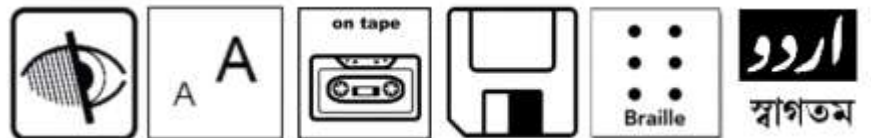


# Financial Monitoring Report

2017/18 as at end July 2017

*Including a Glossary of terms on page 32*



## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

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

This first monitoring report on the General Fund for 2017/18 is showing a favourable variance of £233.7k compared to the original budget of £9,440k.

### Earmarked Revenue Reserves – page 22 to 23

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2017 were £6,229k (excluding the Transport Reserve).

Officers recommend the allocation of the first £20k of surplus in 2017/18 to balance the Directorate Investment Reserve, and then the remaining £290.7k could be transferred back into the Transitional Budgetary Reserve, to leave an anticipated balance of £2,660k at the end of 2017/18 to support the future requirements of the MTFS.

The Business Rates Retention Reserve now reflects the in-year variances discussed in detail on page 32, including the renewable energy income of £153k for the year.

The Planning Reserve is expected to be called upon to support £164k of costs in 2017/18, leaving £21.7k for future costs.

The forecast closing balance at the 31<sup>st</sup> March 2018 is now £6,063k, but planned usage through the life of the MTFS of the Local Business Rates Retention Reserve and the Transitional Reserve, will reduce this to £2,302k by March 2021.

### Government Grants Unapplied – page 24

The opening value of Government Grants Unapplied at the 1<sup>st</sup> April 2017 was £566k, including £391k of DFG slippage. The DFG grant for 2017/18 has been received now at £869k, leading to a total funding available in 2017/18 of £1,261k.

The Homelessness grant of £82k is the balance of funding received by Rossendale as administrator of the young persons homelessness grant but its usage has not yet been determined.

The Transforming Lives and Hoarding Grants are a joint project with the PCC to tackle problems early and these funds are expected to be spent during 2017/18.

The forecast balance at March 2018 is £82.1k.

### Staff Monitoring – page 24

The table above shows the additional 0.5 FTE pertaining to the restructure of Service Assurance Team. There are currently 11.6 vacant posts. As noted on page 4 these forecasts currently estimate that £114k may be saved across the departments towards the £150k target in the original budget. Of this £29k has been achieved in cash terms by the end of July 2017. Officers and Managers will review these forecasts and begin to allocate the savings during Q2.

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

At the end of July the bank balances were back to £7,960k from an opening balance of £6,330k in April. Q1 was a busy period for treasury management, with the payment of £4.7m

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	2
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

to LCC for the 3-years pension costs and the subsequent collection of £869k of DFG Grant and £3,430k from LCC for the Spinning Point Phase 1 development. Interest income from traditional bank balances and deposits is now being supplemented by savings from the pensions advance payment and investments in Rosso and the Leisure Trust.

Sundry debts collection rates continue to be a focus and the cumulative collection rate for 2016/17 debt has now passed 99.98%. Invoices raised in 2017/18 total £1,936k of which 87.7% has already been collected, including £869k of DFG grant in June. This leaves a cumulative debt balance of £405.2k of which £125k is planned to be collected in instalments through the year and £129k is still under 30-days old.

The provision for doubtful debt balance brought forward was £97k, of which £18.5k has been used to cover Q1 write-offs, mainly relating to the East Lancs into Employment organisation which ceased trading (as reported to members previously). This leaves further potential doubtful debts of £99k so officers will monitor the need for additional provision contributions.

The above debts exclude the rent on Empty Homes Scheme properties, which continue to be a challenge with brought forward arrears balance of £354k. Against this there was a £288k doubtful debt provision equal to 81% of the debts outstanding.

### Capital Receipts – page 28

There have been two minor land sale receipts so far in 2017/18, but officers are confident that the £50k target will be reached by the end of the year.

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

The capital programme started the year at £885k, to which £8,873k of slippage was added, mainly for the Bacup THI and the Spinning Point Phase 1 projects. New projects added during Q1 total £627k, including an additional £369k DFG grant and £200k for various parks and play area upgrades in partnership with community groups. This brings the revised capital programme up to £10,385k.

Activity in Q1 included the very visible demolition progress on the Spinning Point project and a further £358k of works on the Bacup THI scheme. The revised DFG programme of £1,260k is now 22% spent/committed.

### Collection Fund 2017/18 (Council Tax & Business Rates) - page 31 to 32

Council Tax collection rates at the end of July are marginally below those of previous years, but the Council Tax element of the Collection Fund is showing a forecast surplus of £469k with the Council's share being £72k.

Meanwhile current collection rates for Business Rates (NNDR) are following the 2016/17 pattern, reflecting the take-up in the option to pay in 12 instalments rather than 10. Officers are forecasting an overall full year surplus on collection of £475k, of which this council will keep £190k. Section 31 grants of around £599k and £153k due solely to RBC from renewable energy will bring the overall gain for Rossendale up to £892k compared to the MTFs target of £800k. Of this £388k is attributable to the Council's participation in the Lancashire Business Rates Pool with our contribution to the pool being £43k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	3
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## General Fund Revenue Operations

### General Fund Summary - Period 4 (July)

Service Area (excluding internal recharges)	2017/18 Org Budget excl Int'l Mkt £000	2017/18 Forecast £000	2017/18 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	1,226.2	1,189.3	36.9	-	36.9
	2,425.6	2,433.5	(7.9)	-	(7.9)
<b>Business Directorate</b>					
Building Control Services	(1.4)	(34.4)	33.0	-	33.0
Legal & Democratic Services	703.8	696.9	6.9	-	6.9
Planning Services	264.2	290.7	(26.5)	-	(26.5)
Local Land Charges	(37.8)	(37.8)	0.0	-	0.0
Licensing & Enforcement	(78.1)	10.0	(88.1)	-	(88.1)
Health, Housing & Regeneration	959.6	835.2	124.4	-	124.4
<b>Corporate Support Services</b>					
Corporate Management	513.7	502.0	11.7	-	11.7
Finance & Property Services	1,329.3	1,207.8	121.5	-	121.5
People and Policy	490.0	510.0	(20.0)	-	(20.0)
Non Distributed Costs	1,084.4	1,099.1	(14.7)	-	(14.7)
Capital Financing and Interest	403.1	367.2	35.9	-	35.9
Leisure	157.6	137.1	20.5	-	20.5
<b>TOTAL Service Cost</b>	<b>9,440.3</b>	<b>9,206.6</b>	<b>233.7</b>	<b>-</b>	<b>233.7</b>

This first monitoring report for 2017/18 is showing a net favourable variance of £233.7k.

In the original budget there was an overall savings target of £150k for staff vacancy savings. Though not specifically allocated against this target, this Q1 report identifies anticipated staff savings of £114.4k, leaving a potential further £35.6k to find, but the overall favourable variance of £233.7k above takes this into account (see the NDC section of the table opposite).

The other main areas of movements in the table opposite are:-

- Discretionary Housing & Council Tax Support Grants of £120k
- Operations vehicle maintenance £40.8k adverse offset by removal of requirement to transfer £20.5k to the Maintenance Reserve.
- The level of sickness, particularly where cover has to be provided, is becoming a budget pressure.
- Adverse variances on income streams in the Business Directorate include £117.7k reduction in taxi licensing fees.
- NNDR refund on the old Town Hall and OSS £111k (though this will have an adverse impact on the Collection Fund).
- Professional HR, legal support and settlement costs of £20.1k, partly met by receipt of Children's Trust admin grant of £15k.
- Pensions saving from advance payment £99.8k.
- Further doubtful debt provision of £20k.
- Rosso Management fee income for 2016/17 £53.5k.
- MRP repayment savings on general properties £36.4k and on Marl Pits dry sports £18.1k.

