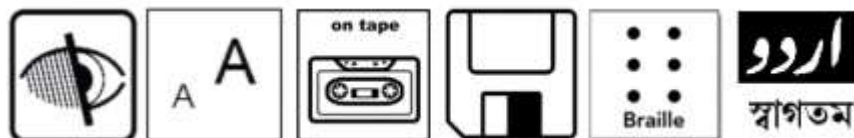


Financial Monitoring Report

2017/18 as at end December 2017

Including a Glossary of terms on page 32



Monthly Financial Monitoring Report 2017/18 – as at end December 2017

General Fund Revenue Operations – pages 4 to 21

This Q3 monitoring report on the General Fund for 2017/18 is showing a favourable variance of £143.7k compared to the original budget of £9,440k. This represents a net adverse change of £55.3k since the end of September report, including an adverse movement of £80k to create the provision for CCTV in around 400 hackney carriages operating in the borough. For more details on the movements in Q3 please see pages 4 and 5.

Earmarked Revenue Reserves – page 22 to 23

The total cash-backed Earmarked Reserves brought forward at 1st April 2017 were £6,228k (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 £123.7k could be transferred back into the Transitional Budgetary Reserve, to leave an anticipated balance of £2,549k 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 £157k for the year.

The Planning Reserve is expected to be called upon to support £111k of costs in 2017/18, and a further £97k in 2018/19.

The forecast closing balance at the 31st March 2018 is now £5,970k, but planned usage of the Transitional Reserve through the life of the MTFS will reduce this to £2,930k by March 2021.

Government Grants Unapplied – page 24

The opening value of Government Grants Unapplied at the 1st April 2017 was £591k. The DFG grant for 2017/18 has been received now at £869k, leading to total funds available in 2017/18 of £1,261k. Following slow referrals from the LCC Occupational Health team officers now expect to complete 65 grants in 2017/18 and carry forward around £438k (35%).

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.

With the carry forward of DFGs, the forecast balance at March 2018 is now £545k.

Staff Monitoring – page 24

The table above shows the additional 0.5 FTE pertaining to the restructure of Service Assurance Team, making the fraud officer a permanent post. There are currently 10.5 vacant posts. As noted on page 4 these forecasts currently estimate that £119k may be saved across the departments towards the £150k target in the original budget. Of this £93k has been achieved in cash terms by the end of December 2017.

Treasury & Cash Management - page 25 to 27

At the end of December the bank balances were back to £7,612k from an opening balance of £6,330k in April. Q3 saw the Bank of England base rate rise from 0.25% to 0.5%, which has increased the average interest rate performance target to 0.65%. However, the Council's bank accounts have been slow to follow this rise. In December officers replaced the maturing £2m deposit with another 364-day deposit with Lloyds, but for a lower value of £1.5m earning a

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lower interest rate of 0.85%. The combination of these two factors has resulted in a current performance rate of 0.41% compared to a target of 0.65%.

Officers continue to focus on sundry debts collection rates. Invoices raised in 2017/18 now total £3,278k of which 93.7% has already been collected, including £869k of DFG grant in June. Of the £28k currently outstanding on April invoices a further £18k is due in instalments in Q4. This leaves a cumulative debt balance of £337k of which £149k (44%) is still under 30-days old.

The provision for doubtful debt balance now stands at £78.5k following the Q1 write-off relating to the East Lancs into Employment organisation. The current potential doubtful debts stand at £114k so officers anticipate the need for additional provision contributions, as noted on page 20.

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 a sale due to go through in Q4 will bring in £130k. The Sale of Rossendale Transport Ltd was completed on the 12th January 2018, therefore the full details of the sale will be included in the Q4 monitoring report.

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. Though £722k of the THI works are now estimated to slip into 2018/19, new projects added during the year now bring the Capital Programme up to £9,922k, including £50k towards the development of Spinning Point Phase 2.

Activity in Q3 included the conclusion of the Spinning Point demolition phase and progress on the Mullards play area in Waterfoot, Healey Dell and Stubblelee park works. Around 42% of the revised DFG programme is now spent/committed; officers expect to complete around 65 projects by the end of the year and carry £438k of grant (35% of the revised £1,260k) forward into 2018/19.

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

Collection rates at the end of December are marginally above those of previous years for both Council Tax and Business Rates.

The Council Tax element of the Collection Fund is showing a forecast surplus of £535k (down from £659k at Q2) with the Council's share being £82k (down from £101k at Q2). The main change during Q3 has been an adverse movement of £62k in the level of banding decreases.

For Business Rates officers anticipate a full year surplus on collection of £208k, a drop of £41k during Q3, mainly attributable to ongoing band decreases by the Valuation Office and additional entitlement to reliefs. In January the Valuation Office changes have led to an £82k favourable adjustment in the Central Government Tariff. The final table on page 32 shows that this gives an overall net gain for the year for RBC of £927k, which is above the MTFs target of £800k.

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General Fund Summary - Period 6 (Sept)

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 2 (Adv)/Fav £000
Place Directorate					
Customer Services and E-Government	1,226.2	1,284.9	(58.8)	(82.8)	24.0
Operations	2,426.0	2,362.9	63.1	62.5	0.6
Business Directorate					
Building Control Services	(1.4)	(44.2)	42.8	39.1	3.8
Legal & Democratic Services	703.8	711.3	(7.6)	(5.5)	(2.1)
Planning Services	264.2	255.4	8.8	(29.5)	38.3
Local Land Charges	(37.8)	(25.9)	(11.9)	(1.2)	(10.7)
Licensing & Enforcement	(78.1)	180.1	(258.3)	(111.1)	(147.2)
Health, Housing & Regeneration	976.6	826.2	150.5	122.4	28.1
Corporate Support Services					
Corporate Management	513.1	471.4	41.7	20.1	21.6
Finance & Property Services	1,332.0	1,197.5	134.5	147.4	(12.8)
People and Policy	470.5	484.0	(13.6)	(16.1)	2.5
Non Distributed Costs	1,084.4	1,085.6	(1.2)	(1.2)	0.0
Capital Financing and Interest	403.1	370.0	33.1	34.5	(1.4)
Leisure	157.6	137.1	20.5	20.5	(0.0)
TOTAL Service Cost	9,440.3	9,296.6	143.7	199.0	(55.3)

This Q3 monitoring report for 2017/18 is showing a net favourable variance of £143.7k.

In the original budget there was an overall savings target of £150k for staff vacancy savings. Though not specifically allocated against this target, this Q3 report identifies anticipated staff savings of £118.8k, leaving a potential further £31.2k to find, but the overall favourable variance of £143.7k above takes this into account (see the NDC report on pg 20).

Staffing Variance:	Q1	Cum Q2	Cum Q3
Customer Services	9.0	9.0	9.0
Operations	(9.6)	(13.4)	(17.2)
Business	(1.0)	(50.2)	(99.4)
Health, Hsg & Regen	128.2	158.1	188.0
Corporate Mgmt	11.9	25.3	38.7
Finance & Property	(3.9)	(3.9)	(3.9)
People & Policy	(10.2)	(3.3)	3.6
Savings anticipated	124.4	121.6	118.8
Original target	(150.0)	(150.0)	(150.0)
Balance still to find	(25.6)	(28.4)	(31.2)

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

- Recovery of court costs and the recharge of legal fees for business rates debt recovery actions have led to favourable forecast movements of £11.8k and £12.3k respectively.
- Favourable operational forecast in parks and playgrounds of £11.8k has been largely offset by an adverse movement of £9.9k in the running costs of the borough's markets.
- Following the conclusion of a restructure in the Licensing team, the cost of staffing in the Business Directorate has increased by £49.2k. Officers have now also set aside a provision of £80k for the estimated 400 hackney carriages eligible for the £200 CCTV grant.
- Grant has been received of £30k towards the development of the Customer Build Register.
- Staffing restructures within the Health, Housing & Regen and Corporate Management areas which were reported back in Q2 have seen a longer lead-in time for the filling of posts than was expected, saving £29.9k and £13.4k respectively.
- Income of £9.5k has been received towards the prior costs of a Domestic Homicide Review.
- Refurbishment of homeless accommodation added £14k to property maintenance costs.

