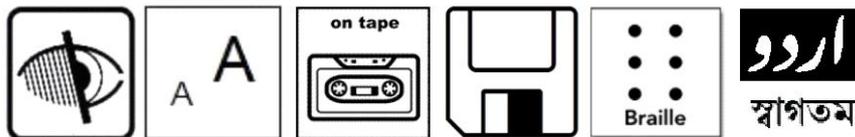


# Monthly Financial Monitoring Report

2012/13 as at end of March 2013 – Period 12

*Including a Glossary of terms on page 33*



## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### General Fund Revenue Operations – pages 4 to 23

The March monitoring report on the General Fund for 2012/13 shows a £525k favourable variance compared to the original budget of £9,829k, a further improvement of £35k in March. This variance is after the contribution of £85k to provisions as proposed in February (see page 23).

General Fund Reserves	General Fund Reserve £000	Directorate Investment Reserve £000
<b>Balance at 1st April 2012</b>	953	110
<b>Favourable/(adverse) movement in 2012/13</b>	525	
<b>Planned transfers/utilisation</b>		(20)
50% transfer to Directorate Investment Reserve		
Place Directorate	(112)	112
Business Directorate	(93)	93
Corporate Directorate	(57)	57
<b>Balance anticipated at 31st March 2012</b>	<b>1,216</b>	<b>353</b>

This table shows how the potential carry forward of favourable Directorate variances might result in a net increase of £263k in the General Fund Reserve to £1,216k at the 31<sup>st</sup> March 2013 against a target of £1m.

### Earmarked Revenue Reserves – page 24 to 25

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2012 were £5,152k.

In the February report we anticipated that the March 2013 balance would be £4,163k, but the current forecast has risen to £5,151k. There is a table on page 25 explaining the changes to the Reserves during March and these include £254k of departmental reserves which are to cover future costs which do not meet the current technical definition of a 'provision', but to all intents and purposes would have been provisions in the past.

Page 25 also includes changes to the future usage of reserves, in some cases these are delays of usage in 2012/13 are noted above, including some slippage of projects like the vehicle replacement plans. The estimated level of reserves at 31<sup>st</sup> March 2016 has now risen to £3,209k.

### Government Grants Unapplied – page 26

The main change to the Unapplied Grants at year-end has come from the Disabled Facilities Grants. As noted in the capital programme slippage on page 31, £125k of grants have been approved but not yet commissioned or completed and so the grant funding required in 2012/13 has been accordingly adjusted. Of this £125k slippage, £107k is being funded from Housing Capital Pot, which is shown as an increase in the grant unapplied, and £18k is being funded by Green Vale Homes contributions deferred until 2013/14.

Therefore the anticipated balance of government grants at year end is £744k, though this will drop to £242k by March 2015.

### Staff Monitoring – page 26

The staff savings during March have increased the favourable variance by £22k to £288k for the year to date. Though there have been no further changes to the revised establishment in March, the number of vacant posts has risen from 3 to 4.

### Treasury & Cash Management - page 27 to 29

The Council's cash balances were £6,196k, at the end of March and the revenue interest income closed the year with a favourable variance of £49k. A significant element of this

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

variance is due to higher than expected balances following additional capital receipts, changes to the capital programme and the £1.2m NNDR refund from central government in June.

Interest rates in the coming year continue to be a concern with only one 364 investment being entered into, earning 1.1% interest. Whilst performance continues to compare favourably to the Sector model portfolio on page 28, the most that cash deposits will be earning from May onwards is 0.8%, therefore interest income in 2013/14 is unlikely to result in the same favourable variance as this financial year.

Following the issue of quarterly recycling bills in March the value of outstanding sundry invoices has risen from £240k in February to £584k at the year-end. Of that balance 73% is under 30 days old. The high value of March invoices has pushed the debtor days performance figure up to 78 days (68 days in March 2012), but the average performance throughout 2012/13 has been 2 days lower than the average in 2011/12. This can be verified by the fact that for invoices issued between April and January the collection rate has been 98%.

The anticipated bad debt provision includes £26k which relates to default works ultimately collectable through the Land Charges Register. During March officers wrote off £6k of bad debts and made a further bad debt provision of £20k, leaving the net doubtful debt provision at £123k at the year-end.

### Capital Receipts – page 30

The sales of three CPO properties sold at auction in December have been concluded though there are still some costs outstanding relating to the initial CPO which are being accrued for as part of the final accounts process.

With a net £1,162k of capital receipts in 2012/13 and £632k being contributed from revenue operations and reserves, the total resources available were £2,805k. Of this £1,534k is being applied to fund projects, leaving a year-end balance carried forward of £1,271k of which £279k is unreserved.

### Capital Programme and Funding – page 31 to 32

The original capital programme for 2012/13 was £936k and £2,966k was rolled over from 2011/12 for projects in progress. The revised capital programme at the end of February was £5,289k which included £1,387k of new projects added within the year.

At the end of March the programme was 82% complete with an actual expenditure of £4,534k. This leaves £825k of slippage in ongoing projects which will be carried over to 2013/14, along with the respective funding.