<b>Staffing Summary</b>	<b>FAV/ (ADV)</b>
Customer Services	9.0
Operations	(9.6)
Business	(1.0)
Health, Hsg & Regen	118.2
Corporate Mgmt	11.9
Finance & Property	(3.9)
People & Policy	(10.2)
<b>Savings anticipated</b>	<b>114.4</b>
Original target	(150.0)
Balance still to find	(35.6)

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	4
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

Major Variances in Quarter 1	Favourable /(Adverse)	Net
<b>Customer Services and e-Government</b>		
Staff savings	9.0	
Housing Subsidy (net of grant receivable)	(30.2)	
Discretionary Housing Grant (net of grant receivable)	(22.5)	
Council Tax Support Grant	15.9	
Cash recovery of overpaid housing benefits & ctax support	39.9	
Court Costs awarded	25.3	
IT software and disastery recovery	(29.6)	
Service Assurance Team new burdens grants (net of costs)	16.7	
Other minor variances	12.4	36.9
<b>Place Operations</b>		
Staff costs (including agency and overtime)	(9.6)	
Fuel ( <i>note favourable item in Corporate Management below</i> )	(20.2)	
Vehicle maintenance incl hire of temporary replacements	(40.8)	
Removal of Maint Reserve contribution	20.5	
General parks running costs	20.7	
Markets Income & Running expenses	(7.3)	
Cemetries Income	21.3	
Refuse and Recycle Bins/Sacks net of income	(12.5)	
Dog Warden costs	10.9	
Other minor variances	9.1	(7.9)
<b>Business Directorate</b>		
Staff costs	(1.0)	
Planning Applications	(29.5)	
Building Control Fee Income	33.0	
Brownfield Grant	14.6	
Taxi Licensing income (net of cost savings)	(117.6)	
Other minor variances	25.9	(74.6)
<b>Business - Health, Housing &amp; Regeneration</b>		
Staff costs	118.2	
Whittaker Park Museum Utilities Costs	(13.8)	
Economic Development insufficient reserve	(20.0)	
Environmental Health administration expenses	25.5	
Other minor variances	14.5	124.4
<b>Corporate Management</b>		
Staff costs (including professional support)	11.9	
Other minor variances	(0.2)	11.7
<b>Finance &amp; Property Services</b>		
Staff costs	(3.9)	
Rosso Loan arrangement fee	5.0	
Building running costs	11.2	
NNDR Refund on Old town Hall & OSS	111.0	
Estates rental income	(2.1)	
Emergency Planning	6.3	
Other minor variances	(6.0)	121.5
<b>People &amp; Policy (incl P&amp;P &amp; Comm)</b>		
Staff costs (net of external replacement support costs)	(10.2)	
Professional HR & Legal support	(20.1)	
Children's Trust Grant income	15.0	
Other minor variances	(4.7)	(20.0)
<b>Non-Distributed Costs &amp; Capital Financing</b>		
Vacancy Control Savings target not yet apportioned out	(150.0)	
Pensions savings from 3-year up-front payment	99.8	
Interest payable/receivable	(0.6)	
Doubtful Debt Provision	(20.0)	
Management fee to Rosso	53.5	
MRP review on general properties	36.4	
MRP saving on Marl Pits Leisure investment	18.1	
Other minor variances	4.5	41.7
<b>Favourable/(adverse) variance on the General Fund</b>		<b>233.7</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	5
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Customer Services & E-Government - Period 4 (July)

Summary	2017/18 Org Budget £000	2017/18 Forecast £000	2017/18 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Management and Support	74.9	75.0	(0.1)	-	(0.1)
Service Assurance Team	120.7	83.7	36.9	-	36.9
<b>Revenues, Benefits and Customer Services</b>					
Local Tax Collection	(342.6)	(368.7)	26.1	-	26.1
Benefits Admin	857.8	843.9	13.9	-	13.9
Net - Housing Benefit Payments made & Subsidy received	(35.8)	(20.9)	(14.9)	-	(14.9)
<b>Information and Communications Technology</b>					
Technology	551.1	573.9	(22.8)	-	(22.8)
<b>Pest Control</b>					
Pest Control	-	2.2	(2.2)	-	(2.2)
<b>Total</b>	<b>1,226.2</b>	<b>1,189.3</b>	<b>36.9</b>	<b>-</b>	<b>36.9</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
2016/17 Housing Benefit Subsidy (net grant position)	-	(30.2)	(30.2)	
Cash recovery of Housing Benefit overpayments	-	39.9	39.9	
Discretionary Housing Grant (net of grant receivable)	-	(22.5)	(22.5)	
Additional Local Council Tax Support Grant	-	15.9	15.9	
External Audit of Benefits	-	6.0	6.0	
Court Costs Awarded (net of doubtful debt provision)	-	25.3	25.3	
Business Rates on Renewable Energy installations		153.0	153.0	
Transfer Renewable Energy income to Earmarked Reserve		(153.0)	(153.0)	
Software licences (net of released provision re Website)	-	(17.9)	(17.9)	
Disaster Recovery provision & network testing	-	(11.7)	(11.7)	
Service Assurance Team Grants (incl Universal Credit Implement)	-	47.0	47.0	
Capita & Northgate changes funded by New Burden Grants above	-	(30.3)	(30.3)	
External review of business rateable values (no win-no fee basis)	-	(6.0)	(6.0)	
Pest Control services (net of income)	-	(2.2)	(2.2)	
Staff savings	-	9.0	9.0	
Other savings	-	14.6	14.6	
<b>TOTAL</b>	<b>-</b>	<b>36.9</b>	<b>36.9</b>	

colour indicates related items

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	6
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## Customer Service & E-Government Highlight Report – Q1 (end July 2017)

### Historic Issues

- None reported

### Current Quarter's Issues

The headline figure for this first report of the year is a projected underspend of £36.9k against the approved budget, the main items being:-

- The Housing Benefit Subsidy original budget was a net deficit of £46.4k but at the end of July this is forecast to increase to £76.6k, an adverse movement of £30.2k. However, recovery of benefits overpaid in the past continues the 2016/17 trends and is expected to return a favourable variance of £39.9k for the year.
- Notice has been received that the Council can expect Discretionary Housing Grant income of £104.1k this year. However, following current projections the cost of Discretionary Housing Benefits paid out looks to be around £126.6k, giving a net adverse variance of £22.5k.
- The Local Council Tax Support Grant received in May was £98.4k, a £15.9k favourable variance on that expected in the original budgets.
- Court costs awarded in relation to the collection of council tax and business rates continue the 2016/17 trend and look set to be around £25.3k ahead of the budget. To date Council has incurred court fees of £10k in pursuit of debts from one of the business in the borough which will be offset against the Collection Fund.
- Disaster recovery costs and penetration prevention and testing look to return an adverse variance of around £11.7k again this year as the Council looks to keep a tight control on data and systems security. In addition, the costs of software licences and upgrades are provisionally £17.9k above the original budget.
- At the moment the new burdens grants income appears to be around £47k, which is £17k ahead of the anticipated costs of software changes and Capita services required to deliver the respective changes.
- The Service Assurance Team restructure has contributed around £12k towards a current staffing variance prediction of £9k favourable.
- Renewable energy business rates are 100% attributable to Rossendale Borough Council, therefore they are removed from the NNDR Collection Fund and will be income to the General Fund. This first occurred during the closure of the 2016/17 accounts, so was not included in the 2017/18 original budget. The value in 2016/17 at £241k covered around 18months. The £153k estimate included here represents a single financial year, but officers recommend that it is transferred straight to the Local Business Rates Retention Reserve.

### 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>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Place Operations - Period 4 (July)

Summary	2017/18 Org Budget £000	2017/18 Forecast £000	2017/18 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Operations Admin / Vehicle Maintenance	367.4	386.9	(19.5)	-	(19.5)
<b>Operational Functions</b>					
Refuse Collection	955.4	1,029.1	(73.7)	-	(73.7)
Street Sweeping	337.3	358.5	(21.2)	-	(21.2)
Markets	(80.2)	(95.2)	15.0	-	15.0
<b>Parks</b>					
Parks & Open Spaces	946.3	886.9	59.4	-	59.4
Cemeteries	(124.7)	(146.1)	21.3	-	21.3
<b>Dog Warden</b>	24.2	13.4	10.9	-	10.9
<b>Total</b>	<b>2,425.6</b>	<b>2,433.5</b>	<b>(7.9)</b>	<b>-</b>	<b>(7.9)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancies at Operations Admin Offices		0.2	0.2	
Parks Salary Variances (Including temporary gardeners)		29.6	29.6	
Street Sweeping Salaries		6.0	6.0	
Refuse Salaries and Agency		(56.2)	(56.2)	
Fleet Management Vacancy and Agency		(15.4)	(15.4)	
Markets Salary Vacancies		22.3	22.3	
Overtime Budgets		4.1	4.1	
Vehicle Maintenance (including tyres/ parts)		(16.1)	(16.1)	
Vehicle Hire		(24.7)	(24.7)	
Actions re variances - removal of Maint Reserve contribution		20.5	20.5	
Purchase of Tools and Equipment		1.3	1.3	
Mowers Investment / Maintenance		11.5	11.5	
Parks Playground Equipment		3.1	3.1	
Fuel		(20.2)	(20.2)	
Insurance Related Costs		6.6	6.6	
Trade Waste Income		3.0	3.0	
Refuse Bin Stock		(17.9)	(17.9)	
Refuse Sacks		4.0	4.0	
Sale of Green Bins		1.4	1.4	
Recycling Income		(21.6)	(21.6)	
Cemeteries income		21.3	21.3	
Markets Income & Running expenses		(7.3)	(7.3)	
Dog Warden costs		10.9	10.9	
General Park Running Costs		20.7	20.7	
Other Variances		5.3	5.3	
<b>TOTAL</b>	<b>-</b>	<b>(7.9)</b>	<b>(7.9)</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	8
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a



# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## Operations Highlight Report – Q1 (end July 2017)

### Historic Issues

- Vehicle hire costs are projected to overspend by £24.7k to the end of the financial year. As per 2016/17 the main reason for this was 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 this will take place around Feb 2018 due to bespoke design. As a result, external vehicles continue to be hired in temporary arrangements.