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Major Variances in Quarter 3	Favourable /(Adverse)	Net
Customer Services and e-Government		
Staff costs	-	
Housing Subsidy (net of grant receivable)	(4.2)	
Housing Benefit bailiff fees	2.5	
Cash recovery of overpaid housing benefits & ctax support	2.9	
Court Costs Awarded re the Collection Fund	11.8	
Recharge of legal fees to Collection Fund	12.3	
IT RLT support costs	(3.7)	
IT data, comms & disastery recovery	4.0	
SAT team new burdens grants net of Capita & software costs)	3.1	
Other minor variances	(4.7)	24.0
Place Operations		
Staff costs (including agency and overtime)	(3.8)	
Fuel (<i>note favourable item in Corporate Management below</i>)	(2.5)	
Vehicle maintenance incl hire of temporary replacements	(3.3)	
MRP Savings on Fleet Investment	6.7	
Cemetries Income	(2.1)	
General parks (including playgrounds) running costs	11.8	
Markets Income & Running expenses	(9.9)	
Other minor variances	2.5	(0.6)
Business Directorate		
Staff costs	(49.2)	
Planning Custom Build Grant	30.0	
Planning Fees	9.5	
Land Charges Income	(11.8)	
Building Control Fee Income	1.6	
Hackney Driver £200 contributon for CCTV	(80.0)	
Taxi Licensing income (net of cost savings)	(15.6)	
Other minor variances	(2.3)	(117.8)
Business - Health, Housing & Regeneration		
Staff costs	29.9	
Environmental Health administration expenses	(3.4)	
Homelessness Overheads	6.4	
Childrens Partnership Board Grant (2nd Installment)	7.5	
Contribution towards Domestic Abuse to PCC	(6.0)	
Other minor variances	(6.3)	28.1
Corporate Management		
Staff costs (including professional support)	13.4	
Reimbursement of Domestic Homicide Review costs	9.5	
Other minor variances	(1.3)	21.6
Finance & Property Services		
Staff costs	-	
External Audit refund re Audit Commission prior year fees	5.9	
Building running costs	(2.6)	
Refurbishment of Homeless accomodation	(14.0)	
Other minor variances	(2.2)	(12.9)
People & Policy (incl P&P & Comm)		
Staff costs (net of external replacement support costs)	6.9	
Transfers to Corporate Contingency & Regeneration Team	(2.5)	
Other minor variances	(1.9)	2.5
Non-Distributed Costs & Capital Financing		
Interest payable/receivable	(1.4)	
Other minor variances	-	(1.4)
Favourable/(adverse) variance on the General Fund		(56.5)

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Customer Services & E-Government - Period 9 (Dec)

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
Strategic Functions					
Management and Support	74.9	67.3	7.7	7.7	(0.0)
Service Assurance Team	120.7	71.0	49.7	37.6	12.1
Revenues, Benefits and Customer Services					
Local Tax Collection	(324.3)	(371.2)	47.0	22.8	24.2
Benefits Admin	839.5	837.6	1.9	7.5	(5.6)
Net - Housing Benefit Payments made & Subsidy received	(35.8)	46.1	(81.8)	(87.5)	5.6
Information and Communications Technology					
Technology	551.1	632.1	(81.0)	(68.8)	(12.2)
Pest Control					
Pest Control	-	2.2	(2.2)	(2.2)	0.0
Total	1,226.2	1,284.9	(58.8)	(82.8)	24.0

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
Housing Benefit Admin - audit of benefit subsidy claim	6.0		6.0	
Housing Benefit Subsidy (net grant position from Mid-yr Estimate)	(118.9)	(4.2)	(123.1)	
Housing Benefit recovery of overpayments	46.3	2.9	49.2	
Housing Benefit bailiff fees	(10.4)	2.5	(7.9)	
Housing Benefit additional Local Council Tax Support Grant	15.9		15.9	
Collection Fund Court Costs Awarded (net doubtful debt provision)	25.3	11.8	37.1	
Business Rates - net costs of collection	(3.6)	12.3	8.7	
Business Rates on Renewable Energy installations	153.0		153.0	
Business Rates - transfer Renewable Energy income to Reserve	(153.0)		(153.0)	
IT - Software licences (net of released provision re Website)	(37.9)	(0.5)	(38.4)	
IT - RLT support costs	(26.0)	(3.7)	(29.7)	
IT - Disaster Recovery provision & network testing	(11.7)	4.0	(7.7)	
IT - Further Website development costs		(3.5)	(3.5)	
SAT Team Grants received (incl Universal Credit) net of costs	41.8	12.0	53.8	
SAT Team fraud penalties income	4.7	3.9	8.6	
Capita contract changes part-funded by Grants above	(32.2)	(8.9)	(41.1)	
External review of business rateable values (no win-no fee basis)	(6.0)	(1.5)	(7.5)	
Pest Control services (net of income)	(2.2)		(2.2)	
Staff savings	16.8		16.8	
Other savings	15.3	(3.1)	12.2	
TOTAL	(82.8)	24.0	(58.8)	

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Customer Service & E-Government Highlight Report – Q3 (end Dec 2017)

Historic Issues

- 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 businesses in the borough.
- The Local Council Tax Support Grant received in May was £98.4k, a £15.9k favourable variance on that expected in the original budgets.
- 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, in line with the MTFS assumptions.

Current Quarter's Issues

The adverse variance has improved by £24k from the £82.8k reported back in Q2 to £58.8k adverse against the approved budget, the main changes being:-

- The Housing Benefit Subsidy adverse variance has worsened by £4.2k but conversely the favourable variance on the recovery of overpaid benefits has improved by £2.9k.
- Collection Fund court costs awarded have continued to out-perform previous years, returning another £11.8k favourable variance in Q3, bringing the total favourable variance up to £37.1k.
- Court fees incurred in pursuit of business rates debts can be recovered from the Collection Fund, hence the costs noted above have now been removed, leading to a favourable variance of £8.7k now.
- Disaster recovery costs and penetration prevention and testing were originally forecasting at an adverse movement of £11.7k but efforts to keep a tight control on data and systems security has led to a revision in that forecast down to £7.7k adverse.
- The Service Assurance Team continues to receive new-burdens grants, with a further £12k being received during Q3. Some of this has been applied to fund changes to the benefits software and additions to the Capita contract.
- Costs of the external review of business rates have risen by £1.5k to £7.5k for the year, but this will be recovered in the Council's increasing proportion of the retained business rates income (see pages 31 & 32).

Future Issues

- Nothing to report.

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Place Operations - Period 9 (Dec)

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
Strategic Functions					
Operations Admin / Vehicle Maintenance	367.8	421.0	(53.2)	(45.4)	(7.9)
Operational Functions	0.0	-			
Refuse Collection	955.4	970.0	(14.7)	(7.8)	(6.9)
Street Sweeping	337.3	346.3	(9.0)	(15.5)	6.5
Markets	(80.2)	(82.4)	2.2	12.2	(10.0)
Parks	0.0	-			
Parks & Open Spaces	946.3	828.1	118.2	96.5	21.7
Cemeteries	(124.7)	(135.1)	10.4	12.5	(2.1)
Dog Warden	24.2	15.0	9.2	9.9	(0.7)
Total	2,426.0	2,362.9	63.1	62.5	0.6

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	0.0	0.2	
Parks Salary Variances (Including temporary gardeners)	50.6	4.1	54.8	
Street Sweeping Salaries	1.4	7.2	8.6	
Refuse Salaries and Agency	(52.9)	(1.9)	(54.8)	
Fleet Management Vacancy and Agency	(24.2)	(6.1)	(30.3)	
Markets Salary Vacancies	22.3	-	22.3	
Overtime Budgets	2.6	(7.1)	(4.6)	
Vehicle Maintenance (including tyres/ parts)	(50.9)	(1.3)	(52.2)	
Vehicle Hire	(35.7)	(2.0)	(37.7)	
Actions re variances - MRP Savings on Vehicles	144.6	6.7	151.3	
Actions re variances - removal of Maint Reserve contribution	20.5	-	20.5	
Purchase of Tools and Equipment	1.4	1.5	2.9	
Mowers Investment / Maintenance	10.5	4.0	14.5	
Parks Playground Equipment	2.0	3.0	5.0	
Fuel	(22.5)	(2.5)	(25.0)	
Trade Waste Income	2.3	(0.3)	2.0	
Refuse Bin Stock	(17.9)	-	(17.9)	
Refuse Sacks	4.0	1.0	4.9	
Sale of Green Bins	1.8	(0.4)	1.4	
Recycling Income	(23.1)	(0.6)	(23.7)	
Cemeteries income	12.5	(2.1)	10.4	
Markets Income & Running expenses	(10.1)	(9.9)	(20.1)	
Dog Warden costs	9.9	(0.6)	9.2	
General other Park Running Costs	17.7	4.8	22.4	
Litter Bins purchase	(2.4)	-	(2.4)	
Other Variances	(1.9)	3.1	1.2	
TOTAL	62.5	0.6	63.1	

colour indicates related items

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Operations Highlight Report – Q3 (end of Dec 2017)

Historic Issues

- Vehicle hire costs are projected to overspend by £37.7k 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 refuse vehicle has also been hired in to replace a suspension. A replacement plan has already begun with the purchase and replacement of two vehicles but the majority will take place around 2018/19 due to bespoke design. As a result, external vehicles continue to be hired in temporary arrangements.

Current Quarter Issues

At the end of Sept the forecast Operations expenditure shows a favourable variance of £63.1k, a favourable movement of £0.6k in Q3.