### Collection Fund 2012/13 – page 33

The collection performance for Council Tax was 97.5% at the end of March compared to 97.6% in 2011/12 and the target of 97.8% for the year. The draft Collection Fund is showing a net deficit of £273k, of which around £44.8k will be attributable to Rossendale Borough Council. This brings the Council's cumulative deficit up to £70k, which we have now fully provided for.

During 2012/13 there was a net reduction of £562k (£126k in 2011/12) in the total Council Tax chargeable, following banding reductions approved by the Valuation Office. As a result of these reductions the value of refunds rose from £420k in 2011/12 to £692k in 2012/13.

NNDR collection rate to the end of March was 96.7%, below the 97.8% at the end of 2011/12 and the 98% target for the year. Whilst there have been £520k of banding reductions during the year, leading to £437k of refunds, this is far better than the £1.5m drop experienced in 2011/12.

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### General Fund Revenue Operations

Service Area	2012/13 Original Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Place Directorate</b>					
Communities	1,840.6	1,808.3	32.4	27.3	5.1
Customer Services and E-Government	1,231.7	1,097.9	133.8	39.3	94.5
Place Operations	1,582.4	1,524.0	58.4	50.8	7.6
<b>Business Directorate</b>					
Building Control Services	127.9	133.8	(5.9)	(9.0)	3.1
Legal & Democratic Services	791.9	747.6	44.2	48.9	(4.7)
Planning Services	157.3	97.6	59.6	55.0	4.6
Local Land Charges	22.0	30.3	(8.3)	(5.1)	(3.2)
Licensing & Enforcement	152.1	71.5	80.5	101.9	(21.4)
Health, Housing & Regeneration	1,012.8	996.8	16.1	17.0	(0.9)
<b>Corporate Support Services</b>					
Corporate Management	414.8	364.8	50.0	46.4	3.6
Finance & Property Services	1,431.8	1,380.0	51.8	36.3	15.5
People and Policy	401.6	333.6	68.0	33.9	34.1
Non Distributed Costs	147.3	245.1	(97.8)	(14.9)	(82.9)
Capital Financing and Interest	45.9	3.1	42.7	61.2	(18.5)
Leisure	652.6	651.7	0.9	0.6	0.3
Use of Earmarked Reserves	(183.5)	(182.3)	(1.2)	-	(1.2)
<b>Favourable impact on General Fund</b>	<b>9,829.0</b>	<b>9,303.9</b>	<b>525.2</b>	<b>489.6</b>	<b>35.6</b>

The revenue position at the end of March includes various favourable and adverse variances, coming to a net favourable £525k.

Total anticipated favourable variance compared to the original budget in relation to staff has risen by £3k to £254k favourable against the original establishment of 204.4 full-time equivalent employees at the start of the year. For details of the structure changes during 2012/13 please see page 26.

The other main areas of non-staff movements in March can be seen in the table opposite and these include:-

- an improvement of £21k in the forecast for court costs awarded income.
- a provisional net surplus on the Benefits Subsidy of £67k.
- usage of £15k of refuse sacks from stocks
- a further increase of £34k in planning income, though £33k of this is being contributed to the Budget Volatility Reserve.
- further savings on audit costs have been used to support the capital costs of IT upgrades to enable the Leisure Trust financial transactions to be performed by the Council.
- the publicity budget has been underspent by £29k
- additional VAT Shelter entitlement from Green Vale homes of £61k has been transferred to the Pension Reserve.
- three contributions to provisions discussed in proposed months have now been completed, moving £69k of the underspend to future years to fund these commitments.
- minimum revenue provision has been charged for the Rawtenstall Town Square from the opening day in October 2012, creating an adverse variance of £15k.

