allocation and eligibility of allowances.

#### Current Quarter Issues

The Business Services budget is forecast to over spend by £155.6k, an adverse movement of £86.6k during Q2.

- The Business Directorate is projecting a £67.7k increase in the overspend on staffing, now forecasting an over spend of £75.2k. This is partly due to additional resources needed within the Service areas, including planning, legal and licensing. The additional salary costs within Licensing have arisen because it has been necessary to employ extra staff on temporary and rolling contracts to help in the implementation of the new policies.
- Planning Application fees have slowed during Q2, resulting in an adverse movement of £15.8k to result in an annual adverse forecast of £1.4k.
- Conversely, Building Control fees have picked up over the summer and the previous adverse variance of £22.8k has been revised by £11.4k to £11.4k.
- Taxi Licencing income and expenditure is projected to under achieve by £91.1k an adverse movement of £9k this quarter. This is in the main due to the new Licensing policies that have been implemented at the start of 2016/17. Time may prove even this adverse variance forecast to be optimistic. However, officers consider this to be the most reasonable forecast given current experience.

#### Future Issues

- The future estimated cost for the Local Plan within Forward Planning is expected to be £316k over the next three years. The initial funding of £107k will be financed from the Council's Earmarked Reserve, but this will leave an expected shortfall of £209k, the funding of which has yet to be identified.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	11
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Health, Housing & Regeneration - Period 6 (Sept)

Summary	2016/17 Org Budget £000	2016/17 Forecast £000	2016/17 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Regeneration Mangement & Admin	138.8	154.9	(16.1)	(1.4)	(14.7)
Tourism	-	0.5	(0.5)	-	(0.5)
Area Forums	20.0	20.0	-	-	-
Dog Warden	24.2	23.3	0.9	0.5	0.4
<b>Economic Regeneration</b>					
Economic Regeneration	108.6	116.9	(8.3)	(6.6)	(1.7)
Whittaker Park Musuem	70.8	86.5	(15.7)	(15.4)	(0.3)
<b>Strategic Housing</b>					
Housing Strategy	40.6	18.6	22.0	21.6	0.4
Homelessness	165.7	161.2	4.6	3.2	1.4
Private Sector Renewal	33.5	29.4	4.2	4.5	(0.3)
<b>Environmental Health</b>					
Environmental Health	353.5	285.9	67.6	81.9	(14.3)
<b>Empty Homes Scheme</b>					
HCA	200.0	1,075.4	(875.4)	(590.2)	(285.2)
<b>Total</b>	<b>1,155.8</b>	<b>1,972.6</b>	<b>(816.8)</b>	<b>(501.9)</b>	<b>(314.9)</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 AAW	(590.2)	(285.2)	(875.4)	R
Regeneration Officer Vacancies (net of agency support)	14.1	(8.2)	5.9	G
Secondment of Consultant under Regeneration	(13.7)	(9.5)	(23.2)	R
Housing Strategy staffing	12.0	8.7	20.7	G
Private Sector Renewal salaries	1.9	-	1.9	G
Environmental Health Staff Vacancies	68.1	(14.6)	53.5	G
Housing Options Team - staffing	12.2	(4.7)	7.5	G
Economic Regen expected transfer from Reserve insufficient funds	(13.5)	-	(13.5)	R
Economic Regen grants to outside bodies	8.3	0.1	8.4	G
Economic Regen - supplies and services (parking discs etc.)	6.9	(1.9)	5.0	G
Economic Regen - Warm Homes Healthy People - St Vincent's	(4.4)	-	(4.4)	Y
Whittaker Park Museum Utilities Costs	(15.4)	(0.3)	(15.6)	R
Environmental Health - Food Consultant / General Office costs	18.6	1.6	20.2	G
Lower Lodge Terrace	(2.8)	-	(2.8)	Y
Private Water Supply	(6.7)	-	(6.7)	Y
Other Miscellaneous Variances	2.8	(0.8)	2.0	G
<b>TOTAL</b>	<b>(501.9)</b>	<b>(314.9)</b>	<b>(816.8)</b>	<b>R</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	12
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## Business - Health, Housing & Regeneration Highlight Report – Q1 (end Sept 2016)

### Historic Issues

- Utilities costs, janitorial and other running costs at the Whittaker Park Museum are £15.6k above budget provision, mainly reflecting the increased opening hours at the Museum and associated café, a further adverse movement of £0.3k in Q2.
- Under Economic Regeneration the original budget has included a £20k contribution from the Regeneration Reserve for several years to fund officers. At the beginning of 2016/17 the balance on the Reserve was almost depleted, giving a £13.5k adverse variance for this year and future years.
- The Environmental Health team administration expenses are £20.2k below budget. Including £8.7k drop in the use of consultants on food safety inspections.
- The commitment the Warm Home's Healthy People project with St Vincent's Housing Association is £4.4k above the balance of the grants available.

### Current Quarter Issues

Health, Housing and Regeneration have over spent by £816.8k, the significant variances are:

- East Lancs Empty Homes Scheme - current operating costs were budgeted at £200k. The slower pace of renovations, lettings, rise in repairs and provision for doubts rent debts has led officers revise the forecast to adverse variance of £875.4k an increase of £285.2k since Q1. These costs now include best estimate assumptions following the decision to transfer the properties to Calico Housing Association which began on the 1<sup>st</sup> of October.
- Staffing costs within the Environmental Health team are anticipated to generate saving of £53.5k in the current financial year. This is an adverse movement of £14.6k in Q2 based upon the assumption that the vacant post will be filled in Jan 2017.
- Staffing costs within Regeneration are projecting an over spend of £17.2k. This adverse movement of £17.6k again follows the revised expectation that vacant posts will be filled in January and interim support from Blackburn with Darwen Council will continue until then.
- Conversely, vacancies within the Housing Strategy are expected to increase by £8.7k pending the conclusion of the restructure below.

### Future Issues

- The new Director of Business will be reviewing the staffing establishment of Health, Housing and Regeneration over the coming months. Notably the Head of Regeneration has been a long term vacant post. At this point it is unlikely that any restructure would be completed and resulting vacancy filled much before the end of the calendar year.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	13
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Corporate Management - Period 6 (Sept)

Summary	2016/17 Org Budget £000	2016/17 Forecast £000	2016/17 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	287.4	273.7	13.7	14.6	(0.9)
Corporate Contingency	-	-	-	-	-
Executive Support & Corporate Subscriptions	71.2	70.6	0.6	0.5	0.1
Concessionary Fares	4.0	5.0	(1.0)	(1.0)	0.0
Community Safety	33.0	33.0	-	-	-
<b>Total</b>	<b>395.5</b>	<b>382.3</b>	<b>13.3</b>	<b>14.1</b>	<b>(0.8)</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
Agency & Professional Support	(61.6)		(61.6)	R
Corporate Fuel Savings transferred to support Snr Management Team	77.0		77.0	G
Other Misc under / (over) spends	(1.3)	(0.8)	(2.1)	A
<b>TOTAL</b>	<b>14.1</b>	<b>(0.8)</b>	<b>13.3</b>	G

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	14
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016



# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## Corporate Management Highlight Report – Q1 (end Sept 2016)

### Historic Issues

- With the conclusion of the Senior Management restructure and the filling of the Director of Business post from May, there is a saving of £15.4k expected in salaries and agency cover.
- In addition interim management support forecast at £60k has been funded this year by a transfer from the fuel allowance budget of £77k.