- Overall staffing costs including agency and overtime are projected to be £3.8k adverse for the financial year. The adverse variance mainly due to an emergency long term sickness absence of a garage fitter with costly agency to backfill now being extended to the end of the Mar 17.
- Vehicle Maintenance costs and temporary vehicle hires are currently forecast to overspend by £89.9k, mainly due to works carried out to older fleet vehicles. Some one-off costs include installation of engine £7k, accidental repair £3k and £2k gear box. There is a saving of £171.8k on MRP and a one-year break in the contributions to the Vehicle Maintenance Reserve. The Head of Operations is in the process of trying to obtain replacement vehicles so in time these costs may reduce.
- Fuel is forecasting to overspend by £25k; an adverse movement of 2.5k during this quarter 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.
- Trade Waste is projected to bring a net favourable variance of £2.0k.
- 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 £20.1k below the set budget for the year. The main reason for this was further 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

- RBC currently shares recycling income above a £77k pa threshold with Lancashire County Council on a 50/50 basis. The understanding to date is that RBC will exit that agreement at the time as it exits the current cost-sharing arrangement in March 2018. The Head of Operations is currently seeking advice to confirm that RBC will be free to retain all the income it receives from a third party in the future.
- 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.
- The Garden Waste service has now become a charged service as of Dec 2017. We expect a take up of around 2,500 which will result in £87.5k in income for 2018/19.

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Business Services - Period 9 (Dec)

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
Corporate Apprentices			-	-	-
Planning					
Development Control	126.4	117.7	8.7	(30.4)	39.1
Forward Planning	137.8	137.7	0.1	0.9	(0.8)
	-	-	-		
Land Charges	(37.8)	(25.9)	(11.9)	(1.2)	(10.7)
	-	-	-		
Building Control					
Building Control - Fee Earning Account	(38.0)	(74.2)	36.2	35.5	0.8
Building Control - Statutory Function	29.1	27.5	1.6	1.4	0.2
Building Control - Street Signs	7.5	2.5	5.0	2.2	2.8
	-	-	-		
Legal Services	175.7	191.3	(15.6)	(17.2)	1.6
	-	-	-		
Democratic Services					
Electoral Registration	42.5	47.5	(5.0)	2.9	(7.9)
Elections	82.8	78.1	4.7	(0.4)	5.1
Democratic Representation	350.7	347.5	3.2	4.5	(1.3)
Mayoralty	49.5	44.4	5.2	4.7	0.5
Town Twinning	2.5	2.5	-	-	-
	-	-	-		
Licensing & Enforcement	(78.1)	132.1	(210.3)	(111.1)	(99.2)
Total	850.7	1,028.8	(178.1)	(108.3)	(69.8)

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	(20.6)	(1.6)	(22.2)	
Legal Professional Fees	-	(2.0)	(2.0)	
Members Allowances - including one additional cabinet member	(4.5)	(0.5)	(5.0)	
Democratic Services salary savings	4.6	1.4	6.0	
Mayoralty savings	3.9	1.0	4.9	
Register of Electors	(1.5)	0.7	(0.8)	
Land Charges Income	(2.0)	(11.8)	(13.8)	
Additional Staffing resource in Planning	(20.1)		(20.1)	
Planning Application Fee Income	(30.5)	9.5	(21.0)	
Brownfield Grant & Custom Build Grant	14.6	30.0	44.6	
Planning miscellaneous variances	7.2	(0.5)	6.7	
Building Control Fee Income	39.1	1.6	40.7	
Licensing - Salary costs including agency for Manager	18.2	(50.0)	(31.8)	
Provision for £200 CCTV contribution to c400 drivers		(32.0)	(32.0)	
Private Hire income & expenditure	(48.5)	(11.0)	(59.5)	
Hackney income & expenditure	(95.7)	8.2	(87.5)	
Taxi misc income	9.7	(5.8)	3.9	
Licensing misc expenditure	9.4	(1.2)	8.2	
Business Miscellaneous Variances	8.4	(5.8)	2.6	
TOTAL	(108.3)	(69.8)	(178.1)	

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Business Monitoring Highlight Report – Q3 (end Dec 2017)

Historic Issues

- Salary costs Planning and Legal are projected to over spend by 17.9k. This is mainly due to additional support needed.
- One additional cabinet members has been appointed along with minor changes in 2017/18 with an adverse effect on the budget of £4.5k
- Due to the ongoing Empty Homes Project it is likely the additional legal support will be needed until the end of the financial year.

Current Quarter Issues

The Business Services budget is forecast to over spend by £178.1k, an adverse movement of £69.8k

- Land charges income has been dropping over the year and is projected to under achieve by £13.8k. This is in part due to completion from private search companies
- Planning Application fees have improved in Q3 mainly due to fees for Spinning Point. The projected income shortfall is £21k. A £30k Custom Build Grant is due in Q4. Building Control Fees are projected to over achieve by £40.7k.
- Licencing income and expenditure is projected to under achieve by £246k including:
 - Salaries within Licencing are showing an adverse projected variance of £31.8k due to the restructure within the service area
 - The Private Taxi Licencing budget and the Hackney Licencing budget are both showing net adverse variances; £59.5k and £83.6k 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
 - An £32k provision has now been created to cover the cost of the £200 contribution RBC are making towards the cost of c160 Hackney Drivers to purchase CCTV equipment.

Future Issues

- **Corporate Plan** – Forward Planning have to do a Highway Capacity Study which is expected to cost £33k and this will have to be done this year. No funding has been allocated for this cost but the Planning Manager believes she will not need the £25k that has been allocated for Community Infrastructure Levy (CIL) in the Corp Plan so this can go towards the cost. (Corporate Plan is already set to over spend by £17k)
- **39 Burnley Rd, Rawtenstall, collapsed culvert under property** – The owner has had a court order to either make the house safe or demolish within 52 days, which has now expired. To date he has not done anything to the property. Officers expect that RBC will have to CPO and demolish the property to enable the environment agency to then do works on the culvert. A £20k provision has been set aside for this.

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Health, Housing & Regeneration - Period 9 (Dec)

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
Strategic Functions					
Regeneration Mangement & Admin	145.4	59.6	85.8	80.5	5.3
Tourism	20.0	20.0	-		-
Area Forums	15.0	15.0	-		-
Economic Regeneration	-	-			
Economic Regeneration	84.0	124.6	(40.5)	(33.0)	(7.5)
Whittaker Park Musuem	71.7	85.2	(13.4)	(13.4)	(0.0)
Strategic Housing	-	-			
Housing Strategy	54.1	94.3	(40.3)	(42.0)	1.7
Homelessness	171.9	142.8	29.1	20.5	8.6
Private Sector Renewal	36.4	27.5	8.9	6.1	2.8
Environmental Health	-	-			
Environmental Health	378.1	257.2	120.9	103.7	17.2
Total	976.6	826.2	150.5	122.4	28.1

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)	68.1	1.8	69.9	
Economic Regeneration staff vacancies	(13.4)	(0.7)	(14.2)	
Housing Strategy staffing	(41.5)	3.6	(37.9)	
Private Sector Renewal salaries	(0.1)	-	(0.1)	
Environmental Health Staff Vacancies	80.7	21.6	102.3	
Housing Options Team - staffing	13.1	3.6	16.7	
Economic Regen expected transfer from Reserve insufficient funds	(20.0)	-	(20.0)	
Whittaker Park Museum Utilities Costs	(13.4)	-	(13.4)	
Private Sector Renewal direct costs and fee income	6.1	2.8	8.9	
Environmental Health administration	19.6	(3.4)	16.2	
Flexible Homelessness Support Grant	41.8	-	41.8	
Homelessness Temporary Accommodation (B&B)	(41.7)	10.0	(31.7)	
Homeless accommodation running costs		(3.6)	(3.6)	
Contributions to outside bodies re Homelessness	11.0	-	11.0	
Growth Lancashire Consultant costs	-	(3.1)	(3.1)	
Contribution towards Domestic Abuse to PCC	-	(6.0)	(6.0)	
Childrens Partnership Board Grant	7.5	7.5	15.0	
Public Burials	(0.6)	(1.1)	(1.7)	
Other Miscellaneous Variances	5.2	(5.0)	0.2	
TOTAL	122.4	28.0	150.5	

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Business - Health, Housing & Regeneration Highlight Report – Q3 (end Dec 2017)

Historic Issues

- 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 has been corrected for future years.
- Utilities costs, janitorial and other running costs at the Whittaker Park Museum continue to be overspent and are forecasted £13.4k above budget provision, mainly reflecting the increased opening hours at the Museum and associated café. At Q3 there was no movement in projected costs.

Current Quarter Issues

Health, Housing and Regeneration forecast at the end of Dec shows a favourable variance of £150.5k, a favourable movement of £28k in Q3

- The previous staffing establishment review for Housing, Regeneration and Economic Development has now concluded. The overall saving projected this financial year will be around £34.5k of which Regeneration will be £69.9k favourable, Economic Development £14.2k adverse, Housing Strategy £37.9k adverse, Housing Options Team £16.7k favourable. The staffing budgets will be revised in 18/19 budgets setting to reflect the new establishment.
- A fixed-term Housing Options Officer has taken up a part time position within the Domestic Abuse programme funded by grant, this has created a saving of £3k in revenue costs.
- Staffing costs within the Environmental Health team are forecast to generate a saving of £102.3k in the current financial year this again forms part of the service area restructure. This being a favourable variance of £21.6k in Q3 mainly due to principle environmental health officer secondment being reduced from 2 to 1 day a week over the remainder of the financial year.

Future Issues

- The Whittaker Museum utilities budget is being reviewed as this is projected to be overspent. Officers are working with the museum to find a long-term sustainable funding model involving a second phase of a Heritage Lottery Fund (HLF) bid for the conversion of the adjacent barn and operations depot.