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

Major Variances in March	Favourable /(Adverse)	Net
<b>Communities</b>		
Staff costs	0.2	
Reduction to the tarmacing costs previously forecast	5.0	
Provision for dangerous trees	(8.0)	
Cemeteries income	8.0	
Other minor variances	(0.1)	5.1
<b>Customer Services and e Government</b>		
Staff costs	2.0	
Revision of Disaster Recovery and Government Connect	5.2	
Court costs awarded - revision of adverse forecast	21.0	
Provisional Benefits Subsidy surplus	67.0	
Set-up for Local Council Tax Support	(10.0)	
Dog Warden/Pest Control contract	4.2	
Other minor variances	5.1	94.5
<b>Place Operations</b>		
Staff costs	3.7	
Recharge staff to Licencing within Business Directorate	11.7	
Reduction in minor insurance compensation claims	5.0	
Revised usage of refuse sacks	(15.0)	
Fuel	5.5	
Other minor variances	(3.3)	7.6
<b>Business Directorate</b>		
Staff costs	(2.6)	
Planning income (surplus revised upwards)	34.0	
Planning contribution to Budget Volatility Reserve	(33.0)	
Planning - other professional fee income	7.0	
Taxi Licencing income (net of associated direct costs)	6.0	
Recharge departmental staff support for Licencing	(24.5)	
Other minor variances	(8.4)	(21.5)
<b>Business - Health, Housing &amp; Regeneration</b>		
Other minor variances	(0.9)	(0.9)
<b>Corporate Management</b>		
Funding minor costs from savings rather than Reserves	(7.0)	
Recharge staff to Licencing within Business Directorate	12.8	
Other minor variances	(2.2)	3.6
<b>Finance &amp; Property Services</b>		
Further savings on internal & external audit costs	18.7	
Capital contribution for costs of IT upgrade for RLТ	(11.0)	
Repairs & maintenance (reduction of adverse forecast)	8.4	
Other minor variances	(0.6)	15.5
<b>People &amp; Policy (incl P&amp;P &amp; Comm)</b>		
Reduction in Training cost requirement	6.0	
Publicity & Communication budget not required	29.0	
Other minor variances	(0.9)	34.1
<b>Non-Distributed Costs &amp; Capital Financing</b>		
Interest receivable	3.6	
VAT refund/interest transfer to Change Mangmt Reserve	(4.4)	
Additional VAT Shelter receipt entitlement	61.1	
Transfer VAT Shelter variance to Pension Reserve	(61.1)	
Contribution to Doubtful Debt Provision	(20.0)	
Contribution to MMI Provision	(20.0)	
Contribution to Collection Fund Deficit Provision	(45.3)	
MRP charge of Rawtenstall Town Square from Oct 2012	(14.6)	
Other variances	(1.7)	(102.4)
<b>This month's favourable/(adverse) variance on the General Fund</b>		<b>35.6</b>

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Communities - Period 12 (March)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Strategic Functions</b>					
Community Management & Admin	130.7	96.1	34.5	34.0	0.5
Community Safety	50.1	46.5	3.6	3.8	(0.2)
Local Strategic Partnership	(35.3)	(41.4)	6.1	6.5	(0.4)
Area Forum Grant Budgets	70.0	70.0	(0.0)	0.0	(0.0)
Emergency Planning	7.7	1.9	5.8	5.8	(0.0)
Grants	114.7	114.7	0.0	0.0	0.0
Discretionary NNDR	37.0	36.9	0.1	1.7	(1.6)
Localities - Residual budget	17.9	18.9	(1.0)	(2.9)	1.9
Haslingden, Helmshore & Edenfield Locality	313.0	319.3	(6.3)	(6.8)	0.5
Rawtenstall Locality	406.8	393.0	13.8	13.6	0.2
Bacup & Whitworth Locality	354.4	346.2	8.2	7.7	0.5
Parks & Open Spaces	293.2	373.7	(80.5)	(76.3)	(4.2)
Street Cleansing	334.3	274.0	60.3	60.3	0.0
Pride in Rossendale	7.0	4.7	2.3	0.6	1.7
Cemeteries	(140.7)	(135.1)	(5.6)	(13.7)	8.1
Markets	(119.9)	(111.0)	(8.9)	(6.9)	(2.0)
<b>Total</b>	<b>1,840.6</b>	<b>1,808.3</b>	<b>32.4</b>	<b>27.4</b>	<b>5.0</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Communities Admin/ Emergency Planning & Communities Mgmt	41.1		41.1	
Emergency Planning Contract	(12.0)		(12.0)	
Emergency Planning running costs	5.0	0.8	5.8	
LSP 2nd homes income more than budget	4.5		4.5	
NNDR Discretionary rate relief	1.7		1.7	
Markets salaries savings	4.0		4.0	
Markets - income	(10.0)	(2.0)	(12.0)	
Communities - Protective clothing	(2.4)	(0.2)	(2.6)	
Salary and Agency costs - Parks & Open Spaces	(24.0)		(24.0)	
Salary and Agency savings - Street Cleansing	59.2	0.2	59.4	
Open Spaces - Tools & Equip, Plants, other horticultural materials	6.9	1.0	7.9	
Open Spaces - Playground Equipment / refurb	(7.3)		(7.3)	
Open Spaces Fuel	1.3		1.3	
Olympic Torch Related Event costs	(3.0)		(3.0)	
Open Spaces - Tarmacing Bacup Cemetery / works at Stubbylee, Whittaker Park/ St James Church Yard	(16.9)	5.0	(11.9)	
Provision for dangerous trees works / repairs to paths	(15.0)	(8.0)	(23.0)	
Vehicles - excise duty	(3.4)	0.5	(2.9)	
Open Spaces & Playing fields Income	(2.1)		(2.1)	
Cemeteries - Income	(1.8)	8.0	6.2	
Cemeteries - Record and mapping system	(5.7)		(5.7)	
Communities Miscellaneous costs	7.1	(0.1)	7.0	
<b>TOTAL</b>	<b>27.2</b>	<b>5.2</b>	<b>32.4</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Communities Highlight Report – Period 12 (March)

#### Historic Issues

- The vacant Emergency Planning Post remains within the budgets showing an under spend of £31.2k. Some of this is being used to offset an annual cost of £12k for the Shared Emergency Planning Service with Hyndburn.
- This budget includes a £28.6k income contribution from Lancashire County Council to support public realm works and in particular additional costs incurred by Rossendale. In setting the budget the Head of Finance took the view, based on the previous year, that the overall budget would absorb this additional cost pressure.
- Street Cleansing salary and agency forecasts are showing an under spend of £59.4k
- The projected shortfall on market income is £8k.
- The re-tarmacking of Bacup Cemetery has been agreed, after feedback from the public and Councillors, at a cost of £6.6k.
- It was assumed the budget for Business Rates Discretionary Rate Relief would be fully utilised. However, based on the October figures provided by Capita and a contingency of £2k for any further allocations, the budget is showing an under spend of £1.7k.