### Current Quarter Issues

The Corporate Management budget is now forecast to under-spend by £13.3k.

- There have been only £.08k of adverse minor variances identified during Q2.

### Futures Issues

- Nothing to report.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	15
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Finance and Property Services - Period 6 (Sept)

Summary	2016/17 Org Budget £000	2016/17 Forecast £000	2016/17 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Financial Services Team</b>	333.0	343.6	(10.6)	(2.9)	(7.7)
<b>Internal Audit</b>	70.7	49.3	21.4	0.5	20.9
<b>Corporate Costs</b>	-	-	-	-	-
External Audit Fee	50.0	48.6	1.4	4.2	(2.8)
Bank Charges (net of fees)	32.2	39.2	(7.0)	(6.7)	(0.3)
Treasury Management	3.6	3.5	0.1	(0.4)	0.5
<b>Property Services</b>					
Property Services Team	338.8	309.8	29.1	7.2	21.9
Corporate Estates	(47.2)	(122.2)	75.0	8.4	66.6
Non Domestic Estates	(108.9)	(118.2)	9.3	7.6	1.7
Office Accommodation	72.9	87.2	(14.3)	(13.6)	(0.7)
Operational Properties	384.0	377.0	7.0	15.6	(8.6)
Leisure Properties	55.2	52.1	3.1	3.3	(0.2)
Bus Shelters	14.8	4.2	10.6	11.5	(0.9)
Business Centre	156.5	143.2	13.3	10.8	2.5
<b>Total</b>	<b>1,355.5</b>	<b>1,217.1</b>	<b>138.4</b>	<b>45.5</b>	<b>92.9</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 - support Empty Homes (Q1 only)	(3.3)	0.6	(2.7)	Yellow
External Audit - national reduction in fees chargeable	4.2		4.2	Green
Internal Audit - saving on year-end accrual bfw for 2015/16 costs		10.0	10.0	Green
Bank Charges - EU ruling on change to debit card collection charges	(6.7)		(6.7)	Yellow
Finance Misc Expenses	0.5		0.5	Green
Electricity	2.1	(2.5)	(0.4)	Yellow
Gas	11.0	1.7	12.7	Green
Water	8.3	0.8	9.1	Green
NNDR - Rawtenstall bus station delay	(23.6)	8.9	(14.7)	Red
Departure Charges - delay in Demolition of bus station	16.7		16.7	Green
Estates Income	17.6	1.6	19.2	Green
Property Manager Vacancy	5.0	18.5	23.5	Green
Delayed departure from Hardmans Mill	(2.0)		(2.0)	Yellow
Extra Security at Henrietta St	-	(6.3)	(6.3)	Yellow
Emergency Planning	7.2	(0.6)	6.6	Green
Mount Pleasant - settlement costs		59.6	59.6	Green
Business Centre - room rental	7.7		7.7	Green
Business Centre FIT Tariff		3.3	3.3	Green
Business Centre IT Support	0.5		0.5	Green
Property Misc Expenses	0.3	(2.7)	(2.4)	Yellow
<b>TOTAL</b>	<b>45.5</b>	<b>92.9</b>	<b>138.4</b>	<b>Green</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	16
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## Finance & Property Services - Monitoring Highlight Report – Q2 (end Sept 2016)

### Financial Services

#### Historic Issues

- The scale of fees chargeable by external auditors is set nationally at the moment and the 2016/17 fee has been set £4.2k lower than our original budget.
- Bank charges for the use of debit cards have changed nationally, adding £6.7k annual costs.

#### Current Quarter Issues

The Financial Services budget is forecast to underspend by £5.3k

- Internal Audit charges accrued at the end of 2015/16 look to have been £10k too high, giving a favourable variance in 2016/17.

#### Futures Issues

- None

---

### Property Services

#### Historic Issues

- The Estates income and the Business Centre income are projected to over achieve by 19.2k and £7.7k respectively with properties on Kay St now leased, Industrial Units fully occupied and new private tenants at the Business Centre.
- The business rates on some of the town centre properties are forecast to cost an additional £14.7k until the Spinning Point project gets under way and business rates cease. However, departure charges for the old bus station (removed from the original budget) will now continue until the new facility is operational, giving a favourable impact of £16.7k to offset against the above costs.
- The Emergency Planning budget is forecast to under spend by £7.2k

#### Current Months Issues

The Property Services budget is forecast to under spend by £133.1k a favourable movement of £82.3k during Q2.

- The Electricity and Gas budgets are showing an under spend of £12.3k as responsibility for utilities transfers to the tenants and the level of empty properties is falling, as noted above.
- RBC has received a Business Rates refund of £8.9k with regard to the old Police Station in Rawtenstall town centre.
- The Property Manager post has become vacant with a net saving of £23.5k for the year after some additional third part support for property valuations.
- Petrus (Regenda) took over the running of Mount Pleasant (a house of multiple occupancy) at the end of May 2016. The final settlement for the refund of costs incurred by the Council is £59.6k and this income was not anticipated in the original budget.

#### Futures Issues

- The forecasts above assume a demolition of the Rawtenstall Town Centre buildings, within the Spinning Point Project, at the end of the calendar year.
- At the time of writing, agents for the Council are seeking a refund of Business Rates to the value of £170k in regard to the old Town Hall – this is not in our forecast.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	17
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### People and Policy - Period 6 (Sept)

Summary	2016/17 Org Budget £000	2016/17 Forecast £000	2016/17 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
People & Organisational Development Human Resources	272.0	301.0	(29.0)	7.8	(36.8)
<b>Total</b>	<b>272.0</b>	<b>301.0</b>	<b>(29.0)</b>	<b>7.8</b>	<b>(36.8)</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
Staff Vacancies (net of £7.6k contrib to salary savings)	13.5	(12.9)	0.6	Green
Staff - additional Corporate Support on 12-mth contract		(23.9)	(23.9)	Red
Agency Staff to cover vacancies above	(1.5)		(1.5)	Yellow
Health & Safety Support (April 2016 - March 2017)	(2.3)		(2.3)	Yellow
Lone working alarms contract	(1.8)		(1.8)	Yellow
Publciity / Tourism & Consultation			-	Green
Miscellaneous variances	(0.1)		(0.1)	Yellow
<b>TOTAL</b>	<b>7.8</b>	<b>(36.8)</b>	<b>(29.0)</b>	<b>Red</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	18
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### People & Policy Highlight Report – Q1 (end Sept 2016)

#### Historic Issues

- None

#### Current Quarter Issues

The People & Policy budget is now forecasting an overspend of £29k, an adverse swing of £36.8k during Q2 with the significant changes being:-

- There is a continuing vacancy for the Policy Officer which will generate savings of £13.5k for the year, but a regrading within HR (w.e.f. 1<sup>st</sup> April 2016) has added £12.9k to the costs for the year.
- In addition, two temporary Corporate Support staff have been approved under one-year contracts to assist with the volumes of work within the Business Directorate, which have added a further £23.9k in 2016/17 and another £33.5k in 2017/18. This is corporate initiative but the costs have been coded to HR in the short-term until the Corporate Support Team can be set up as a separate cost centre. (This should be done for the Q3 report).