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Corporate Management - Period 9 (Dec)

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
Corporate Management					
Executive Office	328.0	300.6	27.4	5.5	21.9
Corporate Contingency	76.4	76.4	-	-	-
Exec Support & Corporate Subscriptions	71.7	61.5	10.3	10.7	(0.4)
Concessionary Fares	4.0	-	4.0	4.0	-
Community Safety	33.0	33.0	-	-	-
Total	513.1	471.4	41.7	20.1	21.6

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	5.8	97.2	
Agency & Professional Support	(79.5)	7.6	(71.9)	
Subscriptions - Regenerate Pennine Lancs reduced	8.4	(0.4)	8.0	
Subscriptions - new Pennine Up subscription		(2.0)	(2.0)	
PCC contribution to cost of Domestic Homicide Review 2015 to 2017		9.5	9.5	
Other Misc under / (over) spends	(0.2)	1.1	0.9	
TOTAL	20.1	21.6	41.7	

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Corporate Management Highlight Report – Q3 (end Dec 2017)

Historic Issues

- 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.
- 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.

Current Quarter Issues

The Corporate Management budget is forecast to under-spend by £41.7k, an improvement of £21.6k during Q3, the main elements being:-

- An update to staffing costs noted above has seen a further £5.8k saving on the vacant Director post, which has now been appointed and is set to start during February 2018. The interim director left earlier than expected in Q3 and this has added a further £7.6k of savings.
- Cost of corporate subscriptions was reduced earlier in the year due to a reduction in the required subscription to Regenerate Pennine Lancashire. In Q3 a new subscription to Pennine Up of £2k was added.
- At present the Corporate Contingency budget has received the following calls, but the full-year forecast is still in line with the £76.4k original budget:-
 - £7.2k, pertaining to an old insurance case
 - £29k for professional services in relation to the sale of Rossendale Transport Ltd
 - £13.5k one-off legal costs regarding a HR claim.
- One-off income of £9.5k has been received in relation to costs of a Domestic homicide Review incurred by this council in prior years.

Futures Issues

- Nothing to report.

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Finance and Property Services - Period 9 (Dec)

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
Financial Services Team	343.3	342.3	1.0	1.0	0.0
Internal Audit	71.8	55.8	16.0	17.1	(1.1)
Corporate Costs	-	-	-	-	-
External Audit Fee	49.8	43.3	6.5	0.6	5.9
Bank Charges (net of fees)	33.2	36.0	(2.8)	(2.8)	-
Treasury Management	4.4	7.4	(3.0)	0.0	(3.0)
Property Services					
Property Services Team	348.4	358.6	(10.2)	(12.7)	2.5
Corporate Estates	(60.3)	(59.5)	(0.8)	5.6	(6.4)
Non Domestic Estates	(107.2)	(117.3)	10.1	10.3	(0.2)
Office Accommodation	57.8	(45.9)	103.7	118.1	(14.4)
Operational Properties	375.0	357.8	17.2	6.3	10.9
Leisure Properties	50.5	47.8	2.7	4.2	(1.5)
Bus Shelters	4.5	8.3	(3.8)	(4.9)	1.1
Business Centre	160.8	162.9	(2.1)	4.5	(6.6)
Total	1,332.0	1,197.5	134.5	147.4	(12.8)

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	(4.3)		(4.3)	
Civica software - upgrades & website rebranding for RBC	(2.8)		(2.8)	
Loan arrangement fee to Rosso	5.0		5.0	
External Audit fees - prior years refund	0.6	5.9	6.5	
Internal Audit fees - 16/17 closing accrual was too high	16.7	(1.1)	15.6	
Bank Charges - EU ruling on change to debit card collection	(2.8)	(3.0)	(5.8)	
Finance Misc Expenses	3.6		3.6	
Electricity	1.5	(6.3)	(4.8)	
Gas	7.9	2.0	9.9	
Water	2.7	1.7	4.4	
NNDR - Old Town Hall refund back dated	111.0		111.0	
Refurbishment of Homeless accommodation	-	(14.0)	(14.0)	
Departure Charges - delay in Demolition of bus station	(2.8)		(2.8)	
Estates Income	3.9	2.6	6.5	
Emergency Planning	6.3	1.0	7.3	
Cleaning costs	3.5		3.5	
Business Centre - Telephone line	4.7		4.7	
Business Centre - room rental	(6.0)		(6.0)	
Property Misc Expenses	(1.4)	(1.7)	(3.1)	
TOTAL	147.4	(12.9)	134.5	

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Finance & Property Services - Monitoring Highlight Report – Q3 (Dec 2017)

Financial Services

Historic Issues

- 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 ended in 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.
- The final cost for 2016/17 internal audit reviews has come in £16.7k under yr-end accrual.

Current Quarter Issues

The Financial Services budget is now forecasting a £17.8k favourable variance, the most notable changes in Q3 being:-

- A £5.9k refund was received from the former Audit Commission regarding prior year fees.

Futures Issues

- Request for phased retirement during 2018 in Exchequer team is leading to consideration of a mini restructure.

Property Services

Historic Issues

- 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 Town Hall refund will have an adverse impact on NNDR collection fund surplus of £51k
- It is unlikely that all of the Emergency Planning budget will be spent; the current projected favourable variance is likely to be £7.3k.
- The New Property Services Manager has been appointed and one of his roles is to seek further income streams across the estates. For operational efficiency reasons Property Services now sits alongside the Regeneration Team.
- The Cleaning and Telephone lines at futures and the cleaning at Marl pits have been reviewed showing a saving of £8.2k within the year and £13.7 annually

Current Months Issues

Property Services is forecast to under spend by £116.8k. An adverse movement of £14.7k

- The gas and electric budgets are showing an under spend of £5.1k. A new 3 year contract has been entered into with a 17.4% reduction in the Councils energy costs.
- The refurbishment of the new homeless accommodation is now complete at a cost of £14k. It is expected a further £10k will be needed before the other properties can be rented. This cost is expected to be recovered within the next two years

Futures Issues

- The Property Service Manager intends to do a rent review on the Industrial units and garages by summer of 2018

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

People and Policy - Period 9 (Dec)

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
People & Organisational Development					
Human Resources	267.4	284.6	(17.2)	(11.0)	(6.2)
Corporate Support	203.0	199.4	3.6	(5.1)	8.7
Total	470.5	484.0	(13.6)	(16.1)	2.5

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)	(4.1)	6.9	2.8	
Professional HR & Legal Fees	(20.1)	9.9	(10.2)	
Lone working alarms	(2.3)		(2.3)	
Drug & Alcohol Policy testing equipment & supplies	(0.8)		(0.8)	
Children's Trust Grant income - transferred to Regen to fund staff	15.0	(15.0)	-	
Miscellaneous variances	(1.6)	0.7	(0.9)	
TOTAL	(16.1)	2.5	(13.6)	

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People & Policy Highlight Report – Q3 (end Dec 2017)

Historic Issues

- 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.
- Professional HR advice and settlement costs pertaining to an exceptional employment issue has cost an additional £20.1k to date.
- The £20k original budget for Promoting Rossendale has now been moved into the Regeneration area to provide a corporate external communication fund. Members will note that the Health, Housing & Regen original budget has increased by the same £20k but this change is net neutral across the Council.

Current Quarter Issues

The People & Policy budget is forecasting an overspend of £13.6k, an improvement of £2.5k since September. Some of the main movements are as follows:-

- Corporate Support is now a separate section and staffing costs initially increased by £8k for the year once the former apprenticeship posts converted to full pay. Those posts ended in August and the July forecast included some savings from flexible retirement requests, supported by a new apprenticeship post from Sept 2017. In this Q3 one member of staff was temporarily seconded into the Regeneration team, so £5.9k of costs have been transferred out of People & Policy.
- One-off legal fees of £13.5k have been transferred to the Corporate Contingency budget, but some further professional HR support has reduced the saving in the People & Policy area to £9.9k
- The grant for administering the Children's Trust activities has been approved again for 2017/18, bringing in £15k which was not anticipated when the original budget was being set. However, this is now funding officer time in the Regeneration team, so the income has been transferred there during Q3.

Future Issues

- Nothing to report.

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Non-distributed Costs, Corporate Resources & Leisure Services

Period 9 (Dec)

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
Non Distributed Costs					
Employee & Pension Costs	1,071.8	1,109.0	(37.2)	(37.2)	0.0
Other Non-distributed Costs	12.6	(23.4)	36.0	36.0	-
Capital Financing	-	-	-	-	-
Minimum Revenue Provision	333.4	297.0	36.4	36.4	0.0
Interest (net)	69.8	73.1	(3.3)	(1.9)	(1.4)
Use of Earmarked Reserves	-	-	-	-	-
Leisure	157.6	137.1	20.5	20.5	(0.0)
Total	1,645.1	1,592.7	52.4	53.8	(1.4)

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)	
Added Years Pension Strain	13.0		13.0	
Savings on pensions arising from payment in advance	99.8		99.8	
Interest expenditure	6.1		6.1	
Interest income from other temporary loans	5.4		5.4	
Interest income from bank accounts and other loans	(13.5)	(1.4)	(14.9)	
Environmental Insurance policy on former HRA properties	2.7		2.7	
Additional doubtful debt provision	(20.0)		(20.0)	
Management charge to Rossendale Transport for 2015/16	53.5		53.5	
MRP review of asset lives on general land & building assets	36.4		36.4	
MRP review of asset lives on Marl Pits extension	18.1		18.1	
Other minor variances	2.3		2.3	
TOTAL	53.8	(1.4)	52.4	

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Non-Distributed Costs & Capital Financing Highlight Report – Q3 (end Dec 2017)

Historic Issues

- The summary on page 4 shows current progress of £118.8k against the £150k staff savings target. The table on page the table on page 24 shows that £93k of this has been achieved in cash terms by the end of December 2017.
- 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.
- Added years pension strain for former employees is reducing gradually year-on-year. The 2017/18 monthly charges up to the end of September are expected to result in a favourable variance of £13.6k which has now been reflected across future years budgets

Current Quarter Issues

The net favourable variance on Non-distributed costs has dropped £1.4k during Q3. The only variance movement was as follows:-

- Interest income from banks and other loans has fallen by £1.4k during Q3, due mainly to lower cash balances than were expected.