#### Current Month Issues

- The Communities budget has a projected under spend of £32.4k, a favourable movement in month of £5.0k.
- Cemetery income has moved favourably by £8k compared with February. A decision has been made to set aside £8k from the 2012/13 under spend to meet the cost of resurfacing pathways in Bacup Cemetery.

#### Future Issues

- Nothing to report

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

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

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Strategic Functions</b>					
Management and Support	77.9	76.7	1.2	0.6	0.7
Service Assurance Team	135.6	128.9	6.7	3.6	3.1
<b>Revenues, Benefits and Customer Services</b>					
Local Tax Collection	(344.8)	(343.0)	(1.8)	(16.5)	14.7
Benefits Admin	865.8	839.6	26.2	32.2	(6.0)
Net - Benefit Payments & Subsidy received	(98.5)	(176.3)	77.8	6.7	71.1
<b>Information and Communications Technology</b>					
Technology	554.3	536.5	17.9	14.4	3.5
<b>Pest Control</b>					
Pest Control	11.0	7.3	3.7	(3.2)	6.9
<b>Dog Warden</b>					
Dog Warden	30.4	28.3	2.1	1.7	0.4
<b>Total</b>	<b>1,231.7</b>	<b>1,097.9</b>	<b>133.8</b>	<b>39.5</b>	<b>94.3</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr Forecast £000	R A G
Service Assurance Team	3.6	2.0	5.6	
Salary under spends (vacancy) & External Resilience	36.0		36.0	
Inflation on contracts	28.0	(2.5)	25.5	
Court Costs awarded for non collection of Council Tax (Court Fees)	(20.0)	21.0	1.0	
Provisional Surplus on HB subsidy		67.0	67.0	
Software Licenses	(1.0)	(3.0)	(4.0)	
Other various minor variances	3.9	3.6	7.5	
Sale of surplus obsolete ICT equipment	2.8		2.8	
Set-up costs for Local Council Tax Support		(10.0)	(10.0)	
Recovery of Housing Benefit overpayments	8.6	3.0	11.6	
Upgrade of Governemnt Connect (following on from external ICT audit)	1.0	(2.0)	(1.0)	
Disaster Recovery & Computer Circuits	(15.7)	7.2	(8.5)	
Financing costs of Desktop Virtualisation Project		3.8	3.8	
Purchase of Computer Switches to facilitate the move of Council Staff from Rawtenstall to Bacup (Futures Park)	(9.5)		(9.5)	
Dog Warden / Pest Control	1.8	4.2	6.0	
<b>TOTAL</b>	<b>39.5</b>	<b>94.3</b>	<b>133.8</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Customer Service & E-Government Highlight Report – Period 12 (March)

#### Historic Issues

- Disaster Recovery - at present the budget is projected to over spend by £14k the full savings will not be realised in the current year due to administrative issues with the supplier. These are being escalated to BT / Regulator to ensure the problems are resolved.

#### Current Month Issues

- The customer Services and E-Government has a projected under spend of £132.4k; a favourable movement in month of £94.3k
- The main movement in March relates to Housing Benefit Subsidy, which is provisionally showing a surplus of £67k. The favourable movement in Housing Benefit subsidy compared with last year's outturn is a result of an increase in Supported Housing Providers being registered as a Housing Association. The Council suffers a shortfall in the housing benefit it can reclaim where Supported Housing providers are not registered as social housing providers.
- There has been a significant increase in court cost awarded for non-payment of council tax following a special exercise to target old debts. This has resulted in a favourable movement in month of £21k, bringing the actual income back into line with the original budget.
- There has been reduction in Disaster Recovery costs associated with the integration of Rossendale Leisure Trust into the Council's ICT environment. The supplier concerned has waived costs for several months, previously included within expenditure forecasts. This has resulted in a favourable movement of £7.2k.
- The utilisation of a provision set aside in the previous financial year has resulted in a favourable movement on Pest Control of £4.2k