### Current Quarter Issues

At the end of July the forecast Operations expenditure shows an adverse variance of £7.9k. The significant variances are:-

- Overall staffing costs including agency and overtime projected to overspend by £9.6k for the financial year. Some of this overspend was due to an emergency long term sickness absence of a garage fitter with costly agency to backfill this post. To date sickness levels for Operations are 3.74 days per FTE compared to Futures Park 1.21 days.
- Vehicle Maintenance costs are forecast to overspend by £16.1k. The Operations Head of Service is in the process of obtaining replacement vehicles so in time overall maintenance costs should reduce.
- Fuel is forecasting to overspend by £20.2k; this is due to the gradual increase in fuel prices and a reduction in the fuel budget. A contingency £77k was made in the Corporate budget for future year fuel increases.
- Cemeteries income is projected to return a £21.3k favourable variance. Ashes plots income Budget has historically been under stated hence contributes to this favourable variance.
- Trade Waste is projected to bring a net favourable variance of £3k.
- Recycling income continued its adverse trend as global market prices for paper and card fell from £30/tonne in May 2015 down to £16/tonne now.
- Markets income projected to be £7.3k below the set budget for the year. The main reasons for this was the under occupancy of stalls with Rawtenstall seeing a 20% vacancy rate and Bacup being 22% empty. However, there is a saving on the Market Supervisor vacant post of £22.3k and a potential restructure in the pipeline to redistribute the workload of this post

### Futures Issues

- The Head of Operations has proposed a new establishment restructure which, pending approval, will create savings in the new financial year.
- Due to a contractor going into liquidation last year there are some uncertainty of costs around the Bulky Waste service. This is being done in-house at the moment however this may change going forward with a new tendering process.
- Agency covering sickness (c£70k adverse projection) continues to be issue.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	9
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Business Services - Period 4 (July)

Summary	2017/18 Org Budget £000	2017/18 Forecast £000	2017/18 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Corporate Apprentices</b>			-	-	-
<b>Planning</b>					
Development Control	126.4	153.8	(27.4)	-	(27.4)
Forward Planning	137.8	136.9	0.9	-	0.9
<b>Land Charges</b>	(37.8)	(37.8)	0.0	-	0.0
<b>Building Control</b>	-	-			
Building Control - Fee Earning Account	(38.0)	(69.1)	31.1	-	31.1
Building Control - Statutory Function	29.1	28.5	0.6	-	0.6
Building Control - Street Signs	7.5	6.2	1.3	-	1.3
<b>Legal Services</b>	175.7	176.4	(0.7)	-	(0.7)
<b>Democratic Services</b>	-	-			
Electoral Registration	60.0	57.2	2.8	-	2.8
Elections	65.3	69.6	(4.3)	-	(4.3)
Democratic Representation	350.7	346.3	4.4	-	4.4
Mayoralty	49.5	44.8	4.7	-	4.7
Town Twinning	2.5	2.5	-	-	-
<b>Licensing &amp; Enforcement</b>	(78.1)	10.0	(88.1)	-	(88.1)
<b>Total</b>	<b>850.7</b>	<b>925.4</b>	<b>(74.6)</b>	<b>-</b>	<b>(74.6)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Legal - Salary & Additional Agency Costs for Empty Homes Project		(3.7)	(3.7)	Yellow
Members Allowances - including one additional cabinet member		(4.5)	(4.5)	Yellow
Democratic Services salary savings		4.6	4.6	Green
Mayoralty savings		3.9	3.9	Green
Register of Electors		(1.5)	(1.5)	Yellow
Additional Staffing resource in Planning		(20.1)	(20.1)	Red
Planning Application Fee Income		(29.5)	(29.5)	Red
Brownfield Grant		14.6	14.6	Green
Planning miscellaneous variances		7.6	7.6	Green
Building Control Fee Income		33.0	33.0	Green
Licensing - Salary costs including agency for Manager		18.2	18.2	Green
Private Hire income & expenditure		(46.4)	(46.4)	Red
Hackney income & expenditure		(81.9)	(81.9)	Red
Taxi misc income		10.7	10.7	Green
Licensing misc expenditure		11.2	11.2	Green
Business Miscellaneous Variances		9.2	9.2	Green
<b>TOTAL</b>	<b>-</b>	<b>(74.6)</b>	<b>(74.6)</b>	<b>Red</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	10
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## Business Monitoring Highlight Report – Q1 (end July 2017)

### Historic Issues

- None reported

### Current Quarter Issues

The Business Services budget is forecast to over spend by £74.6k.

- Salary costs within the Business Directorate are projected to over spend by 9.3k  
This is mainly due to additional support within Planning
- One additional cabinet members has been appointed along with minor changes in 2017/18 with an adverse effect on the budget of £4.5k
- Planning Application fees are significantly down during the first quarter compared to last year. The projected income shortfall is £29.5k. This is compounded by additional unbudgeted staffing costs. On the other hand Building Control Fees are showing a marked increase and are projected to over achieve by £33k
- Licencing income and expenditure is projected to under achieve by £88k including:
  - Salaries within Licencing are showing a favourable projected variance of £18.3k
  - The Private Taxi Licencing budget and the Hackney Licencing budget are both showing net adverse variances; £46.4k and £81.9k respectively. Budgets were set on activity towards the end of 2016/17 but applications have fallen more sharply than budgeted, as a result of the 2016/17 policy changes

### Future Issues

- The Planning Earmarked Reserve will be all but exhausted by the end of 2017/18 and at present there are no plans to top this reserve back up to support the considerable costs of future forward plans. The revenue budget shown in the table opposite covers staffing costs only; the costs of studies and consultation exercises have been funded by the Planning Reserve of the application of S106 receipts.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	11
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Health, Housing & Regeneration - Period 4 (July)

Summary	2017/18 Org Budget £000	2017/18 Forecast £000	2017/18 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Strategic Functions</b>					
Regeneration Mangement & Admin	145.4	111.6	33.8		33.8
Tourism	-	-	-		-
Area Forums	15.0	15.0	-		-
<b>Economic Regeneration</b>					
Economic Regeneration	87.0	103.9	(16.9)		(16.9)
Whittaker Park Musuem	71.7	85.6	(13.8)		(13.8)
<b>Strategic Housing</b>					
Housing Strategy	54.1	67.6	(13.5)		(13.5)
Homelessness	171.9	159.8	12.1		12.1
Private Sector Renewal	36.4	29.0	7.4		7.4
<b>Environmental Health</b>					
Environmental Health	378.1	262.8	115.3		115.3
<b>Total</b>	<b>959.6</b>	<b>835.2</b>	<b>124.4</b>	<b>-</b>	<b>124.4</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Regeneration Officer Vacancies (net of agency support/ consultant)		31.6	31.6	
Economic Regeneration staff vacancies		4.4	4.4	
Housing Strategy staffing		(14.0)	(14.0)	
Private Sector Renewal salaries		(0.1)	(0.1)	
Environmental Health Staff Vacancies		83.7	83.7	
Housing Options Team - staffing		12.6	12.6	
Economic Regen expected transfer from Reserve insufficient funds		(20.0)	(20.0)	
Whittaker Park Museum Utilities Costs		(13.8)	(13.8)	
Private Sector Renewal general office		4.6	4.6	
Environmental Health administration expenses		25.5	25.5	
Other Miscellaneous Variances		9.9	9.9	
<b>TOTAL</b>	<b>-</b>	<b>124.4</b>	<b>124.4</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	12
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Business - Health, Housing & Regeneration Highlight Report – Q1 (end July 2017)

#### Historic Issues

- Nothing reported

#### Current Quarter Issues

Health, Housing and Regeneration forecast at the end of July shows an adverse variance of £124.4k, the significant variances are:

- Utilities costs, janitorial and other running costs at the Whittaker Park Museum continue to be overspent and are forecasted £13.8k above budget provision, mainly reflecting the increased opening hours at the Museum and associated café
- 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 2017/18 the balance on the Reserve was Nil, giving a £20k adverse variance for this year and future years. The budget will be corrected for future years.
- The Environmental Health team administration expenses are forecast £25.5k below budget. Including £10k drop in the use of consultants on food safety inspections.
- The staffing establishment review for Housing, Regeneration and Economic Development has now been completed and implementation of the new structure is ongoing. The overall saving projected this financial year will be £34.4k of which Regeneration will be £31.6k favourable, Economic Development £4.4k favourable, Housing Strategy £14k adverse, Housing Options Team £12.6k favourable.
- Staffing costs within the Environmental Health team are forecast to generate a saving of £83.7k in the current financial year this again forms part of the service area restructure.