Future Issues

- The recent sale of Rossendale Transport Ltd will have an adverse impact on treasury management returns from the mortgage loan. However, this will be more than offset by the net rental income from Unit C, Knowsley Park Way, Haslingden.

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Monthly Financial Monitoring Report 2017/18 – as at end December 2017

Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention	Transitional Budgetary Support	Planning Reserve AN060109 / AN060145	Vehicle Reserve AN060130
	AN060103	AN060123	AN060144	AN060129		
Balance at 01/04/2017	1,222.5	(13.7)	847.0	2,459.0	186.2	230.5
Funds Received 2017/18						
2016/17 Collection Fund surplus						
2017/18 grants anticipated			652.0			
Revenue income received					34.9	
Revenue income anticipated			157.0			5.0
General Fund Surplus Contribution		20.0		123.7		
Total Funds Available	1,222.5	6.3	1,656.0	2,582.7	221.1	235.5
2017-18 Published Budget Utilisation						
General budget support				(199.0)		
2016-17 Other Utilisation Plans						
Transfers between Reserves				165.5		
Active East		(6.3)				
Bacup THI Support						
Civica receipting software upgrade						
Counter Fraud & RV Analysis						
Childrens Trust - Summer Fun						
2016/17 NNDR Retained Business Rates			(660.0)			
2016/17 LCC levy 10%			(40.0)			
Support Corporate Plan (FP)					(111.4)	
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						
Spinning Point Phase 2 development	(50.0)					
Haslingden Task Force						
Homelessness admin charge						
Operational Vehicle Maintenance						
Quality Bus Route						
Reserve Estimates 31/3/2017	1,172.5	0.0	956.0	2,549.2	109.7	235.5
Future Contributions/Utilisation Plans						
2017/18 Plans						
2018/19 Plans				(798.0)	(97.0)	(25.5)
2019/20 Plans				(1,234.0)		(51.0)
2020/21 Plans				(517.2)		25.5
Potential Reserve Balances	1,172.5	0.0	956.0	0.0	12.7	184.5

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.

The £50k contribution towards the development of a Spinning Point Phase 2 has now been withdrawn from the Employment and Transport Reserve as approved by Members back in November.

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 £652k. See the notes on page 32.

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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	6,227.9
Funds Received 2015/16						
2016/17 grants received					0.0	0.0
2016/17 grants anticipated					0.0	652.0
Revenue income received					12.0	46.9
Revenue income anticipated					0.0	162.0
General Fund Surplus Contribution						143.7
Total Funds Available	64.2	178.5	229.0	165.5	671.2	7,232.5
2016-17 Published Budget Utilisation						
General budget support						(199.0)
2016-17 Other Utilisation Plans						
Transfers between Reserves				(165.5)	0.0	0.0
Active East					0.0	(6.3)
Bacup THI Support			(136.0)		0.0	(136.0)
Civica receipting software upgrade					(12.0)	(12.0)
Counter Fraud & RV Analysis					(9.0)	(9.0)
Childrens Trust - Summer Fun					0.0	0.0
2016/17 NNDR Retained Business Rates					0.0	(660.0)
2016/17 LCC levy 10%					0.0	(40.0)
Support Forward Plan					0.0	(111.4)
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					(7.5)	(7.5)
Legionella Risk Assessment					(6.0)	(6.0)
CCTV future R&M					0.0	0.0
Spinning Point Phase 2 development					0.0	(50.0)
Haslingden Task Force					(7.5)	(7.5)
Homelessness admin charge					(18.0)	(18.0)
Operational Vehicle Maintenance					0.0	0.0
Quality Bus Route					(3.0)	(3.0)
Reserve Estimates 31/3/2016	64.2	178.5	93.0	0.0	608.2	5,969.8
Future Contributions/Utilisation Plans						
2017/18 Plans		(178.5)			(70.7)	(249.2)
2018/19 Plans			(93.0)		0.0	(1,013.5)
2019/20 Plans					0.0	(1,285.0)
2020/21 Plans					0.0	(491.7)
	64.2	0.0	0.0	0.0	537.5	2,930.4

The Bacup THI Reserve is being used to support £33k of revenue costs and £100k of capital costs, as noted in the capital programme on pages 28 & 29. This will leave £93k in the reserve to support capital costs in 2018/19.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Disabled Facilities Grants *	Homeless Grant	Transform' Lives Grant	Hoarding Grant	Total
Balance at 01/04/2017	25.2	391.9	82.1	73.6	17.9	590.7
New Funds Received 2017/18						
Grant due/received		869.4				869.4
Total Funds Available	25.2	1,261.3	82.1	73.6	17.9	1,460.1
Utilisation in 2017/17						
DFGs planned in Capital Programme		(500.0)				(500.0)
DFGs Additional Grant allocation		(369.4)				(369.4)
DFGs slippage from 2016/17		(391.9)				(391.9)
DFGs estimate cfwd to 2018/19		438.0				438.0
Transforming Lives/Hoarding Projects				(73.6)	(17.9)	(91.5)
Anticipated Balance 31/03/2018	25.2	438.0	82.1	0.0	0.0	545.3
Future Utilisation Plans						
2018/19 plans	0.0	(438.0)	0.0			(438.0)
2019/20 plans	0.0		0.0			0.0
Potential Reserve Balances	25.2	0.0	82.1	0.0	0.0	107.3

There have been no changes to the grants received during Q3. Officers are working hard to ensure that as much of the DFG grant available gets processed in the year as possible, but we are reliant on LCC Occupational Therapists to determine the level of support required. The overall scheme is now being monitored by the Council's Programme Board and officers currently estimate that around 65 grants will have been completed in 2017/18, leaving c £438k to carry forward and spend during 2018/19.

Staff Costs, including agency

Employment Costs 2017/18 to end December	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
Place Directorate								
Customer Services	264	220	44	32	12	8.8	0.5	0.5
Operations Service	1,614	1,618	(4)	(21)	16	75.1	0.0	3
Business Directorate								
Building Control Services	64	62	1	1	0	2.0	0.0	0
Legal & Democratic Services	280	297	(17)	(10)	(7)	11.6	0.0	1
Planning Services	335	349	(14)	(10)	(5)	11.3	0.0	0
Local Land Charges			-	-	-	1.0	0.0	0
Public Protection	206	227	(21)	(16)	(5)	10.0	0.0	0
Health, Housing & Regen	564	521	44	33	11	17.9	-0.9	3
Corporate Services								
Corporate Management	256	187	70	47	23	4.0	0.0	1
Finance & Property Services	332	337	(5)	(5)	0	11.2	0.0	0
People & Org. Performance	300	303	(3)	(10)	7	13.0	0.0	2
Total	4,215	4,121	93	41	53	166.1	-0.4	10.5

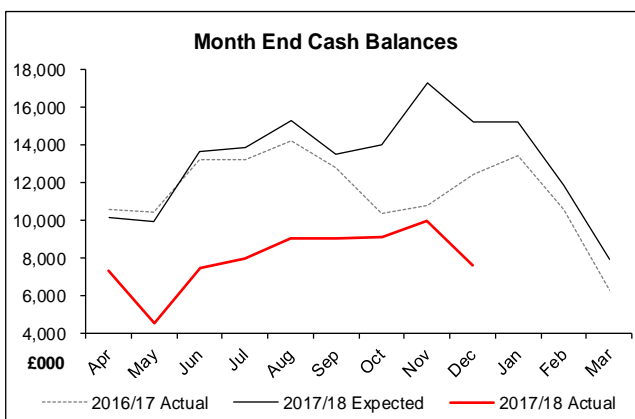
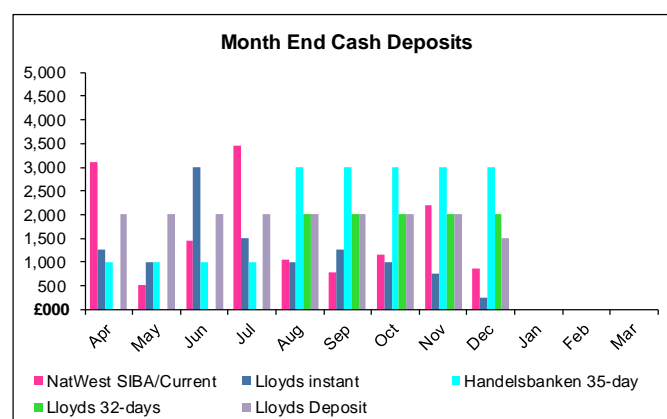
The table above shows the additional 0.5 FTE pertaining to the restructure of Service Assurance Team and the reduction of 0.9 FTE in the Regeneration team. There are currently 10.5 vacant posts. There was a £150k savings target in the original budget. Of this £93k has been achieved in cash terms by the end of December 2017 - see the note on page 4 for current forecast of the savings for this year.