#### Future Issues

- Nothing to report.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	19
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

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

Period 6 (Sept)

Summary	2016/17 Org Budget £000	2016/17 Forecast £000	2016/17 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	1,241.2	1,230.0	11.2	6.2	5.0
Other Non-distributed Costs	(7.2)	(153.7)	146.5	(7.2)	153.7
<b>Capital Financing</b>	-	-	-	-	-
Minimum Revenue Provision	129.5	129.5	-	-	-
Investment Interest	87.3	80.8	6.5	16.9	(10.4)
Use of Earmarked Reserves	-	-	-	-	-
<b>Leisure</b>	241.6	241.6	-	-	-
<b>Total</b>	<b>1,692.4</b>	<b>1,528.2</b>	<b>164.2</b>	<b>15.9</b>	<b>148.3</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Added Years Pension	6.2	5.0	11.2	
Interest expenditure	6.1		6.1	
Interest income from bank accounts and other loans	10.8	(10.7)	0.1	
Supporting HAPPI, as per Full Council in July 2015 - balance of repairs costs £7.7k + £25k loan cfwd at yr-end	32.7		32.7	
Transfers (to)/from Reserves as above for HAPPI	(32.7)		(32.7)	
Increase in final VAT shelter receipt over 2015/16 accrual		79.6	79.6	
Environmental Insurance policy on former HRA properties		(15.9)	(15.9)	
Management charge to Rossendale Transport for 2015/16		91.0	91.0	
Other minor variances including MRP	(7.2)	(0.7)	(7.9)	
<b>TOTAL</b>	<b>15.9</b>	<b>148.3</b>	<b>164.2</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	20
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016



# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## Non-Distributed Costs & Capital Financing - Highlight Report – Q1 (end Sept 2016)

### Historic Issues

- In 2014/15 Members originally approved a £25k grant to HAPPI for building/facilities repairs and a £25k cash flow operating loan to take effect once the project was up and running, all funded from Earmarked Reserves. By the end of 2015/16 only £17.3k of the repairs grant had been called upon and the balance of the funds allocated remained in the Earmarked Reserves account. To date no further costs have been claimed, but officers have included the remaining costs and reserves allocation here for clarity.

### Current Quarter Issues

The net variance on Non-distributed costs has improved from £15.9k to £164.2k, an improvement of £148.3k during Q2. The main variance are as follows:-

- Interest income on bank balance was forecast with a £10.8k favourable variance back in Q1, but the drop in base rate during August (and a further drop expected before Christmas) have effectively wiped that variance out. Officers are still hopeful in this revised forecast that the replacement 364-day investments in January will happen before any further slide in base rates can have a real impact. Therefore, this estimate could turn adverse if future base rates changes happen earlier than hoped for, or it could improve if a further drop to 0.1% doesn't happen during 2016/17.
- The Council has billed Rossendale Transport Limited £91k by way of a management charge for the provision of services in prior years. This income stream has not been budgeted either in 2016/17 or in future years.
- At the end of 2015/16 officers anticipated a Q4 VAT Shelter receipt of £53.4k to maintain the original budget in that year. The final audited return has now been received at almost £133k, resulting in a favourable impact on 2016/17 of £79.6k.
- At the time of the housing stock transfer, back in March 2006, the council took out a 10-year Environmental Insurance policy against any unforeseen issues with the land under those properties. This policy has now been renewed for the next 10 years at an annual cost of £15.9k (paid in full now, but to be spread evenly over the 10 years being covered).

### Future Issues

- Officers are continuing work with HAPPI and the Haslingden Swimming Pool project. The next phase being the completion of a stock condition survey and its evaluation.
- The vehicle replacement issues noted in the Operations explanations on page 9 may have an impact on the level of Internal Borrowing outstanding during 2016/17 and therefore on the MRP chargeable for the year. Officers are due to review the operational requirements, replacement plans and hiring costs in Q3 and expect to provide an updated forecast at the end of Q3. At the moment the forecasts in this report are the most prudent figures possible.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	21
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Business Rates Retention	Transitional Budgetary Support	Planning Reserve	Vehicle Reserve
	AN060103	AN060123	AN060144	AN060129	AN060109 / AN060145	AN060130
<b>Balance at 01/04/2016</b>	<b>1,497.7</b>	<b>0.0</b>	<b>1,241.9</b>	<b>2,403.0</b>	<b>107.2</b>	<b>230.4</b>
<b>Funds Received 2016/17</b>						
2016/17 grants received						
2016/17 grants anticipated						
Revenue income received						
Revenue income anticipated			444.5			25.5
General Fund Surplus Contribution						
<b>Total Funds Available</b>	<b>1,497.7</b>	<b>0.0</b>	<b>1,686.4</b>	<b>2,403.0</b>	<b>107.2</b>	<b>255.9</b>
<b>2016-17 Published Budget Utilisation</b>						
General budget support	(60.0)		(254.0)			
<b>2016-17 Other Utilisation Plans</b>						
Transfers between Reserves	(200.0)				200.0	
Active East		(20.0)				
Counter Fraud						
Bacup THI Support						
Childrens Trust - Summer Fun						
2016/17 NNDR Deficit & Autumn Statement Creditor						
2015/16 DGLC levy 50%			(53.4)			
Support Forward Plan					(107.2)	
HCA Empty Homes Scheme						
HAPPI grant & loan cover						
Rawtenstall Bus Station	(15.0)					
Operational Vehicle Maintenance						(5.0)
<b>Reserve Estimates 31/3/2017</b>	<b>1,222.7</b>	<b>(20.0)</b>	<b>1,379.0</b>	<b>2,403.0</b>	<b>200.0</b>	<b>250.9</b>
<b>Future Contributions/Utilisation Plans</b>						
2016/17 Plans						
2017/18 Plans				(191.0)	(200.0)	25.5
2018/19 Plans				(904.0)		(25.5)
2019/20 Plans				(997.0)		(51.0)
2020/21 Plans				(201.0)		25.5
<b>Potential Reserve Balances</b>	<b>1,222.7</b>	<b>(20.0)</b>	<b>1,379.0</b>	<b>110.0</b>	<b>0.0</b>	<b>225.4</b>

### Current issues

Funding for the original revenue budget of £8.1m included the use of £514k from the Earmarked Reserves; specifically £254k from the Retained Business Rates Reserve, £200k from the Empty Homes Reserve and £60k from the Employment & Transport Reserve as reflected in the above table.

Over the coming months officers will consider how best to fund the Active East requirement from the Director Investment Reserve, given that the top-slicing exercise in 2015/16 removed those funds to create the Empty Homes Reserve.