#### Future Issues

- The Whittaker Museum utilities budget is being reviewed as this is projected to be overspent. Officers are working with the museum on drawing up a commercial lease with a separate funding agreement

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	13
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Corporate Management - Period 4 (July)

Summary	2017/18 Org Budget £000	2017/18 Forecast £000	2017/18 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	328.0	323.1	4.9	-	4.9
Corporate Contingency	77.0	77.0	-	-	-
Executive Support & Corporate Subscriptions	71.7	68.9	2.8	-	2.8
Concessionary Fares	4.0	-	4.0	-	4.0
Community Safety	33.0	33.0	-	-	-
<b>Total</b>	<b>513.7</b>	<b>502.0</b>	<b>11.7</b>	<b>-</b>	<b>11.7</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Staff Savings	-	91.4	91.4	Green
Agency & Professional Support	-	(79.5)	(79.5)	Red
Subscriptions	-	2.5	2.5	Green
Other Misc under / (over) spends	-	(2.7)	(2.7)	Yellow
<b>TOTAL</b>	<b>-</b>	<b>11.7</b>	<b>11.7</b>	<b>Green</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	14
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## Corporate Management Highlight Report – Q1 (end July 2017)

### Historic Issues

- None reported

### Current Quarter Issues

In this first report of 2017/18 the Corporate Management budget is forecast to under-spend by £11.7k, the main elements being:-

- There is currently a vacancy for one director which is being covered by external support up to the end of December 2017 at a cost of £56.7k. Though this role is under review, officers have taken the prudent step of forecast the cost of filling the current role from the beginning of January 2018, representing a staff saving of £68.6k. When combined with the external support this gives a net saving of £11.9k.

### Futures Issues

- Members will be aware of the Secretary of State's announcement rejecting the planned Scout Moor wind farm extension. This puts an additional £600k per annum pressure on the Council's MTFS.
- The Council has now all but completed its housing stock transfer to Calico. Some future financial risk remains but this is deemed containable.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	15
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Finance and Property Services - Period 4 (July)

Summary	2017/18 Org Budget £000	2017/18 Forecast £000	2017/18 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Financial Services Team</b>	343.3	343.0	0.3	0.0	0.3
<b>Internal Audit</b>	71.8	71.4	0.4	0.0	0.4
<b>Corporate Costs</b>	-	-			
External Audit Fee	49.8	47.8	2.0	0.0	2.0
Bank Charges (net of fees)	33.2	36.0	(2.8)	0.0	(2.8)
Treasury Management	7.4	7.4	0.0	0.0	0.0
<b>Property Services</b>					
Property Services Team	348.4	362.2	(13.8)	0.0	(13.8)
Corporate Estates	(60.3)	(66.4)	6.1	0.0	6.1
Non Domestic Estates	(107.2)	(118.1)	10.9	0.0	10.9
Office Accommodation	57.8	(60.8)	118.6	0.0	118.6
Operational Properties	369.3	366.8	2.5	0.0	2.5
Leisure Properties	50.5	45.4	5.1	0.0	5.1
Bus Shelters	4.5	9.4	(4.9)	0.0	(4.9)
Business Centre	160.8	163.8	(3.0)	0.0	(3.0)
<b>Total</b>	<b>1,329.3</b>	<b>1,207.8</b>	<b>121.5</b>	<b>-</b>	<b>121.5</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Financial Services Staffing		(3.9)	(3.9)	
Civica software - upgrades & website rebranding for RBC		(2.8)	(2.8)	
Loan arrangement fee to Rosso		5.0	5.0	
External Audit fees		2.0	2.0	
Bank Charges - EU ruling on change to debit card collection		(2.8)	(2.8)	
Finance Misc Expenses		2.4	2.4	
Gas		8.6	8.6	
Water		2.6	2.6	
NNDR - Old Town Hall refund back dated		111.0	111.0	
Departure Charges - delay in Demolition of bus station		(2.8)	(2.8)	
Estates Income		3.9	3.9	
Emergency Planning		6.3	6.3	
Business Centre - room rental		(6.0)	(6.0)	
Property Misc Expenses		(2.0)	(2.0)	
<b>TOTAL</b>	<b>-</b>	<b>121.5</b>	<b>121.5</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	16
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a



# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## Finance & Property Services - Monitoring Highlight Report – Q1 (July 2017)

### Financial Services

#### Historic Issues

- None reported.

#### Current Quarter Issues

The Financial Services budget is forecast to meet the original budget, though there are a small number of notable variances:-

- Staffing costs of the Finance team look set to cost £3.9k more than the original budget with the phased retirement of the Exchequer manager which ends December 2017.
- The cash flow loan arrangement with Rosso will attract a fee income of £5k for the section, in addition to the interest shown in the NDC monitoring shown on page 20.

#### Futures Issues

- None

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### Property Services

#### Historic Issues

- None reported.

#### Current Months Issues

The Property Services budget is forecast to under spend by £121.4k

- The council has received a Business Rates refund of £127.8k for the old Town Hall & OSS. However, due to various increases in Business Rates for 2017/18 across the Council's portfolio, the net favourable variance is £111k.
- The gas budget is showing an under spend of £8.6k. A new 3 year contract has been entered into with a 17.4% reduction in the Councils energy costs.
- It is unlikely that all of the Emergency Planning budget will be spent; the current projected favourable variance is likely to be £6.3k.

#### Futures Issues

- The new Property Services Manager has been appointed and one of his roles is to seek further income streams across the estates.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	17
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### People and Policy - Period 4 (July)

Summary	2017/18 Org Budget £000	2017/18 Forecast £000	2017/18 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>People &amp; Organisational Development</b>					
Human Resources	287.0	298.0	(11.0)	-	(11.0)
Corporate Support	203.0	212.0	(9.0)	-	(9.0)
<b>Total</b>	<b>490.0</b>	<b>510.0</b>	<b>(20.0)</b>	<b>-</b>	<b>(20.0)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
HR & Comms Staffing (net of shared services from other LAs)	-	(20.3)	(20.3)	
Health & Safety Support	-	18.1	18.1	
Corporate Support Staffing (incl current request for an Apprentice)	-	(8.0)	(8.0)	
Professional HR & Legal Fees	-	(20.1)	(20.1)	
Lone working alarms	-	(2.3)	(2.3)	
Drug & Alcohol Policy testing equipment & supplies	-	(0.8)	(0.8)	
Children's Trust Grant income	-	15.0	15.0	
Miscellaneous variances	-	(1.6)	(1.6)	
<b>TOTAL</b>	<b>-</b>	<b>(20.0)</b>	<b>(20.0)</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	18
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### People & Policy Highlight Report – Q1 (end July 2017)

#### Historic Issues

- None reported

#### Current Quarter Issues

The People & Policy budget is forecasting an overspend of £20k at this first report in 2017/18. Some of the main movements are as follows:-

- The provision of Health & Safety advice & support was brought back in-house in May and so the £18.1k saving on external contractors has been replaced by an additional £17k in staffing costs. The ongoing vacancy of the Media & Engagement Officer has been replaced by external support from Blackburn with Darwen. The net position for the HR team in staffing is therefore £1.8k favourable.
- Corporate Support is now a separate section and staffing here has increased by £8k for the year now that the former apprenticeship posts have converted to full pay, but these posts are only until the end of August. This forecast includes some savings from flexible retirement requests supported by a new apprenticeship post from Sept 2017.
- Professional HR advice and settlement costs pertaining to an exceptional employment issue has cost an additional £20.1k to date.
- The grant for administering the Children's Trust activities has been approved again for 2017/18, bringing in £15k which was not anticipated at the time when the original budget was being set.

#### 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>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

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

**Period 3 (June)**

Summary	2017/18 Org Budget £000	2017/18 Forecast £000	2017/18 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	1,071.8	1,122.6	(50.8)	-	(50.8)
Other Non-distributed Costs	12.6	(23.5)	36.1	-	36.1
<b>Capital Financing</b>					
Minimum Revenue Provision	333.4	297.0	36.4	-	36.4
Interest (net)	69.8	70.2	(0.5)	-	(0.5)
Use of Earmarked Reserves	-	-	-	-	-
<b>Leisure</b>	157.6	137.1	20.5	-	20.5
<b>Total</b>	<b>1,645.1</b>	<b>1,603.4</b>	<b>41.7</b>	<b>-</b>	<b>41.7</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancy control savings target	-	(150.0)	(150.0)	R
Added Years Pension	-	(0.6)	(0.6)	A
Savings on pensions arising from payment in advance	-	99.8	99.8	G
Interest expenditure	-	6.1	6.1	G
Interest income from other temporary loans	-	5.4	5.4	G
Interest income from bank accounts and other loans	-	(12.1)	(12.1)	R
Environmental Insurance policy on former HRA properties	-	2.7	2.7	G
Additional doubtful debt provision	-	(20.0)	(20.0)	R
Management charge to Rossendale Transport for 2015/16	-	53.5	53.5	G
MRP review of asset lives on general land & building assets	-	36.4	36.4	G
MRP review of asset lives on Marl Pits extension	-	18.1	18.1	G
Other minor variances	-	2.4	2.4	G
<b>TOTAL</b>	<b>-</b>	<b>41.7</b>	<b>41.7</b>	G