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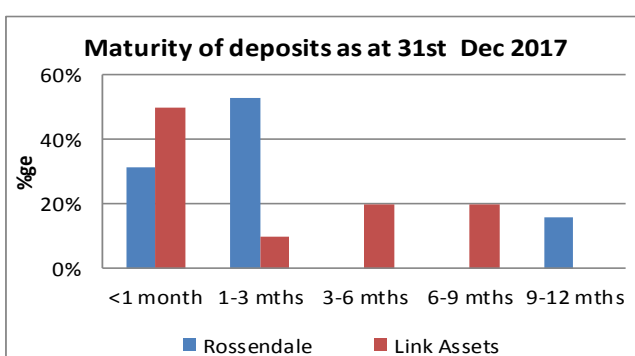
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Treasury Management & Cash Flow Monitoring

At the end of December the bank balances were £7,612k down from £9,032k at the end of September, following the normal cash-flow patterns.



Effective Interest Rates at 31/12/2017	Current Balance £k	Effective Interest Rate %
NatWest SIBA	2,201	0.10
Handelsbanken 35-day	3,000	0.20
Lloyds instant access	750	0.10
Lloyds 32-day notice	2,000	0.57
Lloyds Deposit 12mths	1,500	0.85
Total Bal & Avg interest	9,451	0.35



During Q3 the average effective interest rate has dropped from 0.4% back to the 0.35% level which it was at in the first two quarters of the year. The drop follows the maturity of the one 12-month fixed deposit on the 14th December. The replacement investment was at a lower rate of only 0.85%, therefore officers decided to reduce the deposit amount from £2m to £1.5m.

In Q2 a S.M.A.R.T. performance indicator for treasury management was set at Base Rate + 0.15% with the increase in base rate to 0.5% on the 2nd November 2017, this gives a current target of 0.65%. So far in Q3, banks have been very slow in increasing the interest rates being offered to investors. Apart from the recent fixed term deposit, the only account earning above base rate is the Lloyds 32-day account, which has risen from the 0.32% being earned back in September to 0.57% now. Therefore, the current performance of 0.35% is well below the target level.

Officers will be keeping funds comparatively liquid again during 2018 to support the costs of the Spinning Point development, and this will impact upon the potential interest earnings.

Interest Earned

The net adverse variance forecast on interest income has worsened by £1.4k in Q3 to £3.4k now with the reduction in interest earned on the 12-month fixed term deposit renewed on the 15th Dec 2017 (page 20).

Interest Forecast	Budget 2017/18	Forecast 2017/18	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(146.8)	(145.8)	1.0	0.0
Other interest payable	(5.1)	0.0	5.1	0.0
Rosso Mortgage interest	29.7	29.7	0.0	0.0
Misc Interest income	3.1	11.4	8.3	2.9
Bank Interest income	49.5	31.7	(17.8)	(4.3)
Net Interest	(69.6)	(73.0)	(3.4)	(1.4)

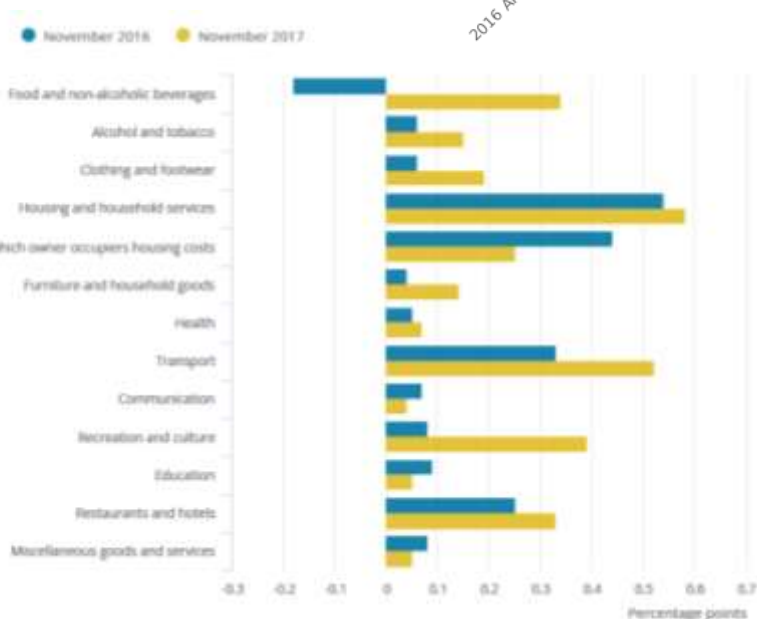
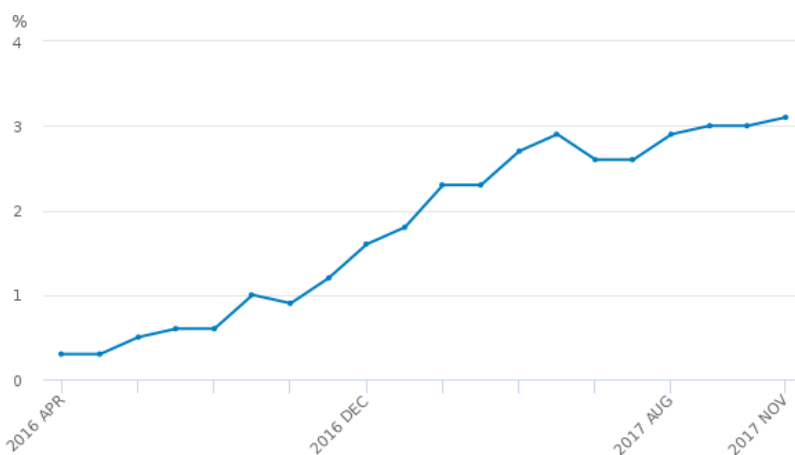
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Economic Outlook

(issued 12th December)

The Consumer Prices Index (CPI) 12-month rate was 3.1% in November 2017, up from 3.0% in October 2017; it was last higher in March 2012.



Inflation on fuel charges year on year are above those experienced back in 2016/17, so the annual costs of running the Council's operational fleet have risen, as reflected in pages 8 & 9.

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 and the figure for CPI back in September 2017 was 3.0%.

Interest rate forward predictions

The Council's treasury management advisors, Link Asset Services, remain of the opinion that the bank base rate will not increase again until autumn 2018. Their prediction for an increase in the PWLB borrowing rates has materialised but not quite as far as expected, with the current 25-year rising from 2.4% back in July to 2.7%, but not getting to their predicted 2.8% by the end of December. (source: Link Asset Services).

at 17th Nov 2017	Current Rates	Dec 2017	Mar 2018	Jun 2018	Sept 2018	Dec 2018	Mar 2019	Jun 2019	Sept 2019
Base Rate est	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%
25yr PWLB est	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%

Treasury Management Practices (TMPs) and Prudential Indicators

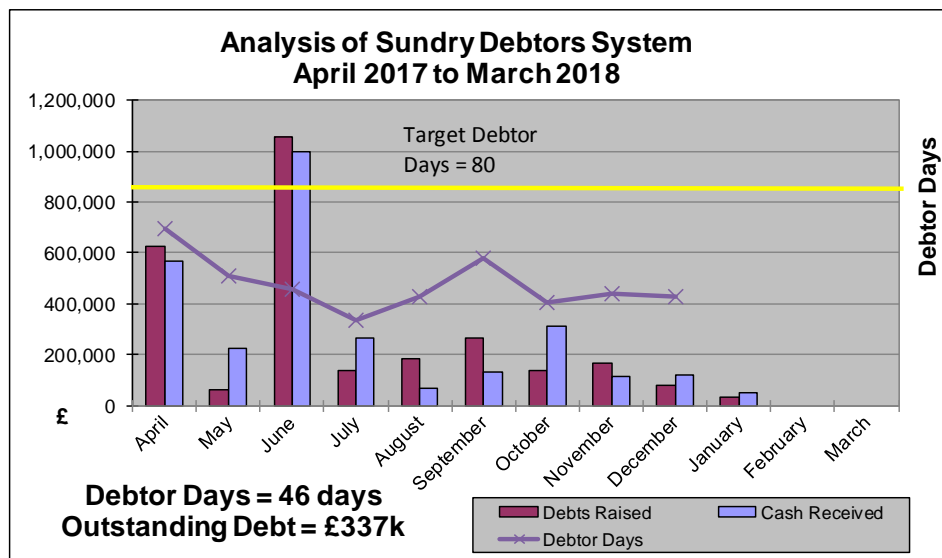
All the Council's investments continue to follow the policies laid down in the Treasury Management Strategy (TMS) document (Full Council, Feb 2017), only using UK high street banks and limiting investments to short-term (ie. 364 days maximum).