Officers have also been reviewing exactly how much the conclusion of the Forward Plan will require from Reserves. There is unlikely to be enough in the current balance of £107.2k to support the requirements, therefore it is suggested that £200k be transferred from the Employment & Transport Reserve into the Planning Reserve to support 2017/18 costs.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	22
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Leisure Reserve <small>AN060118/9</small>	Empty Homes Reserve <small>AN060148</small>	Bacup THI <small>AN060142</small>	Pension Fund Reserve <small>AN060117</small>	Operational Reserves <small>AN060121</small>	Total
	853.1	1,452.0	319.6	165.5	525.2	8,795.6
<b>Funds Received 2015/16</b>						
2016/17 grants received					0.0	0.0
2016/17 grants anticipated					2.0	2.0
Revenue income received					0.0	0.0
Revenue income anticipated					0.0	470.0
General Fund Surplus Contribution						0.0
<b>Total Funds Available</b>	<b>853.1</b>	<b>1,452.0</b>	<b>319.6</b>	<b>165.5</b>	<b>527.2</b>	<b>9,267.6</b>
<b>2016-17 Published Budget Utilisation</b>						
General budget support		(200.0)				(514.0)
<b>2016-17 Other Utilisation Plans</b>						
Transfers between Reserves					0.0	0.0
Active East					0.0	(20.0)
Counter Fraud					(46.3)	(46.3)
Bacup THI Support			(286.6)		0.0	(286.6)
Childrens Trust - Summer Fun					(2.0)	(2.0)
2016/17 NNDR Deficit & Autumn Statement Creditor					0.0	0.0
2015/16 DGLC levy 50%					0.0	(53.4)
Support Forward Plan					0.0	(107.2)
HCA Empty Homes Scheme		(707.7)			0.0	(707.7)
HAPPI grant & loan cover					(32.7)	(32.7)
Rawtenstall Bus Station					0.0	(15.0)
Operational Vehicle Maintenance					0.0	(5.0)
<b>Reserve Estimates 31/3/2016</b>	<b>853.1</b>	<b>544.3</b>	<b>33.0</b>	<b>165.5</b>	<b>446.2</b>	<b>7,477.7</b>
<b>Future Contributions/Utilisation Plans</b>						
2016/17 Plans	(768.0)	(1,252.0)		69.0	(9.2)	(1,960.2)
2017/18 Plans			(33.0)		(23.5)	(422.0)
2018/19 Plans					0.0	(929.5)
2019/20 Plans					0.0	(1,048.0)
2019/20 Plans					0.0	(175.5)
	<b>85.1</b>	<b>(707.7)</b>	<b>0.0</b>	<b>234.5</b>	<b>413.5</b>	<b>2,942.5</b>

The Bacup THI Reserve is being used to support £40k of revenue costs per annum up to 2018/19, plus £246.6k of capital works in the initial phases between summer 2015 and summer 2016, as noted in the capital programme on pages 28 & 29.

Given the planned self-sustainability of Rossendale Leisure Trust the time would now seem right to clear the Trust's accumulated deficit of £768k. An adjustment will be made as part of the 2016/17 account's closure and is subject to Member approval of a re-financing scheme. As with all Lancashire Pension Fund admitted bodies, the Trust will still retain a pension's deficit of £659k (as at 31/03/16), albeit officers will review options as part of the 2016 full pension revaluation exercise.

Some further use of the Empty Homes Reserve is likely in 2016/17 given the current adverse variance predicted.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	23
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Housing Capital Pot *	Disabled Facilities Grants *	Homeless Grant	Clean Bus Technology Grant	Total
<b>Balance at 01/04/2016</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>New Funds Received 2016/17</b>						
Grant due/received			791.0			<b>791.0</b>
<b>Total Funds Available</b>	<b>25.2</b>	<b>338.3</b>	<b>944.0</b>	<b>191.0</b>	<b>486.0</b>	<b>1,984.5</b>
<b>Utilisation in 2015/16</b>						
DFGs planned in Capital Programme			(500.0)			<b>(500.0)</b>
DFGs additional planned grants			(444.0)			<b>(444.0)</b>
Homeless grant passported to authorities				(39.5)		<b>(39.5)</b>
Clean bus technology bids					(486.0)	<b>(486.0)</b>
<b>Anticipated Balance 31/03/2016</b>	<b>25.2</b>	<b>338.3</b>	<b>0.0</b>	<b>151.5</b>	<b>0.0</b>	<b>515.0</b>
<b>Future Utilisation Plans</b>						
2016/17 plans		0.0				<b>0.0</b>
2017/18 plans		0.0				<b>0.0</b>
2018/19 plans		0.0				<b>0.0</b>
<b>Potential Reserve Balances</b>	<b>25.2</b>	<b>338.3</b>	<b>0.0</b>	<b>151.5</b>	<b>0.0</b>	<b>515.0</b>

The Clean Bus Technology Fund grant is well under way now. The tender was won by EminoX Ltd and 89% of the buses in the Rossendale Transport fleet have been upgraded over the summer holidays. This leaves 4 buses still to be completed this financial year.

### Staff Costs, including agency

Employment Costs 2016/17 to end September	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2016/17	FTE Changes during 2016/17	Current Vacant Posts	Contrib vacancy target £000
<b>Place Directorate</b>									
Customer Services	188	167	21	8	12	9.8	0.0	1.0	4.5
Operations Service	1,075	1,061	15	16	(2)	78.7	0.0	3.0	21.7
<b>Business Directorate</b>									
Building Control Services	55	54	1	1	1	3.0	0.0	0.0	0.0
Legal & Democratic Services	150	147	3	0	3	11.8	0.0	1.0	2.2
Planning Services	243	250	(7)	(2)	(5)	12.8	0.0	0.0	0.0
Local Land Charges	19	20	(0)	(0)	-	1.0	0.0	0.0	0.0
Public Protection	129	102	26	9	17	11.6	0.0	0.0	0.0
Health, Housing & Regen	385	405	(20)	4	(24)	21.9	0.0	5.0	57.7
<b>Corporate Services</b>									
Corporate Management	109	109	(1)	11	(11)	3.0	0.0	0.0	23.7
Finance & Property Services	215	205	10	1	9	11.6	1.0	1.0	32.6
People & Org. Performance	86	106	(20)	(35)	15	5.5	0.0	1.0	7.6
<b>Total</b>	<b>2,653</b>	<b>2,626</b>	<b>27</b>	<b>14</b>	<b>13</b>	<b>170.7</b>	<b>1.0</b>	<b>12.0</b>	<b>150.0</b>

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

<b>Target Staff Savings</b>	<b>150.0</b>
<b>In NDC - still to find</b>	<b>0.0</b>

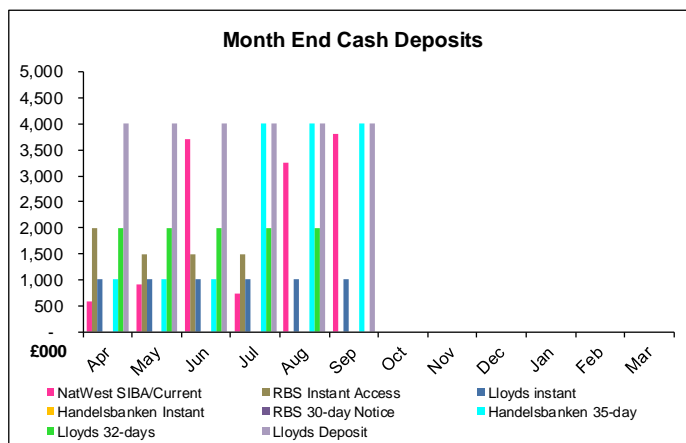
The table above shows the additional 1FTE from the restructure of the Finance team. There are currently 12 vacant posts which have contributed £177k in savings to date with possibly a further £8.7k may be saved in Q3 & Q4. This means a total favourable forecast variance of £185.7k, £150k of which has been taken to meet the vacancy target in the original budget.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	24
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