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	20
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Non-Distributed Costs & Capital Financing Highlight Report – Q1 (end July 2017)

#### Historic Issues

- None reported

#### Current Quarter Issues

The net variance on Non-distributed costs in this first report of 2017/18 is a favourable £41.7k. The main variances are as follows:-

- At present there have been no transfers of staff savings into NDC to meet the £150k vacancy control saving required in the original budget. Officers will work with managers ahead of the Q2 monitoring report to predict just how much of the current staff savings shown elsewhere in the departmental reports can realistically be captured to meet this requirement. However, the summary on page 4 shows current progress bodes well with departments having identified a potential £114.4k to date.
- Paying all the next 3 years of pension costs up-front to LCC will save £99.8k in 2017/18.
- Interest from bank deposits is expected to result in an adverse £12.1k variance, partly because the pensions payment above took £4.7m out of the Council's resources in April. However, this is matched by favourable variances in other areas - interest expenditure is expected to be £6.1k lower than the budget, the cash flow loan to Rossendale Transport Ltd looks set to bring in an additional £5.4k interest and, as planned, there will be a £41k return on the 2016/17 RLT equipment investment.
- Officers recommend a further contribution to the Doubtful Debt Provision of £20k
- Rossendale Transport Ltd have been charged a management fee of £53.5k for support from the Council during 2016/17 which was not anticipated in the original budget.
- Officers have revised the operational lives of some of the assets upon which Minimum Revenue Provision is being charged which has effectively reduced the annual MRP revenue repayments relating to general buildings by £36.4k and the Marl Pits dry sports investment by £18.1k.

#### Future Issues

- Nothing to report

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	21
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Earmarked Reserves

<b>Earmarked Reserves (cash-backed items only)</b>	<b>Employment &amp; Transport Reserve</b>	<b>Director Invest Reserve</b>	<b>Local Business Rates Retention</b>	<b>Transitional Budgetary Support</b>	<b>Planning Reserve</b>	<b>Vehicle Reserve</b>
	AN060103	AN060123	AN060144	AN060129	AN060109 / AN060145	AN060130
<b>Balance at 01/04/2017</b>	<b>1,222.5</b>	<b>(13.7)</b>	<b>847.0</b>	<b>2,459.0</b>	<b>187.6</b>	<b>230.5</b>
<b>Funds Received 2017/18</b>						
2016/17 Collection Fund surplus			38.0			
2017/18 grants anticipated			678.0			
Revenue income received						
Revenue income anticipated			153.0			5.0
General Fund Surplus Contribution		20.0		213.7		
<b>Total Funds Available</b>	<b>1,222.5</b>	<b>6.3</b>	<b>1,716.0</b>	<b>2,672.7</b>	<b>187.6</b>	<b>235.5</b>
<b>2017-18 Published Budget Utilisation</b>						
General budget support				(199.0)		
<b>2016-17 Other Utilisation Plans</b>						
Transfers between Reserves				165.5		
Active East		(6.3)				
Bacup THI Support						
Civica receipting software upgrade						
Counter Fraud & RV Analysis						
Childrens Trust - Summer Fun						
2017/18 NNDR Deficit & Autumn Statement Creditor						
2016/17 DGLC levy 50%			(700.0)			
Support Corporate Plan (FP)					(164.5)	
HCA Empty Homes Scheme						
HAPPI grant & loan cover						
Individual Electoral Representation						
Rawtenstall Bus Station						
Cost Share Shortfall						
Land Drainage						
Legionella Risk Assessment						
CCTV future R&M						
To fund Economic Regen Officers						
Haslingden Task Force						
Operational Vehicle Maintenance						
<b>Reserve Estimates 31/3/2017</b>	<b>1,222.5</b>	<b>0.0</b>	<b>1,016.0</b>	<b>2,639.2</b>	<b>23.1</b>	<b>235.5</b>
<b>Future Contributions/Utilisation Plans</b>						
2017/18 Plans						
2018/19 Plans			(800.0)	(932.0)		(25.5)
2019/20 Plans				(1,369.0)		(51.0)
2020/21 Plans				(359.2)		25.5
<b>Potential Reserve Balances</b>	<b>1,222.5</b>	<b>0.0</b>	<b>216.0</b>	<b>(21.0)</b>	<b>23.1</b>	<b>184.5</b>

Usage as per MTFS July 2017

### Current issues

Funding for the original revenue budget of £8.1m included the use of £199k from the Transitional Budget Reserve as reflected in the above table.

Officers recommend that the first £20k of any General Fund surplus is transferred into the Directorate Investment Reserve to meet the ongoing Active East commitments.

The Local Business Rates Retention Reserve will receive £38k for Council Tax surplus in 2016/17, as per the Technical Resolution approved by Members back in February, but officers also recommend that the £153k renewable energy business rates wholly attributable to the Council are transferred into this reserve. In addition, the S31 small business rates grants due to be received in 2017/18 are currently forecast at £678k. See the notes on page 32.

Notes on page 11 draw attention to the Planning Reserve, which will be almost exhausted by the end of 2017/18 with no plans at present to top it back up.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	22
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Leisure Reserve	Empty Homes Reserve	Bacup THI	Pension Fund Reserve	Operational Reserves	Total
	AN060118/9	AN060148	AN060142	AN060117	AN060121	
	64.2	178.5	229.0	165.5	659.2	6,229.3
<b>Funds Received 2015/16</b>						
2016/17 grants received					0.0	38.0
2016/17 grants anticipated					0.0	678.0
Revenue income received					46.9	46.9
Revenue income anticipated					0.0	158.0
General Fund Surplus Contribution						233.7
<b>Total Funds Available</b>	64.2	178.5	229.0	165.5	706.1	7,383.9
<b>2016-17 Published Budget Utilisation</b>						
General budget support						(199.0)
<b>2016-17 Other Utilisation Plans</b>						
Transfers between Reserves				(165.5)	0.0	0.0
Active East					0.0	(6.3)
Bacup THI Support			(229.0)		0.0	(229.0)
Civica receipting software upgrade					(12.0)	(12.0)
Counter Fraud & RV Analysis					(3.0)	(3.0)
Childrens Trust - Summer Fun					0.0	0.0
2016/17 NNDR Deficit & Autumn Statement Creditor					0.0	0.0
2015/16 DGLC levy 50%					0.0	(700.0)
Support Forward Plan					0.0	(164.5)
HCA Empty Homes Scheme					0.0	0.0
HAPPI grant & loan cover					0.0	0.0
Individual Electoral Representation					0.0	0.0
Rawtenstall Bus Station					0.0	0.0
Cost Share Shortfall					0.0	0.0
Land Drainage					0.0	0.0
Legionella Risk Assessment					0.0	0.0
CCTV future R&M					0.0	0.0
To fund Economic Regen Officers					0.0	0.0
Haslingden Task Force					(7.5)	(7.5)
Operational Vehicle Maintenance					0.0	0.0
<b>Reserve Estimates 31/3/2016</b>	64.2	178.5	0.0	0.0	683.6	6,062.6
<b>Future Contributions/Utilisation Plans</b>						
2017/18 Plans		(178.5)			(70.7)	(249.2)
2018/19 Plans					0.0	(1,757.5)
2019/20 Plans					0.0	(1,420.0)
2020/21 Plans					0.0	(333.7)
	64.2	0.0	0.0	0.0	612.9	2,302.2

The Bacup THI Reserve is being used to support £33k of revenue costs and £196k of capital costs, as noted in the capital programme on pages 28 & 29. This will bring the reserve balance to £nil.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	23
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Transform' Lives Grant	Hoarding Grant	Total
<b>Balance at 01/04/2016</b>	<b>391.9</b>	<b>82.1</b>	<b>73.6</b>	<b>17.9</b>	<b>565.5</b>
<b>New Funds Received 2017/18</b>					
Grant due/received	869.4				869.4
<b>Total Funds Available</b>	<b>1,261.3</b>	<b>82.1</b>	<b>73.6</b>	<b>17.9</b>	<b>1,434.9</b>
<b>Utilisation in 2017/18</b>					<b>0.0</b>
DFGs planned in Capital Programme	(500.0)				(500.0)
DFGs additional grants available	(369.4)				(369.4)
DFGs slippage from 2016/17	(391.9)				(391.9)
Transforming Lives/Hoarding Projects			(73.6)	(17.9)	(91.5)
<b>Anticipated Balance 31/03/2016</b>	<b>0.0</b>	<b>82.1</b>	<b>0.0</b>	<b>0.0</b>	<b>82.1</b>
<b>Future Utilisation Plans</b>					0.0
2018/19 plans		0.0			0.0
2019/20 plans		0.0			0.0
<b>Potential Reserve Balances</b>	<b>0.0</b>	<b>82.1</b>	<b>0.0</b>	<b>0.0</b>	<b>82.1</b>

The level of Better Care Funding for DFGs in 2017/18 has risen once again, from £791k in 2016/17 to over £869k in 2017/18. Add to this is the slippage of £391.9k from the 2016/17 programme and the revised total available for DFGs in 2017/18 becomes £1,261.3k. Officers are working hard to ensure that as much of that grant gets processed in the year and the overall scheme is now being monitored by the Council's Programme Board.