#### Future Issues

- None

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Place Operations - Period 12 (March)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Strategic Functions</b>					
Operations Admin / Vehicle Maintenance	430.9	406.7	24.1	24.0	0.1
<b>Operational Functions</b>					
Refuse Collection	819.0	818.0	1.1	1.7	(0.6)
Street Sweeping	332.5	299.3	33.2	25.1	8.1
<b>Total</b>	<b>1,582.4</b>	<b>1,524.0</b>	<b>58.4</b>	<b>50.8</b>	<b>7.6</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Salary Saving from use of Hyndburn	26.5	(2.0)	24.5	
Recharge Staff Time supporting increased Taxi License applications		11.7	11.7	
Other Salary Savings / non take-up of pension (includes Agency)	32.2	6.5	38.7	
Purchase of Additional Refuse Bins	(15.0)		(15.0)	
Additional Hours (Toil)	(2.1)		(2.1)	
Street Sweeping Overtime	11.2	(0.8)	10.4	
Henrietta St Depot Miscellaneous under / (over) spends	(0.6)	2.4	1.8	
Public Realm funding	3.0		3.0	
Protective clothing	(4.8)	(1.3)	(6.1)	
External repairs	(2.0)	(1.0)	(3.0)	
Purchase of Tools & Equipment	9.0	0.6	9.6	
Revised Usage of Refuse Sacks following year end stock take		(15.0)	(15.0)	
Provision for excess on insurance claims		5.0	5.0	
Provision for adverse weather (Rock Salt)	(3.0)	2.8	(0.2)	
Recycling Contract and Income	(25.1)	(10.3)	(35.4)	
Bulky collections expenditure & income	(6.2)	(0.3)	(6.5)	
Revenue Contribution to Capital Outlay on Brake Testing	(30.0)	2.0	(28.0)	
Additional building works Henrietta St Depot		(5.0)	(5.0)	
Trade Waste tipping fees	(12.2)	0.5	(11.7)	
Trade Waste income	17.0	(0.2)	16.8	
Clinical Waste Collection	(7.0)	(1.9)	(8.9)	
Bin Deliveries	6.7	(0.1)	6.6	
Vehicle Maintenance & Consumables	(7.7)		(7.7)	
Christmas calendars & delviery	13.0		13.0	
Fuel	34.8	5.5	40.3	
Vehicle Road Tax	(9.9)	2.1	(7.8)	
MOT	(3.2)	0.6	(2.6)	
Vehicle Hire/ Leases	17.6	2.5	20.1	
Street Sweeping Miscellaneous	2.7	3.3	6.0	
Sale Proceeds from the sale of misc assets	5.9		5.9	
<b>TOTAL</b>	<b>50.8</b>	<b>7.6</b>	<b>58.4</b>	

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# Monthly Financial Monitoring Report 2012/13 – end of March 2013

## Operations Highlight Report – Period 12 (March)

### Historic Issues

- The vacancy arising from the departure of the Operations manager, and subsequent joint working with Hyndburn Council, has resulted in a forecast £20.5k saving in year (full year recurrent saving of £25k.)
- The invoices for the collection of trade waste were above the original budgets, resulting in forecasts of £16.8k favourable variance.
- *Additional vacancies and reduced hours had generated salary savings of £19.6k however agency costs were forecast to over spend on budget by £13.6k. This was in part due to some agency workers being eligible for an increased rate due to the Working Time Directive, as well as the additional requirement of agency staff to cover long term sickness.*
- Current estimates are for a fall in the price of Paper & Card by 63% and Glass, Cans & Plastics by 18% due to factors discussed in the August monitoring pack (period 5), effective from the termination of current arrangements on 31<sup>st</sup> August 2012.

### Current Month Issues

- The Operations budget has a projected under spend of £58.4k, a favourable movement in month of £7.6k
- £11.7k of costs associated with an operation admin officer have been recharged to the Business Directorate reflecting the time spent by this officer supporting the Taxi Licensing service which has seen a significant increase in applications during 2012/13.
- Reduction in the use of agency staff during March has resulted in a favourable movement of £6.5k
- Following the end of year stocktake the expenditure on Refuse Sacks has been revised upwards by £15k. Stock levels of refuse sacks being significantly less than at the close of the previous financial year, partly due to the limitations of storage space.
- Favourable movements in the price of fuel and other vehicle related costs has resulted in a favourable movement in month of £10.7k
- Discussions are on-going regarding RBC's liability for shared recycling income with Lancashire County Council. A prudent approach has been adopted, hence the adverse movement in month of £10k; reflecting the worst case scenario.

### Futures Issues

- During 2013/14 consideration will be given to the replacement and financing policy of future vehicle requirements.