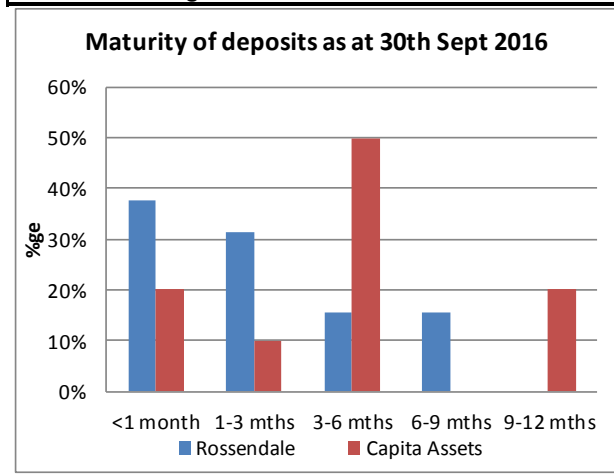
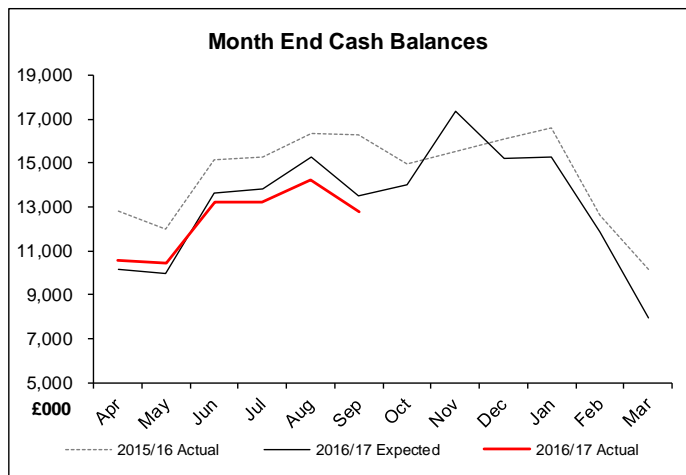
## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Treasury Management & Cash Flow Monitoring

At the end of September the bank balances were back to £12.8m from highs of over £15m at the beginning of July, August and September. Since the beginning of the year officers have kept funds liquid to support the ongoing Empty Homes renovation works, and this has impacted on the interest rates being earned. Officers have also put in place plans to ensure that there is £2m of cash available at the beginning of October should members support the Treasury Management proposals being put before Council at the end of September.



Effective Interest Rates at 30/09/2016	Current Balance £k	Effective Interest Rate %
NatWest SIBA	3,806	0.25
RBS Instant Access	-	0.25
RBS 30-day notice	-	0.25
Handelsbanken instant	-	-
Handelsbanken 35-day	4,000	0.15
Lloyds instant access	1,000	0.20
Lloyds 32-day notice	-	0.32
Lloyds Deposit 12mths	2,000	1.05
Lloyds Deposit 12mths	2,000	1.05
<b>Total Bal &amp; Avg interest</b>	<b>12,806</b>	<b>0.46</b>



Following on from the Bank of England decision to cut the base interest rate from 0.5% to 0.25% in August, all the Council's flexible rate interest accounts have announced a marked drop in the interest rates applicable, though the Natwest/RBS rates are still to be confirmed.

Following member approval of the £1m refinancing schemes for both Rossendale Transport Ltd and Rossendale Leisure Trust, and the ongoing housing renovation programme, the reserves will drop to below £10m by the end of the financial year.

### Interest Earned

With the drop in interest rates in August the Council's interest rate forecast has come down by £10.5k since the Q1 report, though it still looks to be around £3.3k over the original budget.

This forecast is based upon renewing the 364-day deposits in January 2017 at around 0.7%, compared to their current rate of 1.05%. This may be a little optimistic if the base rate drops again before Christmas.

Interest Forecast	Budget 2016/17	Forecast 2016/17	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	3.0	0.0	0.0
Bank Interest income	70.0	71.0	1.0	(12.8)
<b>Net Interest</b>	<b>(89.4)</b>	<b>(88.4)</b>	<b>1.0</b>	<b>(12.8)</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	25
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016



## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

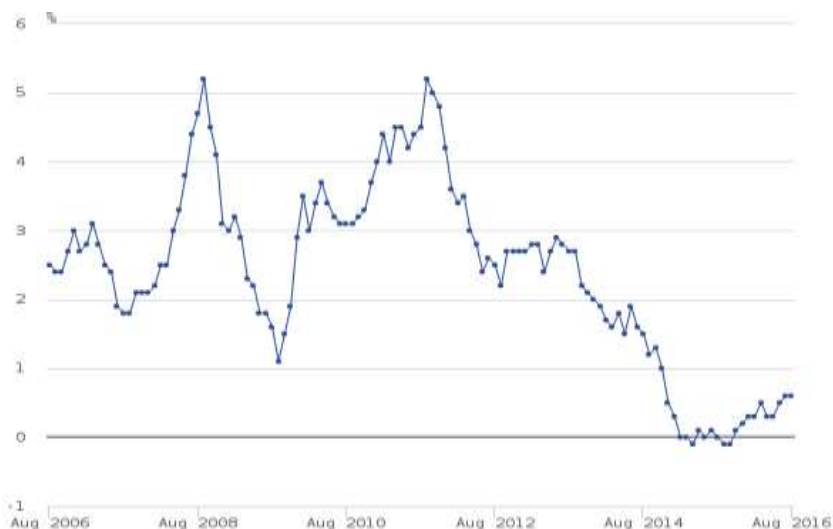
### Economic Outlook

(issued 13th Sept)

The Consumer Prices Index (CPI) rose by 0.6% in the year to August 2016, unchanged from July. The rate is still relatively low in the historic context although it is above the rates experienced in 2015 and early 2016.

The main upward contributors to change in the rate were rising food prices and air fares, and a smaller fall in the price of motor fuels than a year ago. These upward pressures were offset by falls in hotel accommodation prices, in addition to smaller rises in the prices of alcohol, and clothing and footwear than a year ago.

For the Council the September inflation rate will be important as it impacts on the level of benefits and pensions payable from April 2017 onwards. From October 2016 the Council has benefited from fixing these low interest rates into the Capita contract extension up to September 2019.



### Interest rate forward predictions

*“The focus remains on the Bank of England and how much stimulus it will throw at the UK economy to prevent any adverse reaction to the Brexit decision undermining the economy. The first move came with the 25 basis point Bank Rate cut at the August MPC meeting, along with additional Quantitative Easing. The Bank has signalled that it has no intention of following other central banks’ moves in setting negative interest rates, suggesting that future cuts will halt at around 0.1%, placing the emphasis on QE and Government fiscal policy. Sterling is likely to remain under pressure, but equities will be supported by the low interest rate environment that businesses are operating in.”* City Watch, Capita Asset Services

as at 27th Sept 2016	Dec 2016	Mar 2017	June 2017	Sept 2017	Dec 2017	Mar 2018	Jun 2018	Sept 2018
<b>Q1 Base Rate est</b>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%
<b>Q2 Base Rate est</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.25%	0.25%
<b>25yr PWLB est</b>	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.50%	2.50%

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

All the Council’s investments continue to follow the policies laid down in the Treasury Management Strategy (TMS) document (Full Council, Feb 2016), only using UK high street banks and limiting investments to short-term (ie. 364 days maximum).