### Staff Costs, including agency

Employment Costs 2017/18 to end July	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 2017/18	FTE Changes during 2017/18	Current Vacant Posts	Contrib vacancy target £000
<b>Place Directorate</b>									
Customer Services	117	102	15	-	15	8.8	0.5	0.5	0.0
Operations Service	718	730	(12)	-	(12)	75.1	0.0	3	0.0
<b>Business Directorate</b>									
Building Control Services	28	28	1	-	1	2.0	0.0	0	0.0
Legal & Democratic Services	125	132	(7)	-	(7)	11.6	0.0	1	0.0
Planning Services	149	156	(7)	-	(7)	11.3	0.0	0	0.0
Local Land Charges			-	-	-	1.0	0.0	0	0.0
Public Protection	92	103	(11)	-	(11)	10.0	0.0	0	0.0
Health, Housing & Regen	251	223	28	-	28	17.9	0.0	5.1	0.0
<b>Corporate Services</b>									
Corporate Management	114	85	29	-	29	4.0	0.0	1	0.0
Finance & Property Services	148	149	(1)	-	(1)	11.2	0.0	0	0.0
People & Org. Performance	133	139	(6)	-	(6)	13.0	0.0	1	0.0
<b>Total</b>	<b>1,874</b>	<b>1,846</b>	<b>29</b>	<b>-</b>	<b>29</b>	<b>166.1</b>	<b>0.5</b>	<b>11.6</b>	<b>0.0</b>
								<b>Target Staff Savings</b>	<b>150.0</b>
								<b>In NDC - still to find</b>	<b>150.0</b>

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

The table above shows the additional 0.5 FTE pertaining to the restructure of Service Assurance Team. There are currently 11.6 vacant posts. As noted on page 4 these forecasts currently estimate that £114k may be saved across the departments towards the £150k target in the original budget. Of this £29k has been achieved in cash terms by the end of July 2017. Officers and Managers will review these forecasts and begin to allocate the savings during Q2.

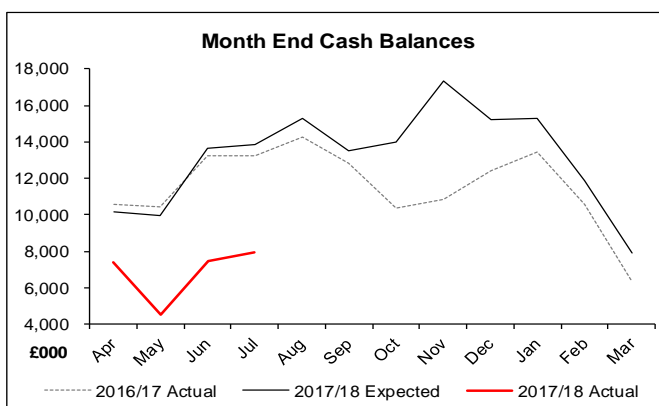
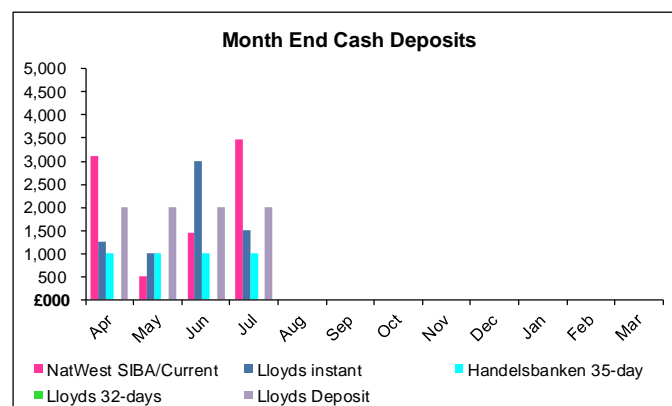
<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	24
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a



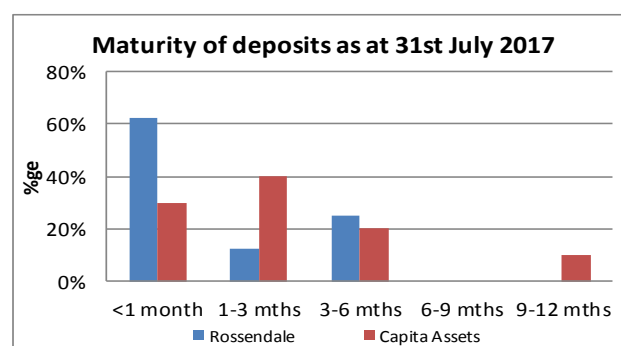
## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Treasury Management & Cash Flow Monitoring

At the end of July the bank balances were back to £7,960k from an opening balance of £6,330k in April. Q1 was a busy period for treasury management, with the payment of £4.7m to LCC for the 3-years pension costs and the subsequent collection of £869k of DFG Grant and £3,430k from LCC for the Spinning Point Phase 1 development.



Effective Interest Rates at 31/07/2017	Current Balance £k	Effective Interest Rate %
NatWest SIBA	3,460	0.10
Handelsbanken 35-day	1,000	0.15
Lloyds instant access	1,500	0.20
Lloyds 32-day notice	-	0.32
Lloyds Deposit 12mths	2,000	1.00
<b>Total Bal &amp; Avg interest</b>	<b>7,960</b>	<b>0.35</b>



During Q1 the average interest being earned has dropped 0.7% to 0.35% in comparison with a drop of 0.5% in the Capita model portfolio over the same time to 0.58%. (Members should note that the Capita model portfolio return is driven by 80% investments in foreign banks which the Council's Treasury Management Strategy avoids to maintain a low risk appetite following the Icelandic bank issues). The Council's average position is being supported by the £2m locked in with Lloyds for 364 days earning 1% until the middle of December. If officers replaced that deposit today it would only earn 0.65% interest.

Members may recall that the Council accepted the offer to pay all pension costs for the next three years up front in April 2017, representing a total saving of £307k. This is the equivalent of a 2% interest rate per annum, but this benefit will be represented by reduced employment costs rather than earning interest. For 2017/18 this equates to a saving of £99.8k (page 20).

Officers have been examining the cash flow requirements for the remainder of this financial year and taken the option to put more funds in the Handelsbanken 32-day notice account to increase the interest rate to 0.2% and also to place £2m on a fixed term deposit with Lloyds for 6 months to earn 0.36%. These changes have been factored into the calculations below.

### Interest Earned

There is net adverse variance of £6.7k being forecast on interest income (see page 20).

Interest Forecast	Budget 2017/18	Forecast 2017/18	Variance Fav/(Adv)	Change Fav/(Adv)
<b>Revenue</b>				
Interest payable (PWLb)	(162.4)	(162.4)	0.0	0.0
Misc Interest income	32.8	38.2	5.4	5.4
Bank Interest income	49.5	37.4	(12.1)	(12.1)
<b>Net Interest</b>	<b>(80.1)</b>	<b>(86.8)</b>	<b>(6.7)</b>	<b>(6.7)</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	25
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Economic Outlook (issued 18th July)



Source:

The Consumer Prices Index (CPI) stood at 2.6% in the year to June 2017, down from a high of 2.7% in May 2017. In February 2017 the CPI rate passed the 2% rate for the first time since 2013. Since May reducing prices for motor fuels and certain recreational and cultural goods and services were the main contributors to the fall in the rate. These downward contributions were partially offset by rising prices for furniture and furnishings.

For the Council the September inflation rate is an indicator of increases which can be expected in the coming financial year in the level of benefits and pensions. It no longer plays a part in the main Capita contract costs since the contract extension fixed the inflation payable up to September 2019 at the 2016 levels. Inflation on fuel charges year on year are above those experienced back in 2016/17, so despite the June reduction noted above, the annual costs of running the Council's operational fleet have risen, as reflected in pages 8 & 9.