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Business Services - Period 12 (March)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Strategic Functions</b>					
Executive Director of Business	0.4	0.4	-	-	-
<b>Planning</b>					
Development Control	(15.4)	(76.6)	61.2	51.8	9.4
Forward Planning	172.7	174.2	(1.5)	3.3	(4.8)
<b>Land Charges</b>	22.0	30.3	(8.3)	(5.1)	(3.2)
<b>Building Control</b>					
Building Control - Fee Earning Account	17.3	21.4	(4.1)	(7.7)	3.6
Building Control - Statutory Function	102.6	104.3	(1.8)	(3.3)	1.5
Building Control - Street Signs	8.0	8.0	0.0	2.0	(2.0)
<b>Legal Services</b>	205.3	196.7	8.6	16.2	(7.6)
<b>Democratic Services</b>					
Electoral Registration	57.1	56.0	1.0	(2.2)	3.2
Elections	71.6	68.7	2.9	3.0	(0.1)
Democratic Representation	390.8	376.3	14.5	14.8	(0.3)
Mayoralty	59.1	46.8	12.3	12.2	0.1
Town Twinning	7.5	2.7	4.8	4.8	0.0
<b>Licensing &amp; Enforcement</b>	152.1	71.5	80.5	101.9	(21.4)
<b>Total</b>	<b>1,251.0</b>	<b>1,080.8</b>	<b>170.2</b>	<b>191.7</b>	<b>(21.5)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Planning - Salary vacancy/ costs	21.9		21.9	
Planning - Professional fees	(8.0)	7.0	(1.0)	
Planning - Planning Applications Income	83.0	34.0	117.0	
Planning - Transfer Planning Applications Income to Volatility Provision	(54.0)	(33.0)	(87.0)	
Planning - Misc	6.2	(2.0)	4.2	
Land Charges Income	(4.8)	(2.0)	(6.8)	
Land Charges - Legal Fees	(0.3)	(2.7)	(3.0)	
Building Control - Income	(8.0)	3.0	(5.0)	
Building Control - Training from 2009/10	(1.5)		(1.5)	
Legal Salaries - non take of Pension / Mat Leave	5.5	(2.6)	2.9	
Legal fees & courts costs	6.4	2.1	8.5	
Registrar of Electors - registration forms/ Postal votes signature refresh	(1.5)		(1.5)	
Local Elections	(2.9)		(2.9)	
Release budget held for local council bi-elections	6.6		6.6	
Councillor Allowances	4.9	0.1	5.0	
Democratic - Post changed to Part-time	2.3		2.3	
Democratic - Admin costs	1.8		1.8	
Democratic - Members Travel	5.5		5.5	
Democratic - Local Democracy Week	2.0	0.5	2.5	
Mayoralty Salaries (casual staff)	4.6		4.6	
Mayoralty Miscellaneous	7.9		7.9	
Licensing and Enforcement Staff costs	6.8		6.8	
Taxi Licensing Income & associated costs (CRB checks, Plates, Badges etc)	93.1	6.0	99.1	
Taxi Licensing Salary recharge for other Council Staff used to assist with increased demand		(24.5)	(24.5)	
Town Twinning	4.8		4.8	
Licensing - restructure costs	(4.2)		(4.2)	
Other Licensing Income	3.3	(0.5)	2.8	
Misc	10.3	(6.9)	3.4	
<b>TOTAL</b>	<b>191.7</b>	<b>(21.5)</b>	<b>170.2</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Business Highlight Report – Period 12 (March)

#### Historic Issues

- The planning function currently has a vacancy within the structure for part of the year. Current forecasts are that this position will not be filled, generating a favourable variance of £15.2k.
- The income within the planning function is forecast to over achieve by £117.0k due to a number of major applications received, generating a positive variance. Local Land Charges however are forecast to be £6.8k below their income target.

#### Current Month Issues

- The Business directorate has a projected under spend of £170.2k, representing an adverse movement in month of £21.5k
- The main adverse movement relates to £24k of salary costs recharged to the Taxi Licensing service; reflecting the time spent by non-taxi licensing staff in support of this service. There has been a large increase in taxi licensing applications during 2012/13.
- The Council has previously set aside funds for professional services connected with the planning application for the former Rossendale Hospital. The costs associated with this work have come in under budget, resulting in a favourable movement in month of £7k.
- Income from Taxi Licensing has continued to increase resulting in a favourable movement in month of £6k.
- A further £33k of the surplus planning income is to be transferred into the budget volatility reserve at the year-end to meet any future fluctuations in planning income.
- There has been an adverse movement within the Land Charges budget of £4.7k, due to reduced land charges income (£2k), and legal costs associated with the previous charging for personal search fees (£2.7k), see future issue below.

#### Futures Issues

- Expenditure on the Core Strategy continues to be funded from the Earmarked Reserves as originally planned, and costs monitored carefully (see the Earmarked Reserves Schedule on page 24). As previously reported, changes to the programme of works will ensure that costs are limited to the specific balances held in earmarked reserves.
- The Council, in conjunction with the Local Government Association, is currently defending claims from personal search companies in relation to Land Charge Search fees.