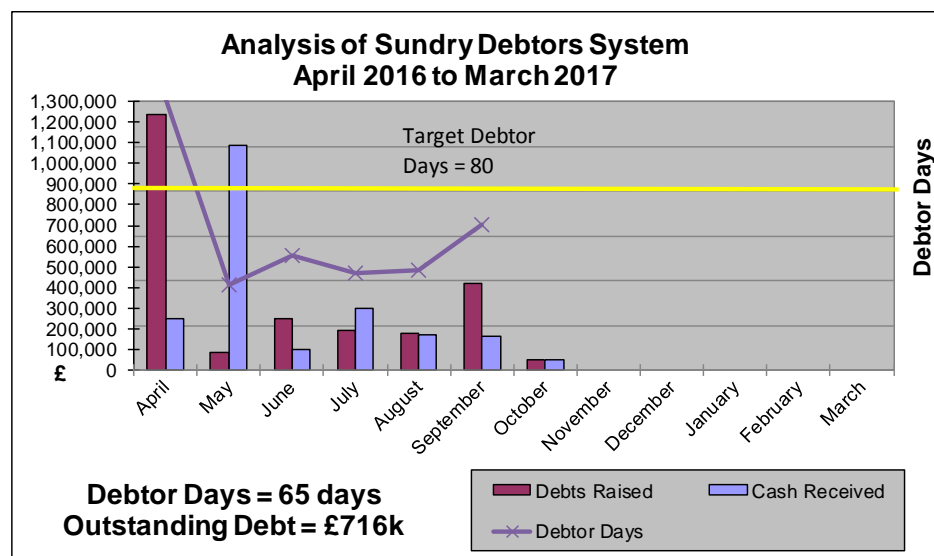
The Council’s TMPs provide operational limits for the maximum investment with any single institution as the greater of £5m or 50% of total funds available at the time of the deposit, and £10m across a single group. By the end of September the reducing average balances have led officers to reduce the amount invested with the Lloyds group down to the £5m level. However, during Q2 there have been two instances where the amounts in the Natwest SIBA account rose above £5m for a total of 3 days between direct debit receipts coming in and precept payments going out.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	26
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016



# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## Sundry Debts Monitoring



Q2 saw another £900k of invoices raised, bringing the total to date up to £2,491k. Of this £1,927k (76%) has been collected already. For invoices in the first four months the collection rate is 94% to date.

Of the £80k outstanding on invoices raised in April, £76k is collected by instalments throughout the year.

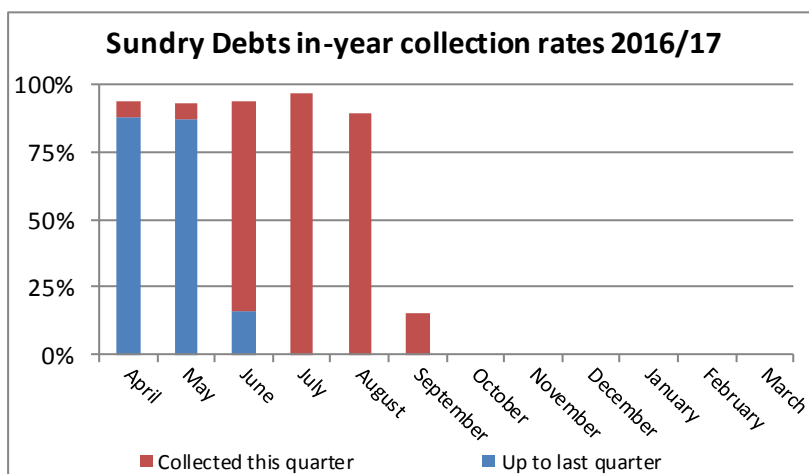
At the end of 2015/16 £337k was outstanding. This is now down to £33k, giving a collection rate of 99.2%.

### Housing Rent Debts

At the end of Q2, before the start of handover to Calico, the housing rent debts totalled £311.5k. Of this £155.2k was for current tenants and £156.2k was former tenants.

### Collection rates & Doubtful debts

Debtor Days collection performance for sundry debts stood at 65 days at the end of Q2, compared to 52 days at the end of Q1 which was buoyed by the high volume of invoices issued and collected in Q1. Debtor days for current housing tenant debt has improved from 99 days at the end of Q1 to 87 days at the end of Q2.



The consideration of doubtful debts rises from 10% at creation to 100% for any debts over 1 year old (excluding those to related parties such as LCC, Rosso and Capita). The resulting calculation of the doubtful element of sundry debts has dropped from £130.7k in Q1 to £118.7k at the end of Q2. This is

Debts Outstanding	Mar 2015	Mar 2016	30 Jun 2016		30 Sept 2016		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	72.1	56.3		56.4		55.7	100%	55.7
2014/15 Debt	351.6	64.2		63.9		63.6	100%	45.4
<b>2015/16 Debt</b>								
Q1		27.4	25.4		14.5		75%	10.9
Q2		20.1	5.5		4.2		50%	2.1
Q3		54.5	7.9		7.8		50%	3.9
Q4		234.9	27.2	66.0	6.5	33.0	10%	0.7
<b>2016/17 Debt</b>								
Q1 Apr			146.3		79.9		10%	8.0
Q1 May			11.0		5.9		10%	0.6
Q1 Jun			220.7		15.7	101.5	10%	1.6
Q2 Jul			11.1		6.0		10%	0.6
Q2 Aug					20.8		10%	2.1
Q2 Sept					435.7	462.5	10%	9.4
<b>Total Debt o/s</b>	<b>72.1</b>	<b>457.4</b>	<b>186.3</b>		<b>716.3</b>			<b>118.7</b>

against a total doubtful debt provision brought forward of £106.4k.

For housing rent debts the doubtful debt experience is limited. The provision brought forward was £146.7k. Providing 75% for current tenant debt over 4 weeks old and 90% for former tenant debt would require a provision of £254.6k and this increase of £107.9k has been included in the adverse operational forecast of the Empty Homes Scheme on pages 12 & 13.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	27
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Capital Resources

**Table 1 - 2016/17 receipts**

Major Receipts:	Original Expect'ns £000	YTD Actual £000	Total Forecast £000	Surplus / (Deficit) £000
<b>Capital Receipts</b>				
Land & Property Sales	75	2	68	(7)
Osolete refuse vehicles	-	7	7	7
Cost of sales	-	-	-	-
Net receipts to table 2	75	9	75	-

### Current issues

The income from asset sales in table 1 above includes £6k from the sale of 2 vehicles at auction in May and June. There have been no sales of land or property in Q2, but officers are confident in reaching the original target of £75k income by the year-end.

### Financing the Capital Programme

The opening balance of Useable Capital Receipts was £1,800k, though £647k of this was required to finance continuing projects, as shown in the table opposite.