### Interest rate forward predictions

The Council's treasury management advisors, Capita, remain of the opinion that the bank base rate will not increase until summer 2019. However, they do see some increase ahead in the PWLB borrowing rates (*source: Capita Asset Services*).

at 31st July 2017	Current Rates	Sept 2017	Dec 2017	Mar 2018	Jun 2018	Sept 2018	Dec 2018	Mar 2019	Jun 2019
<b>Base Rate est</b>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%
<b>25yr PWLB est</b>	2.40%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%

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

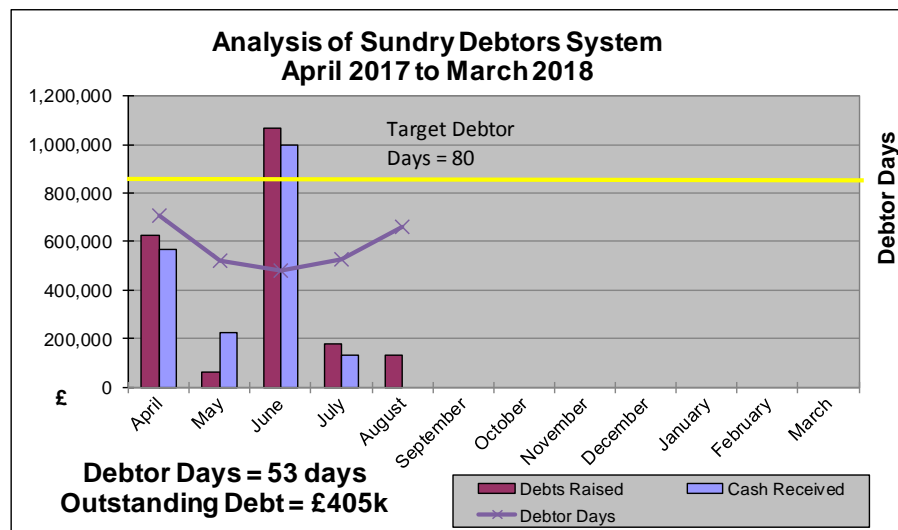
All the Council's investments continue to follow the policies laid down in the Treasury Management Strategy (TMS) document (Full Council, Feb 2016), only using UK high street banks and limiting investments to short-term (ie. 364 days maximum).

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. The Council's NatWest SIBA account went above £6m for 3 days in April as officers prepared to transfer the pension funds to LCC, and for one day in May before £4m was transferred to the Lloyds instant access account. At these two points in time the total resources were £11.3m and £9.6m respectively.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	26
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## Sundry Debts Monitoring



Collection rates for 2016/17 debt has now passed 99.98%.

Invoices raised in 2017/18 total £1,936k of which 87.7% has been collected, including £869k of DFG grant in June.

In addition, £125k of the balance on April invoices relates to trade waste and industrial units which are collected in instalments through the year.

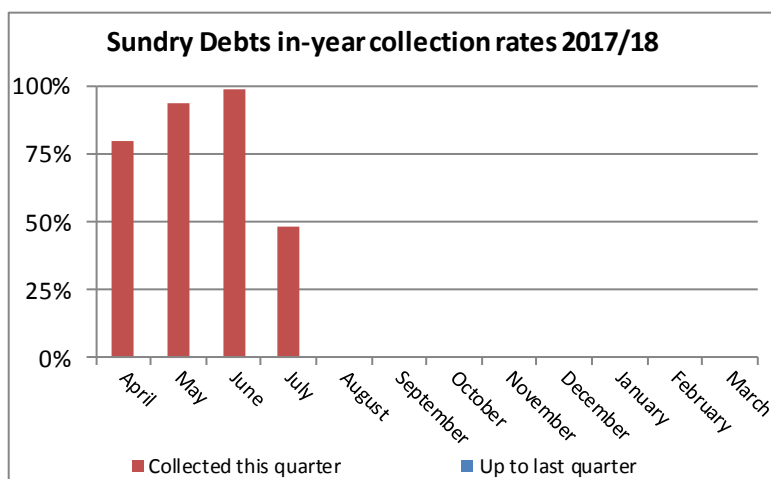
This leaves a cumulative debt balance of £405.2k.

### Housing Rent Debts

Housing rent debts brought forward totalled £354k. Properties with current tenants have all been transferred over Calico, and the value of arrears pertaining to these tenants at the date of transfer was £125k. That means that £229k of the opening debt relates to former housing tenants.

### Collection rates & Doubtful debts

Despite the instalment position of many April invoices, the Debtor Days collection performance for sundry debts has maintained the 53 day level since March.



As reported to members previously, the East Lincs into Employment organisation owed the Council £18.3k when it went into liquidation, which has now been written off. The consideration of other doubtful debts rises from 10% at creation to 100% for any debts over 1 year old, though this now excludes default works which are recorded on the Local Land Charges register and will come in eventually. The doubtful element of sundry debts is now £99.1k.

Debts Outstanding	Mar 2016	31 Mar 2017		31 Jul 2017		Doubtful Debts	
	£k	£k	£k	£k	£k	rate	value
Earlier Debt	67.7		56.9		37.7	100%	26.3
2014/15 Debt	64.2		38.5		38.5	100%	22.1
2015/16 Debt	336.9		12.8		12.1	100%	7.9
<b>2016/17 Debt</b>							
Q1			15.3		12.9	100%	12.9
Q2			8.2		7.5	75%	5.6
Q3			5.7		4.0	50%	2.0
Q4			388.8		19.4	10%	1.9
<b>2017/18 Debt</b>							
Q1 Apr				125.2		10%	12.5
Q1 May				4.0		10%	0.4
Q1 Jun				14.3	143.5	10%	1.4
Q2 Jul				93.3		10%	2.5
Q2 Aug				36.3		10%	3.6
Q2 Sept					129.6	10%	0.0
<b>Total Debt o/s</b>	<b>468.8</b>		<b>526.2</b>		<b>405.2</b>		<b>99.1</b>

The doubtful debt provision brought forward was £97.3k and £18.5k of this has been used to write off debts in Q1. Officers therefore recommend a further provision of £20k which has been included at page 20.

For housing rent debts the doubtful debt provision is calculated at 75% of current tenant debt over 4 weeks old and 90% of former tenant debt, which led officers to set aside a provision of £288.5k in 2016/17. This position has changed very little since the end of March.

Responsible Section/Team	Financial Services	Page	27
Responsible Author	Finance Manager	Produced	10/08/2017
Dates covered in this review	end July 2017	Next review	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Capital Resources

**Table 1 - 2016/17 receipts**

Major Receipts:	Original Expect'ns £000	Actual to Date £000	Total Forecast £000	Surplus/ (Deficit) £000
<b>Capital Receipts</b>				
Land & Property Sales	50	3	50	-
Osolete refuse vehicles	-	4	4	4
Cost of sales		-	-	-
Net receipts to table 2	50	6	54	4

### Current issues

The income from asset sales in table 1 above includes £3k from the sale of 2 vehicles at auction. Officers are still confident that the total receipts for the year will meet the original expectations.

### Financing the Capital Programme

The opening balance of Useable Capital Receipts was £1,762k, though £635k of this was required to finance continuing projects, as shown in the slippage table opposite.

The original capital programme was £885k, to which £8,873k of slippage has been added from projects approved in 2016/17. This included £1,601k for the Bacup THI project and £5,241k for the Spinning Point Phase 1 building works.

The changes to the projects and funding so far during 2017/18 include the receipt of £3,420k from LCC in respect of the Spinning Point project. The Better Care Funding Grant for DFGs has increased from the original budget level of £500k to £869k. When this is added to the £391k brought forward from 2016/17 it gives a total available to spend in 2017/18 of £1,260k.

Completely new projects in 2017/18 so far total £627k and these are shown in the table opposite. These include £52k for investment in CCTV and a total of £200k for parks and play area improvements.

As shown in detail on the following page, the actual capital programme now stands at £10,385k. The amount being funded through internal borrowing is £1,417k including the £855 required as the Council contribution towards Spinning Point Phase 1.

This leaves £8,968k coming from the capital resources above, leaving an expected balance of capital resources of £1,022k at the end of this year.

### Future issues

Members have already been made aware of the increase in the funding available for DFGs and officers are now managing the overall scheme as a major project, with the intention of monitoring progress throughout the year more closely. At the end of July 22% of the funds available have either been completed and paid for, or commissioned and under way.

**Table 2 - Useable Capital Receipts**

Useable Capital Resources	£ 000
Balance at April 2017	1,762
Capital Grants in 2017/18	7,601
Capital Receipts in 2017/18	54
	<b>9,417</b>
Revenue Contributions	
from Earmarked Reserves	264
from S106 agreements	181
from Revenue Operations	128
<b>Total Capital Resources 2016/17</b>	<b>9,990</b>
Capital Prog funding requirement	(8,968)
<b>Useable Capital Receipts Mar 2017</b>	<b>1,022</b>
Reserved for housing	(367)
Unreserved Cap Receipts	655

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	28
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Capital Programme Spending

SERVICE AREA	2017/18 Original Capital Programme	2017/18 Revised Capital Programme	2017/18 Forecast Out turn Programme	2017/18 Funding Arrangements				
	Total £000	Total £000	Forecast £000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Effect
<b>Place Directorate</b>								
Operations	130	869	869	145	325	136	240	48
IT Software & Equipment	0	6	6	0	0	0	6	1
Regeneration	0	7,313	7,313	6,144	0	314	855	29
<b>Corporate Support Services</b>								
Finance & Property Services	135	432	432	0	332	100	0	0
Other Projects	0	69	69	52	0	17	0	0
<b>Housing</b>	620	1,696	1,696	1,260	120	0	316	63
	<b>885</b>	<b>10,385</b>	<b>10,385</b>	<b>7,601</b>	<b>777</b>	<b>567</b>	<b>1,417</b>	<b>141</b>

### Capital Programme

The original capital programme approved in February was £885k and slippage brought forward totalled £8,873k as detailed in the table opposite.