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

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

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Strategic Functions</b>					
Regeneration Mangement & Admin	73.9	69.1	4.7	2.6	2.1
Tourism	53.5	53.6	(0.0)	-	(0.0)
<b>Economic Regeneration</b>					
Economic Regeneration	63.4	71.0	(7.6)	(9.1)	1.5
Museum	91.1	107.2	(16.1)	(16.6)	0.5
Regen Joint Delivery Team	69.3	69.5	(0.2)	(0.0)	(0.2)
Regeneration Projects	0.9	0.8	0.0	-	0.0
<b>Strategic Housing</b>					
Housing Strategy	60.6	47.0	13.6	13.5	0.1
Homelessness	88.0	96.6	(8.6)	(5.2)	(3.4)
Private Sector Renewal	49.0	37.4	11.6	11.8	(0.2)
<b>Environmental Health</b>					
Environmental Health	462.9	444.2	18.6	20.1	(1.5)
<b>Total</b>	<b>1,012.9</b>	<b>996.8</b>	<b>16.1</b>	<b>17.1</b>	<b>(1.0)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Economic Regeneration - Photocopying Recharges	(2.1)		(2.1)	
Economic Regeneration - Professional Fees	(1.3)		(1.3)	
Economic Regeneration - Misc	(0.2)		(0.2)	
Economic Regeneration - Contribution to Start up Lancashire	(5.0)		(5.0)	
Empty Homes revenue costs	(3.5)		(3.5)	
Museum Management Fee	(15.8)		(15.8)	
PSR - Salary - part time retirement	7.6		7.6	
Private Sector Renewals - Non pay expenditure	3.0		3.0	
Housing Strategy Salary	6.3		6.3	
Housing Strategy - Publicity & Fees	6.0		6.0	
Homelessness Salaries	(3.5)		(3.5)	
Homelessness Misc	3.6		3.6	
Homelessness Accommodation Provision for Loss on Housing Benefit Subsidy	(4.0)		(4.0)	
Car Allowances	5.1		5.1	
Regeneration - Salaries	1.6		1.6	
Regeneration Valuation fees	(0.5)		(0.5)	
Public burials income from previous year	0.7		0.7	
Environmental Health - Salary vacancy	16.7		16.7	
Transfer of Salary underspend to reserves	(16.7)		(16.7)	
Environmental Health Legal Fees	(2.4)		(2.4)	
Environmental Health Income	2.6		2.6	
Environmental Health Misc Non-Pay Budgets	5.5		5.5	
Environmental Health Misc - Professional fees	8.8		8.8	
Misc	4.5	(0.9)	3.6	
<b>TOTAL</b>	<b>17.0</b>	<b>(0.9)</b>	<b>16.1</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Business - Health, Housing & Regeneration Highlight Report – Period 12 (March)

#### Historic Issues

- The Whittaker Park Museum management fee budget for 2012/13 was understated, and as such, an adverse variance of £15.8k has occurred.
- The decision to take part time retirement by an officer within the Private Sector Renewal team has resulted in a saving of £7.6k within the year.

#### Current Month Issues

- Health, Housing and Regeneration has forecast to under spend by £16.1k, representing an adverse movement of £1k within the month.
- There are no significant movements to report

#### Future Issues

- Nothing to report

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Corporate Management - Period 12 (March)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	289.9	277.7	12.2	14.5	(2.3)
Corporate Contingency	-	7.0	(7.0)	-	(7.0)
Concessionary Fares	40.0	20.2	19.8	19.8	-
Executive Support & Corporate Subscriptions	84.9	59.9	25.0	12.2	12.8
<b>Total</b>	<b>414.8</b>	<b>364.8</b>	<b>50.0</b>	<b>46.5</b>	<b>3.5</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Executive Management Team Salaries	7.5		7.5	
Customer Service Review	(0.8)		(0.8)	
Recharge Staff Time supporting increased Taxi License applications		12.8	12.8	
Miscellaneous non pay budgets	8.4	(2.2)	6.2	
Corporate Subscriptions/Contributions	11.5		11.5	
Various expenditure previously assumed to be funded from reserves		(7.0)	(7.0)	
Concessionary Fares	19.8		19.8	
<b>TOTAL</b>	<b>46.4</b>	<b>3.6</b>	<b>50.0</b>	

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# Monthly Financial Monitoring Report 2012/13 – end of March 2013

## Corporate Management Highlight Report – Period 12 (March)

### Historic Issues

- A contingency budget of £40k for Concessionary Fares was brought forward into 2012/13. After accounting for liabilities relating to the previous financial year, concessionary fares are predicted to underspend by £19.8k.

### Current Month Issues

- The Corporate Management budget is forecast to under-spend by £50k, a favourable movement in month of £3.6k
- Salary costs of £12.8k have been moved to Taxi Licensing service reflecting the time spent by an Executive Support Officer in supporting this service during 2012/13.
- Previous forecasts had assumed that various miscellaneous expenditure (legal costs, property costs, etc.), would be met from the Chief Executive's Contingency Reserve. In light of the Council's overall under-spend position it has been decided to absorb these costs within the 2012/13 accounts. This has resulted in an adverse movement of £7k.

### Futures Issues

- Nothing to report.