The changes to the projects and funding so far during 2016/17 include the receipt of an additional £291k grant from the Better Care Fund for DFG works in 2016/17. This more than covers the former funding from Green Vale Homes now that their arrangement has come to an end.

The Central Government initiative of Flood Resilience Grants has received 188 applications covering 241 local properties (both business and residential). Each grant has a maximum of £5k and is aimed at reducing risk of future flooding for those properties which were affected last winter, all funded through LCC and expected to reach a total of £1m.

The Council's own insurance refund from Storm Eva is being used to support several IT projects, leaving one capital project - the new modules of ICON to ensure PCI security compliance and back-office hosting. These will cost £61k and be funded through internal borrowing over 5 years

As shown in detail on the following page, the actual capital programme now stands at £7,270k. The amount being funded through internal borrowing is £1,823k with the Empty Homes renovations and the replacement of two vehicles in Operations. This leaves £5,447k coming from the capital resources above, leaving an expected balance of capital resources of £994k at the end of this year.

### Future issues

The first DFG grant through the Better Care Fund for 2015/16 was £434k, of which only £271k was used before the year-end. At the moment officers have no reason to believe that the balance cannot be rolled forward and used in 2016/17, therefore the revised programme for DFGs in 2016/17 at the moment is £944k (2016/17 actual grant of £791k + balance b fwd of £153k). At the moment there are no plans to use any of the Grant Unapplied balance of the Housing Capital Pot shown on page 24, but there is £383k there should the need arise to use it if the annual grant reduces in future years.

**Table 2 - Useable Capital Receipts**

Useable Capital Resources	£ 000
Balance at April 2016	1,800
Capital Grants in 2016/17	3,986
Capital Receipts in 2016/17	75
	<b>5,861</b>
Revenue Contributions	
from Earmarked Reserves	336
from S106 agreements	130
from Revenue Operations	114
<b>Total Capital Resources 2016/17</b>	<b>6,440</b>
Capital Prog funding requirement	(5,447)
<b>Useable Capital Receipts Mar 2017</b>	<b>994</b>
Reserved for housing	(367)
Unreserved Cap Receipts	626

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	28
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Capital Programme Spending

SERVICE AREA	2016/17 Original Capital Programme	2016/17 Revised Capital Programme	September monitoring		Full YR Forecast	Revised Programme Funding Arrangements				
	Total £000	Total £000	Spend £000	Committ £000	Forecast £000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Effect
<b>Place Directorate</b>										
Communities & Operations	190	615	120	10	615	92	313	70	140	28
Customer Services & e Govt	0	67	6	61	67	0	3	3	61	12
Regeneration	0	2,390	222	366	2,390	1,950	0	440	0	0
<b>Corporate Support Services</b>										
Finance & Property Services	135	485	128	58	485	0	435	50	0	0
Other PRG Projects	0	17	1	0	17	0	0	17	0	0
Renewable Energy Projects	0	88	69	5	88	0	0	0	88	15
Flood Resilience Grants	0	1,000	304	178	1,000	1,000	0	0	0	0
<b>Housing</b>	630	2,608	896	504	2,608	944	130	0	1,534	307
	<b>955</b>	<b>7,270</b>	<b>1,746</b>	<b>1,182</b>	<b>7,270</b>	<b>3,986</b>	<b>881</b>	<b>580</b>	<b>1,823</b>	<b>362</b>

### Capital Programme

The original capital programme approved in February was £955k and slippage brought forward totalled £4,945k as detailed in the Q1 monitoring report.

The additional projects approved so far are shown in the table opposite. The Q2 additions include the Flood Resilience Grants and the recent approval of the Civica Financials receipting modules to ensure PCI compliance which is to be funded through internal borrowing.

Capital Programme 2016/17	£000	Funded by
Original Capital Programme	955	
Slippage from 2015/16 projects	4,945	see Q1 report
<b>New capital projects in 2016/17</b>		
Additional DFG from Better Care	291	grant income
SDM Housing System	3	RCCO Reserves
Victoria Park play area	15	Up & Active grant
Flood Resilience Grants	1,000	LCC grant income
Financial Systems ICON modules	61	Internal Borrowing
<b>Revised Capital Programme</b>	<b>7,270</b>	

This brings the total revised capital programme to £7,270k, including £1,789k for the ongoing Bacup THI project and £1,534k for the Empty Homes Renovations.

### Q2 Activity

- DFGs is now 40% complete for the year with £264k spent and a further £118k committed
- Empty Homes renovations are well under way, implementing the 3 tenders let in March and continuing to complete properties. To the end of Q2 £996k (65%) of the planned works has been ordered or completed.
- Fallbarn Rd play area community project has now been signed off and officers are awaiting the receipt of the grant funding. The outdoor gym at Victoria Park is also complete.
- Solar panels projects for Whitworth Civic Hall & Marl Pits pool are now installed and operational.
- Flood Resilience Grants applications (up to £5k per property) have reached 188, covering 241 local properties at a value of £967k. All costs will be met by grants via LCC and £647k of works have been approved to date with £482k being spent or ordered so far. Some of the larger culvert works are taking longer to agree and then tender the works.

Responsible Section/Team	Financial Services	Page	29
Responsible Author	Finance Manager	Produced	07/10/2016
Dates covered in this review	end Sept 2016	Next review	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2016/17	Revised MRP Required 2016/17	Potential (Additions) / Savings 2016/17
Refuse Collection	310	282	28
Street Sweeping	44	17	27
Parks	54	10	44
IT	30	31	-1
Facilities/Property	18	19	-1
Leisure Investment	128	127	1
Corporate Services	9	5	4
Housing	400	400	0
Non-distributed Costs	130	144	-14
	<b>1,123</b>	<b>1,035</b>	<b>88</b>

MRP is the annual revenue repayment of internal funds used to support capital expenditure.

Replacement of some operational assets is still being considered and may/may not result in a saving on MRP.

Funding of Empty Homes renovation costs is still under review. Any

internal borrowing could be funded this way and repaid through MRP over the next 5 years, matched by the application of the Empty Homes Reserve and loan recycling.

### Section 106 Receipts Monitoring

Section 106 Agreements 2016/17	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b/wd at 1st April 2016	637.8	141.6	340.5	1119.9
Deposits received in 2016/17	10	50.0	10.0	70.0
Deposits applied in 2016/17	(99.7)	(11.6)	(32.3)	(143.6)
<b>Current Balance</b>	<b>548.1</b>	<b>180.0</b>	<b>318.2</b>	<b>1046.3</b>

As one can see from the above no new deposits have been received, though one is nearing its triggers at the time of writing this report. Over £105k has been applied in Q2, leaving the amounts available to support Rossendale Council projects as shown in the table below.