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, and £10m across a single group. Officers have been working to maintain a top limit of £5m, but in December the NatWest accounts reached £6,736k overnight whilst the 364-day deposit was being arranged. In order to meet the cash flow commitments over the holiday period, the NatWest accounts were at £5,040k at the close of play on 22nd December, but £862k by the 31st December.

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Sundry Debts Monitoring



Invoices raised in 2017/18 now total £3,278k of which 93.7% has been collected, including £869k of DFG grant in June.

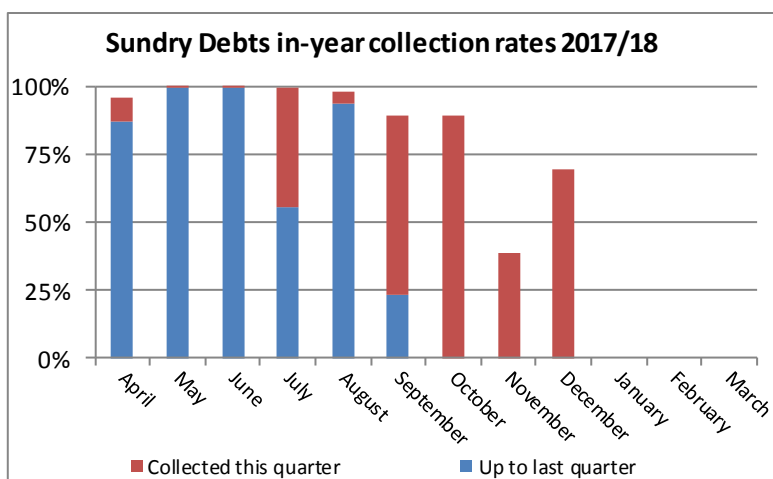
Of the £624k of invoices raised in April a further £54k of trade waste and industrial units monthly instalments have been collected, bringing the current collection rate up to 95.4% with one more instalment to collect in January.

Total debt balance is £337k.

Housing Rent Debts

An additional £354k of housing rent debts were brought forward in April, £125k re current tenants and £229k re former tenants. At the time officers set aside a provision of £288.5k in 2016/17, leaving a net £66k debt to chase.

Following the transfer of property management to Calico, officers currently estimate that around £23k of that remaining £66k has been received on the Council's behalf to the end of Q3.



Debts Outstanding	Mar 2017	30 Sept 2017		31 Dec 2017		Doubtful Debts	
	£k	£k	£k	£k	£k	rate	value
Earlier Debt	45.5		36.4		36.2	100%	23.8
2014/15 Debt	38.5		37.9		37.9	100%	22.1
2015/16 Debt	12.8		9.0		9.0	100%	4.5
2016/17 Debt							
Q1		10.8		10.7		100%	10.7
Q2		6.1		3.7		100%	1.6
Q3		3.6		3.2		100%	3.2
Q4	418.0	19.3	39.8	19.3	36.9	75%	14.5
2017/18 Debt							
Q1 Apr		82.6		28.4		50%	14.2
Q1 May		3.2		0.1		50%	0.1
Q1 Jun		6.1	91.9	5.5	34.0	50%	2.8
Q2 Jul		70.9		0.8		10%	0.1
Q2 Aug		12.5		3.9		10%	0.4
Q2 Sept		202.7	286.1	29.0	33.7	10%	2.9
Q3 Oct		10.8		15.2		10%	1.5
Q3 Nov				100.0		10%	10.0
Q3 Dec			10.8	24.6	139.8	10%	1.2
Q4 Jan				9.4	9.4		
Total Debt o/s	514.8		511.9		336.9		113.6

Collection rates & Doubtful debts

The Debtor Days collection performance for sundry debts has improved from 59 days in September to 46 days now.

The doubtful element of sundry debts is now £113.6k.

The doubtful debt provision brought forward was £97.3k and £27.7k of this has been used to write off debts in Q1&2. Officers recommended a further provision of £30k in the September monitoring report (see page 20). This will mean a current doubtful debt balance of £99.6k, so a further £10-15k provision may be required at the year-end.

At least £34.8k of the sundry debts opposite is held on the Local Land Charges Register.

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Capital Resources

Table 1 - 2016/17 receipts

Major Receipts:	Original Expect'ns £000	Actual to Date £000	Total Forecast £000	Surplus / (Deficit) £000
Capital Receipts				
Land & Property Sales	50	3	130	80
Osolete refuse vehicles	-	4	4	4
Empty Property Sales		28	28	28
Net receipts to table 2	50	34	162	112

Current issues

The income from asset sales in table 1 above includes £4k from the sale of 2 vehicles at auction. In Q3 one long-term empty property was acquired and then sold at auction for £28k. The whole of this income has been recycled back into the CPO fund for future properties. Officers are also about to conclude the sale of another asset which is expected to bring in £130k in the early part of Q4.

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.

There has been one change to the capital programme since that reported back in July and this relates to the Mullards play area upgrade. The changes to the projects and funding so far during 2017/18 now total £765k.

As shown in detail on the following page, the actual capital programme now stands at £10,523k. 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 £9,106k coming from the capital resources above, leaving an expected balance of capital resources of £975k 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 September 31% of the funds available have either been completed and paid for, or commissioned and under way.

The disposal of Rossendale Transport Ltd was completed on the 12th January 2018 and this will be fully reflected in Q4 monitoring report.

Table 2 - Useable Capital Receipts

Useable Capital Resources	£ 000
Balance at April 2017	1,762
Capital Grants in 2017/18	7,142
Capital Receipts in 2017/18	162
	9,066
Revenue Contributions	
from Earmarked Reserves	153
from S106 agreements	230
from Revenue Operations	128
Total Capital Resources 2017/18	9,576
Capital Prog funding requirement	(8,486)
Useable Capital Receipts Mar 2018	1,090
Reserved for housing	(367)
Unreserved Cap Receipts	723

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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
Place Directorate								
Operations	130	1,033	1,033	265	358	171	240	48
IT Software & Equipment	0	6	6	0	0	0	6	1
Regeneration	0	6,686	6,686	5,583	0	203	900	30
Corporate Support Services								
Finance & Property Services	135	432	432	0	332	100	0	0
Other Projects	0	69	69	52	0	17	0	0
Housing	620	1,696	1,696	1,260	120	0	316	63
	885	9,922	9,922	7,160	810	491	1,462	142

Capital Programme

The original capital programme approved in February was £885k and slippage brought forward totalled £8,873k as detailed in the July report. During Q3 it has been confirmed that £722k of the Bacup THI work will be carried forward into 2018/19.

The Q2 monitoring report went to Cabinet in November where members approved the use of £50k from the Employment & Transport Reserve to support the development costs of Spinning Point Phase 2. This brings the total revised capital programme to £9,922.

Capital Programme 2017/18	£000	Funded by
Original Capital Programme	885	
Slippage from 2016/17 projects	8,873	see list
Less Bacup THI cfwd to 2018/19	-722	
New capital projects in 2017/18		
DFG - extra Better Care Grant	369	Grant
Stubbylee Duck Pond/Dell	49	Grants Additional £10k
Stubbylee Pump Track	33	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
Mullards	138	Grants/S106/RBC Cap
Spinning Point Ph1 agent fees	45	Grants
Spinning Point Ph2 development	50	Employ& Transp Reserve
Other minor adjustments	13	Grants
Revised Capital Programme	9,922	

Capital project activity since the September report

- DFGs paid or committed have risen from 31% to 42% of the revised programme in Q3. Officers now expect to complete around 65 grants in 2017/18 and carry forward around £438k of the Better Care Fund grant into 2018/19, as shown on page 24.
- Bacup THI has paid or committed a further £371k. Officers have determined that £722k of works will slip forward into 2018/19, bringing the spend this year down to around £879k.
- Parks projects at Clod Lane and Loveclough are now all complete. Work on the Mullards project in Waterfoot is around 80% complete and should be finished in January.
- At Healey Dell the pump track and woodland path projects are both complete, and officers are now working with members and community groups in the area to develop plans for a Phase 2. At Stubbylee Park members and officers are looking to attract funding for the Dell in the next phase of the overall Masterplan.
- The Spinning Point project demolition phase has been concluded and renovation works on the Town Hall have begun. Officers continue to negotiate on issues surrounding the stopping up of roads required for the project. Spend to date has risen to £646k of the £5.2m project.

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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	216	94
Street Sweeping	44	22	22
Parks	54	19	35
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	98	35
	957	807	150

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

The Capital Programme included the replacement of £240k of Operational equipment/vehicles which was reflected in the MRP budget opposite. Whilst delays in purchasing are increasing the maintenance costs, they will lead to an MRP 'holiday' in 2017/18 (see notes on pages 8 & 9).

Revision of the life of some buildings has resulted in an ongoing £36k reduction of MRP in the Non-Distributed Costs area.

The table above shows a net £20k adverse for leisure investments - this is a £20k saving following the life adjustment for the Marl Pits dry sports project and the first year of £40k costs for the Haslingden sports equipment. Members should note that this new £40k charge is being refunded by the Leisure Trust, hence the net £20k favourable position shown on pg 20.