The additional projects approved so far are shown in the table below. This brings the total revised capital programme to £10,385k, including £1,601k for the ongoing Bacup THI project and £5,241k for the Spinning Point building of Phase 1.

Slippage items cfwd at end of 2016/17	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Parks Vehicles	140				140
Sports Playing Fields	207		207		
Playgrounds (community projects)	76	61	15		
Pathways	20		20		
Cemeteries	96		96		
Crook Hill Wind Farm	50			50	
Bacup THI	1,601	1,372		229	
Whitworth land remediation	21	21			
Ski Slope Investment	400	400			
Spinning Point	5,241	4,341			900
Emergency Works	87		87		
Building Maint (uncommitted)	179		179		
Building Maint (committed projects)	31		31		
Signage (funded from PRG Reserve)	17			17	
DFGs	391	391			
Empty Homes Renovations	316				316
	<b>8,873</b>	<b>6,586</b>	<b>635</b>	<b>296</b>	<b>1,356</b>

Capital Programme 2017/18	£000	Funded by
Original Capital Programme	885	
Slippage from 2016/17 projects	8,873	see list
<b>New capital projects in 2017/18</b>		
DFG - extra Better Care Grant	369	Grant
Stubbylee Duck Pond/Dell	39	Grants
Stubbylee Pump Track	30	Grants
Loveclough Park	55	Grants
Healey Dell Woodland Path	23	S106s (pg 30)
Healey Dell Pump Track	53	S106s (pg 30)
CCTV investment	52	Grant
IDOX software	6	Internal borrowing
<b>Revised Capital Programme</b>	<b>10,385</b>	

### Q1 Activity

- DFGs have paid or committed 22% of the revised programme.
- Bacup THI has paid or committed a further 27% of the brought forward balance.
- Stubbylee duck pond and pump track and the Healey Dell pump track and woodlath path are all projects which are well under way on site, if not almost complete.

- Loveclough park play improvements have been tendered and the contract let, with start on site due shortly.
- The Spinning Point project is in the demolition phase, as planned, and is attracting some very good publicity for the Council with the recent planning award for the project.

Responsible Section/Team	Financial Services	Page	29
Responsible Author	Finance Manager	Produced	10/08/2017
Dates covered in this review	end July 2017	Next review	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2017/18	Revised MRP Required 2017/18	Potential (Additions) / Savings 2017/18
Refuse Collection	310	281	29
Street Sweeping	44	25	19
Parks	54	20	34
IT	30	46	-16
Facilities/Property	19	19	0
Leisure Investment	158	178	-20
Corporate Services	9	9	0
Housing	200	200	0
Non-distributed Costs	133	97	36
	957	875	82

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

The Capital Programme includes the replacement of £240k of Operational equipment/vehicles which has been factored into the required MRP opposite.

Though the Leisure investment MRP costs have gone up £20k, the Leisure Trust will be paying to the Council £60k per annum to cover

the additional MRP on the HSC equipment buy-out. This is contributing to the net favourable position shown on page 20.

### Section 106 Receipts Monitoring

Section 106 Agreements 2017/18	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2017	492.3	167.6	318.9	978.8
Deposits received in 2017/18	10.45			10.5
Deposits applied in 2017/18	(44.7)	(10.0)	(90.3)	(144.9)
<b>Current Balance</b>	<b>458.1</b>	<b>157.6</b>	<b>228.7</b>	<b>844.4</b>

Members may note that £72.4k of new deposits have been received in Q3, £48.6k of which are for Rossendale capital projects. Almost £105k has been applied to Rossendale projects up to the end of Q3, 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>					
2002/407	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	1,790
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	134,846
		Others			4,145
				<b>Revenue</b>	<b>157,622</b>
<b>RBC Capital:-</b>					
2010/433	Whitworth	Eastgate	Affordable housing	Exp Jul 2017	0
2010/433	Whitworth	Eastgate	Open Space	Exp Jul 2017	0
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces	Exp July 2020	110,769
2010/0667	Whitworth	Cowm Park Way/ Hall St	Youth & Community		32,549
2011/0046	Helmshore	Holmeffield House	Open Space	Exp Aug 2017	0
2011/0046	Helmshore	Holmeffield House	Affordable housing		25,800
2013/0041	Cloughfold	Land at 449 - 457 Bacup Rd	Play Space/Open Space and/or pedestrian/cycle way		23,220
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	19,828
				<b>Capital</b>	<b>228,558</b>

Responsible Section/Team	Financial Services	Page	30
Responsible Author	Finance Manager	Produced	10/08/2017
Dates covered in this review	end July 2017	Next review	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

### Council Tax & NNDR Collection Rates

Cumulative Collection	Council Tax				Business rate			
	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18
April	10.16	10.91	10.60	10.39	10.97	11.87	11.25	10.34
May	20.16	19.98	19.73	19.53	21.66	20.80	19.20	19.14
June	29.02	29.22	30.12	28.81	31.50	29.31	28.26	27.51
July	38.43	38.49	37.97	37.91	38.83	43.25	35.55	36.85
August	47.63	47.54	47.21		51.60	54.82	43.60	
September	57.00	56.80	56.35		61.01	62.70	58.92	
October	66.30	66.18	65.58		68.55	70.27	67.00	
November	75.52	75.45	74.73		75.72	79.88	74.40	
December	84.81	84.52	83.85		82.61	87.02	82.08	
January	91.15	93.73	93.01		90.30	93.17	90.20	
February	95.69	95.41	94.84		94.46	96.85	94.06	
March	96.90	96.80	96.20		97.60	97.40	97.20	

### Council Tax Collection Fund

Despite the lower monthly collection rates shown above, Council Tax is currently projecting a favourable variance of £469k of which RBC's share would be £72k.

In line with the reduced collection rates above, the level of summons & court costs shown in the revenue account continue to be above the original budget levels - see page 6/7.

Council Tax Collection Fund Forecast 2017/18		£'000
Council Tax Collectable after Discounts & Exemptions		35,311
less Bad Debt Provision		(350)
		34,961
less Precepts		
Lancashire County Council		(24,607)
Police		(3,309)
Fire		(1,320)
Rossendale Borough Council		(5,257)
		(34,493)
Surplus		469
<b>RBC Share</b>		<b>72</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 surplus of £475k of which RBC share is £190k. The main areas of volatility in this forecast are the required appeals provision, currently set at £700k and the required doubtful debt provision of £279k. At the end of July the net rateable value adjustment decisions by the Valuation Office are showing a net adverse of £184k in the opening billing of £16,810k, which is just over a 1% reduction.

Business Rates collection performance continues to be under scrutiny. The monthly 2016/17 performance showed a shift from 10 to 12 annual payments which is currently being similarly reflected in the 2017/18 pattern of receipts.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	31
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

<b>Business Rates Collection Fund 2017/18</b>	<b>£'000</b>
Business Rates Income	12,086 excluding grants to G.Fund
Bfwd April 2017	39
less Precepts paid	<u>(11,650)</u>
Cash surplus/(deficit) on Business Rates Coll	<b>475</b>
<b>RBC Share @ 40%</b>	<b>190 payable in 2017/18</b>
Central Government share 50%	237
LCC and Fire share 10%	47

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 £4,834k, but this is reduced to a baseline figure by a central government tariff so that no individual authority gains an undue benefit from the new scheme - for RBC the 17/18 baseline has risen to £2,035k, giving a reduction in the tariff to £2,616k.

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 which at the moment is being held at £700k on top of the net banding reductions settled up to July of £184k.

<b>RBC General Fund / Pooling gains</b>	<b>£'000</b>
Business Rates Income	<u>12,086</u>
RBC Share @ 40%	4,834
less tariff paid to Central Government	(2,616)
plus Enhanced Small Business Relief	599 Due in respect of 2017/18
plus other Section 31 Grants	<u>79</u> Due in respect of 2016/17
Subtotal	2,896
RBC Baseline Funding Level	<u>2,035</u>
<b>Surplus for Levy Calculations</b>	<b>861</b>
<i>Saving on levy to Central Gov't @ 50%</i>	431

To summarise, the current forecast variances relating to the 2017/18 financial year for business rates are marginally ahead of our £800k target as follows:

<b>Business Rates Summary</b>	<b>£'000</b>	<b>(Adv)/Fav Variance</b>
Collection Fund surplus/(deficit) 2017/18	190	Re payable in 2018/19
Precept surplus/(deficit)	(7)	Re receivable in 2017/18
Section 31 Grants & Localism Relief	599	Re receivable in 2017/18
less LCC pooling share	(43)	
Renewable Energy	<u>153</u>	
<b>Overall Gain</b>	<b>892</b>	
<i>MTFS Target</i>	<u>800</u>	

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>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a



# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## 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>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

# Monthly Financial Monitoring Report 2017/18 – as at end July 2017

## 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>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

## Monthly Financial Monitoring Report 2017/18 – as at end July 2017

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	35
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	10/08/2017
<b>Dates covered in this review</b>	end July 2017	<b>Next review</b>	n/a

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Other formats available on request.

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