Planning Ref	Area	Site	Purpose	Time Period	Current Balance
<b>RBC Revenue Maintenance:-</b>					
2002/122	Bacup	Former Victoria WMC Bacup	Bus shelters	none stated	2,180
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	no time limit	10,000
2004/012	Crawshawbooth	Former Chapel at York St	Contribution to recreation area <b>selected by the council</b>	none stated	6,841
2004/372	Crawshawbooth	Conversion of Con Club to 8 apartments	Bus shelters	none stated	12,000
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	144,846
		Others			4,145
				<b>Revenue</b>	<b>180,012</b>
<b>RBC Capital:-</b>					
2010/433	Whitworth	Eastgate	Affordable housing	Exp Jul 2017	34,957
2010/433	Whitworth	Eastgate	Open Space	Exp Jul 2017	52,918
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces	Exp July 2020	60,835
2010/0667	Whitworth	Cowm Park Way/ Hall St	Youth & Community		106,610
2011/0046	Helmshore	Holmefield House	Open Space	Exp Aug 2017	2,424
2011/0046	Helmshore	Holmefield House	Affordable housing		25,800
2012/0162	Rawtenstall	Rossendale General Hospital	Sports Provision	Exp Nov 2019	50
2013/0041	Cloughfold	Land at 449 - 457 Bacup Rd	Play Space/Open Space and/or pedestrian/cycle way		15,000
2013/0277	Waterfoot	Mytholme House (Affordable housing)	POS contribution within the vicinity	no time limit	16,392
2013/0455	Bacup	Bacup Hub	Public open Space within vicinity	no time limit	27,320
				<b>Capital</b>	<b>342,306</b>

Responsible Section/Team	Financial Services	Page	30
Responsible Author	Finance Manager	Produced	07/10/2016
Dates covered in this review	end Sept 2016	Next review	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

### Council Tax & NNDR Collection Rates

Cumulative Collection	Council Tax				Business rate			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
April	11.50	10.16	10.91	10.60	12.25	10.97	11.87	11.25
May	20.40	20.16	19.98	19.73	20.47	21.66	20.80	19.20
June	29.55	29.02	29.22	30.12	30.50	31.50	29.31	28.26
July	39.01	38.43	38.49	37.97	39.43	38.83	43.25	35.55
August	48.13	47.63	47.54	47.21	51.60	51.60	54.82	43.60
September	57.47	57.00	56.80	56.35	60.92	61.01	62.70	58.92
October	66.98	66.30	66.18		67.88	68.55	70.27	
November	76.37	75.52	75.45		76.23	75.72	79.88	
December	85.57	84.81	84.52		84.92	82.61	87.02	
January	94.97	91.15	93.73		95.64	90.30	93.17	
February	96.61	95.69	95.41		96.38	94.46	96.85	
March	97.10	96.90	96.80		97.70	97.60	97.40	

### Council Tax Collection Fund

The Council Tax Collection projected out-turn is showing an overall surplus of £630k, up from £470k predicted at the end of Q1. Of this RBC's share will increase from £72k forecast back in July to £96k.

Council Tax Collection Fund Forecast 2016/17		£'000
Council Tax Collectable after Discounts & Exemptions		33,646
less Bad Debt Provision		(379)
		<u>33,267</u>
less Precepts		
Lancashire County Council		(23,119)
Police		(3,192)
Fire		(1,289)
Rossendale Borough Council		(5,036)
		<u>(32,636)</u>
Surplus		630
<b>RBC Share</b>		<b>96</b>

### 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 £572k of which RBC share is £229k. This is an adverse movement in Q2 of £428k on the cash deficit and £171k attributable to Rossendale due to removing the inclusion of renewable energy billing included in error in Q1 and which is more than compensated in the summary below.

Business Rates collection rates continue to be under scrutiny as they are almost 4% points adrift from previous years. There does seem to be a shift from 10 to 12 annual payments which is currently being analysed to explain the first half-year drop.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	31
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016



## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

<b>Business Rates Collection Fund 2016/17</b>	<b>£'000</b>
Business Rates Income	13,421 excluding grants to G.Fund
less Precepts paid	(13,993)
Cash Deficit on Business Rates Collected	<b>(572)</b> (Q1 forecast £144k)
<b>RBC Share @ 40%</b>	<b>(229) payable in 2017/18</b>
Central Government share 50%	(286)
LCC and Fire share 10%	(57)

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 retain 40% of business rates, which would be £5,540k, 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 the 15/16 tariff is £3,306k.

In addition central government are giving authorities Section 31 grants to cover small business rate reliefs and other minor government backed schemes. This creates a surplus over RBC's baseline funding which, due to new pooling arrangements, is now protected from any DCLG levy. The volatile area of this calculation is the appeals provision.

<b>RBC General Fund / Pooling gains</b>	<b>£'000</b>
Business Rates Income	13,421
RBC Share @ 40%	5,368
less tariff paid to Central Government	(3,306)
plus Enhanced Small Business Relief	443 Due in respect of 2016/17
plus other Section 31 Grants	80 Due in respect of 2016/17
Subtotal	2,586
RBC Baseline Funding Level	1,998
<b>Surplus for Levy Calculations</b>	<b>588</b> (Q1 forecast £759k)
<i>Saving on levy to Central Gov't @ 50%</i>	<i>294 £38 due to LCC due to pooling</i>

To summarise the current forecast variances relating to 2016/17 financial year for business rates, which is marginally ahead of our target is as follows:

<b>Business Rates Summary</b>	<b>£'000</b>	<b>(Adv)/Fav Variance</b>
Collection fund deficit 2016/17	(229)	Re payable in 2017/18
Precept surplus	294	Re receivable in 2016/17
Section 31 Grants & Localism Relief	523	Re receivable in 2016/17
less LCC pooling share	(29)	
Renewable Energy	216	
<b>Overall Gain</b>	<b>775</b>	(Q1 forecast £721k)
<i>MTFS Target</i>	<b>760</b>	

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

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	32
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## 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>	33
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016



# Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

## 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>	34
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

## Monthly Financial Monitoring Report 2016/17 – Q2 end September 2016

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	35
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	07/10/2016
<b>Dates covered in this review</b>	end Sept 2016	<b>Next review</b>	end Dec 2016

Rossendale Borough Council

PO BOX 74

Bacup

OL13 0WU

T: 01706 217777

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

آپ کو ان معلومات کا حصول سے صرف میں ڈائجسٹ پر یا انگریزی کے علاوہ کسی اور زبان میں اور کارڈ سے ہمارے  
میریابی ہمیں بتائیں۔ ہم خوشی آپ کے لئے اس کا انتظام کریں گے۔  
ہمارے میرابی 01706 217777 پر ٹیلیفون کریں یا پھر کیونٹی ٹیشن سیشن سے اس سے براہ رابطہ ہم کریں۔

آپنی যদি اس بات کے سارے مفہوم بڑھ ہر دور کا، اڈیو کیسے اے اے یا ہینڈ رائٹ کے لیے  
انہی کوئی زبان میں ہوتے ہیں انہیں انہیں ہر دور کا، اڈیو کیسے اے اے یا ہینڈ رائٹ کے لیے  
انہی کوئی زبان میں ہوتے ہیں انہیں انہیں ہر دور کا، اڈیو کیسے اے اے یا ہینڈ رائٹ کے لیے

انہیں ہر دور کا، اڈیو کیسے اے اے یا ہینڈ رائٹ کے لیے  
انہیں ہر دور کا، اڈیو کیسے اے اے یا ہینڈ رائٹ کے لیے  
انہیں ہر دور کا، اڈیو کیسے اے اے یا ہینڈ رائٹ کے لیے

Other formats available on request.

Tel: 01706 217777 or contact:  
Rossendale Borough Council  
PO BOX 74, Bacup, OL13 0WU

اردو বাংলা

A  
Large  
Print



Tape



CD



Braille