Section 106 Receipts Monitoring

Members may note that £72.4k of new deposits have been received in Q3, £48.6k of which are for Rossendale capital projects.

Almost £120k 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.

Section 106 Agreements 2017/18	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b/wd at 1st April 2017	492.3	167.6	318.9	978.8
Deposits received in 2017/18	22.4			22.4
Deposits applied in 2017/18	(106.8)	(26.0)	(119.8)	(252.6)
Current Balance	407.9	141.6	199.2	748.7

Members and officers are currently considering options for funding the Stubblee Dell project, one option being the application of the remaining S106 monies from the Cloughfold development.

Planning Ref	Area	Site	Purpose	Time Period	Current Balance
RBC Revenue Maintenance:-					
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	no time limit	0
2004/012	Crawshawbooth	Former Chapel at York St	Contribution to recreation area selected by the council	no time limit	3,841
2004/372	Crawshawbooth	Conversion of Con Club to 8 apartments	Bus shelters	no time limit	0
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	134,846
		Others		Exp Jan 2021	2,945
				Revenue	141,632
RBC Capital:-					
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 Jul 2020	110,769
2010/0667	Whitworth	Cowm Park Way/ Hall St	Youth & Community	Exp Jul 2020	32,549
2011/0046	Helmshore	Holmefield House	Affordable housing	Exp Sep 2020	25,800
2013/0041	Cloughfold	Land at 449 - 457 Bacup Rd	Play Space/Open Space and/or pedestrian/cycle way	no time limit	13,702
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	0
				Capital	199,212

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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	47.10	51.60	54.82	43.60	48.98
September	57.00	56.80	56.35	56.20	61.01	62.70	58.92	57.60
October	66.30	66.18	65.58	65.58	68.55	70.27	67.00	65.57
November	75.52	75.45	74.73	74.81	75.72	79.88	74.40	74.28
December	84.81	84.52	83.85	84.03	82.61	87.02	82.08	82.46
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	

Collection rates for both council Tax and Business rates have ended December slightly ahead of the same time in 2016/17.

Council Tax Collection Fund

During Q3 a further £62k of banding appeals and £60k of additional exemptions have resulted in drop in the Council Tax surplus from £659k reported in September to £535k now. The Rossendale share of this surplus has dropped £19k to £82k at the end of December.

However, 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		35,190
less Bad Debt Provision		(139)
		35,051
less Precepts		
Lancashire County Council		(24,607)
Police		(3,333)
Fire		(1,320)
Rossendale Borough Council		(5,257)
		(34,517)
Surplus		535
RBC Share		82

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 £108k of which RBC share is £43k. This is an adverse movement in Q3 of £41k on the cash surplus and £17k on the surplus attributable to Rossendale.

Business Rates collection performance continues to follow the 2016/17 pattern, which saw a shift from 10 to 12 annual payments, but with the same outcome at year-end of over 97% collection in-year.

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Business Rates Collection Fund 2017/18	Q2 £'000	Q3 £'000	
Business Rates Income	11,860	11,819	excluding grants to G.Fund
Bfwd April 2017	39	39	
less Precepts paid	(11,650)	(11,650)	
Cash surplus/(deficit) on Business Rates Coll	249	208	
RBC Share @ 40%	100	83	
Central Government share 50%	125	104	
LCC and Fire share 10%	25	21	

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 £4,688k, 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 17/18 tariff has been amended by the Valuation Office in January 2018 to £2,534k.

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 - given that actual band decreases so far in the year now exceed £820k, officers have reduced the estimated contribution to the appeals provision from £550k at Q2 to £450k at the end of December.

RBC General Fund / Pooling gains	Q2 £'000	Q3 £'000	
Business Rates Income	11,860	11,819	
RBC Share @ 40%	4,744	4,728	
less tariff paid to Central Government	(2,616)	(2,534)	Adjusted by DCLG Jan 2018
plus Enhanced Small Business Relief	586	586	Due in respect of 2017/18
plus other Section 31 Grants	66	66	Due in respect of 2016/17
Subtotal	2,780	2,846	
RBC Baseline Funding Level	2,035	2,035	
Surplus for Levy Calculations	745	811	
<i>Saving on levy to Central Gov't @ 50%</i>	373	405	

To summarise, the current forecast variances relating to the 2017/18 for business rates show an overall gain of £889k:

Business Rates Summary	Q2 £'000	Q3 £'000	(Adv)/Fav Variance
Collection Fund surplus/(deficit) 2017/18	100	83	Budget Feb 2018, receive 2018/19
Precept surplus/(deficit)	(7)	75	Receivable in 2017/18
Section 31 Grants & Localism Relief	652	652	Receivable in 2017/18
less LCC pooling share	(37)	(41)	Payable to LCC in 2018/19
Renewable Energy	157	157	
Overall Gain	864	927	
<i>MTFS Target</i>		800	

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

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Glossary

Capita Asset Services (formerly Sector)

Capita Asset Services (formerly Sector) is the company which provides the Council with Treasury Management advice, including daily market reports and predictions, credit rating updates, interest rate forecasts and annual reviews of our strategy and practices ahead of the February reports to Full Council. The Capita model investment portfolio is the benchmark by which we measure our investment performance.

Capital expenditure

Spending on the acquisition or maintenance of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within the definition must be charged to a revenue account.

Capital Receipts

Proceeds from the sale of fixed assets, such as land or buildings, or the repayment of capital grants or advances.

Cash & Cash Equivalents

Cash deposits are those which provide instant access to the funds without significant penalty or loss of interest. For the Council this is the balance on the NatWest account. This is in comparison to short- and long-term *Investments* in which funds are untouchable during the life of the deposit.

Consumer Price Index (CPI)

The consumer price index (CPI) is a measure estimating the average price of consumer goods and services purchased by households. It is a price index determined by measuring the price of a standard group of goods meant to represent the typical market basket of a typical urban consumer and how this changed in the previous 12 months.

Compulsory Purchase Order (CPO)

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

Earmarked Reserves

Cash-backed funds identified to fund specific projects in the future.

Full Time Equivalent (FTE)

Each full-time post within the Council works 37 hours per week. Part-time posts are expressed in relation to this, for example a post working 4 days a week would be 0.8FTE.

General Fund

The main revenue fund of the Council. Spending on services is met from the General Fund. Spending on the provision of housing, however, must be charged to a separate Housing Revenue Account.

Government Grants Unapplied

Grants received in advance – these will be released into capital or revenue once projects come online.

Housing Market Renewal (HMR)

Grant received to improve and renew the housing stock within the Bacup and Stacksteads area. Also referred to as Elevate and now run by the Regenerate Pennine Lancashire team.

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Investments

The Council invests surplus cash in short- and long-term deposits in accordance with the Treasury Management Strategy and Practices revised in February each year. In this context short-term includes anything up to 365 days, and long-term is for more than one year. Funds deposited in such investments are not accessible until the end of the agreed terms.

Local Authority Business Growth Incentive Scheme (LABGIS)

This is a means to reward Councils for increases in the rateable value of business properties above a certain threshold. Rossendale has received this for the first time in 2006/07 and used the extra income to create a Reserve for future Economic Development activity.

Local Strategic Partnership (LSP)

The Local Strategic Partnership brings together local representatives from the public, private, community, voluntary and faith sectors to deliver a better quality of life in Rossendale, as set out in the Sustainable Community Strategy 2008-2018.

Medium Term Financial Strategy (MTFS)

The Council's financial planning document for the foreseeable future.

Minimum Revenue Provision (MRP)

The minimum amount which must be charged to the Council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

National non-domestic rates (NDR)

National non-domestic rates for commercial premises are set annually by the government and collected by all local authorities. The proceeds are redistributed through the Central Formula Grant.

Provision

Cash 'put aside' for expenditure on an intended project which is not commenced or complete at the year-end. This may include accumulating provisions, such as a vehicle replacement provision, and one-off projects.

Provisional

Best forecast given current knowledge.

Reserve

Amounts included in one financial year's accounts to provide for payment for goods or services, whether revenue or capital, in a future financial year.

Revenue account

An account that records an authority's day-to-day expenditure and income on such items as salaries and wages and other running costs of services.

Retail Price index (RPI) and (RPIX)

The Retail Price Index (RPI) is a measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a basket of retail goods and service and is used by the government as a base for various purposes, such as the indexation of pensions, social housing rent increases and many employers also use it as a starting point in wage negotiations

RPIX is the RPI excluding mortgage interest payments.

Section 106 Agreement

Planning agreement whereby developers make a contribution towards specific projects linked to their development as a condition of planning application approval. Deposits may be for revenue or capital schemes, but application of the funds are dependent on firstly the developer, and then the Council, pursuing the projects specified within the agreement.

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Rossendale Borough Council

PO BOX 74

Bacup

OL13 0WU

T: 01706 217777

E: generalenquiries@rossendalebc.gov.uk

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میریٹ ٹیمیں یا کسی اور نمائندگی آپ کے لئے اس کا انتظام کریں۔

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Tel: 01706 217777 or contact:

Rossendale Borough Council

PO BOX 74, Bacup, OL13 0WU

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