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

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

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Financial Services Team</b>	402.2	405.7	(3.5)	3.6	(7.1)
<b>Internal Audit</b>	80.0	59.2	20.8	15.6	5.2
<b>Corporate Costs</b>					
External Audit Fee	93.7	50.5	43.2	29.7	13.5
Bank Charges (net of fees)	20.2	18.9	1.3	2.7	(1.4)
Treasury Management	6.6	6.5	0.1	0.1	-
<b>Property Services</b>					
Property Services Team	240.6	266.1	(25.5)	(26.7)	1.2
Corporate Estates	(29.2)	(26.7)	(2.5)	(4.8)	2.3
Non Domestic Estates	(73.4)	(90.8)	17.4	15.9	1.5
Office Accommodation	235.1	238.4	(3.4)	(3.6)	0.2
Operational Properties	358.0	343.0	15.0	16.4	(1.4)
Leisure Properties	62.8	56.8	6.0	3.5	2.5
Bus Shelters	(17.4)	(12.0)	(5.4)	(6.6)	1.2
Business Centre	52.6	64.5	(11.9)	(9.6)	(2.3)
<b>Total</b>	<b>1,431.8</b>	<b>1,380.0</b>	<b>51.8</b>	<b>36.2</b>	<b>15.6</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Internal Audit - reduction in Audit Plan	15.6	5.2	20.8	
External Audit - new audit contract	29.7	(3.7)	26.0	
External Audit - application of provision		17.2	17.2	
Finance Team - staff vacancy	4.4		4.4	
Finance - contribution to capital costs of IT upgrade for RLT		(11.0)	(11.0)	
Finance Team - other misc variances	2.0	2.7	4.7	
Water	8.2	(1.4)	6.8	
NNDR - refunds	36.1		36.1	
Repairs & Maintenance	(12.3)	8.4	(3.9)	
Electricity	6.4	0.2	6.6	
Gas	(6.6)	(1.2)	(7.8)	
Haslingden Pool - structural survey	(1.5)		(1.5)	
Hardmans Mill - Service air conditioning unit	(1.6)		(1.6)	
Kay St offices - replacement boiler	(1.6)		(1.6)	
Christmas Lights and Decorations	(1.9)		(1.9)	
Legionella	(2.5)	(1.5)	(4.0)	
Salary savings - vacant post	3.6		3.6	
Pension strain for previous employee	(2.9)		(2.9)	
BT ISDN / rental costs at Stubbylee Hall	(6.4)		(6.4)	
Telephone call charges across sites	(3.2)		(3.2)	
Departure charges	(4.2)	1.2	(3.0)	
Land Drainage	(1.0)	1.7	0.7	
Rawtenstall Market - Suspended Air Heater	(3.3)		(3.3)	
Corporate Estates - Professional Fees Land at Douglas Road	(1.8)		(1.8)	
Corporate Estates/ Industrial Units - Rental Income	(5.9)		(5.9)	
Business Centre - Rental income	(1.9)		(1.9)	
Business Centre - other room hire	(1.6)		(1.6)	
Business Centre - Miscellaneous Expenses	(2.3)		(2.3)	
Property - Miscellaneous Expenses	(7.2)	(2.3)	(9.5)	
<b>TOTAL</b>	<b>36.3</b>	<b>15.5</b>	<b>51.8</b>	

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# Monthly Financial Monitoring Report 2012/13 – end of March 2013

## Finance & Property Services - Monitoring Highlight Report – Period 12 (March)

### Financial Services

#### Historic Issues

- External Audit fees are expected to see a further marginal reduction following the national transfer of the Audit Commission contract to Grant Thornton.
- Internal Audit saving on number of days required for the 2012/13 audit plan is £20.8k.

#### Current Month Issues

- Additional costs in February include an upgrade to the BACs payment system in order to provide real-time info for HMRC which will facilitate the introduction of universal credit. this has been offset by Audit savings.

#### Futures Issues

- Nothing to report.

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### Property Services

#### Historic Issues

- An agreement has now been reached between RBC and LCC with regard the Bury Road culvert. All outstanding invoices have been paid and the total cost to the council was £30.5k.
- BT costs for ISDN and rental costs for Stubblelee Hall are showing an over spend of £6.4k.
- NNDR refunds totalling £36.1k this includes the Astoria having the rates reduced to zero with effect from April 2010
- The overall gas over spend is £7.8k. This figure is net of the 18.5% increase in the new contract commencing October 2012 and savings from the demolition of Henrietta St garage.
- Works at Healey Dell have now been ordered to the value of £9.5k which is being funded by contributions from S106 resources.
- Provision has previously been made for £5.4k in relation to Bridge End House

#### Current Month Issues

- A review of outstanding commitments within the Repairs & Maintenance budgets and the subsequent cancellation of some of these have resulted in a favourable movement of £8.4k leaving an over spend of £3.9k across the all budgets.

#### Futures Issues

- United Utilities are undergoing a national review to consolidate the new charges introduced in 2011/12 for cemeteries. The phased introduction is likely to result in further cost pressures though the total value is unknown.
- Recent adverse weather conditions may impact upon future annual drainage budget allowances in comparison to historic requirements.

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

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

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>People &amp; Organisational Development</b>					
Human Resources	401.6	333.6	68.0	33.9	34.1
<b>Total</b>	<b>401.6</b>	<b>333.6</b>	<b>68.0</b>	<b>33.9</b>	<b>34.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Salaries	6.4		6.4	
External Printing / Publicity	3.9		3.9	
Photography Fees	1.0		1.0	
General Subscriptions	3.1		3.1	
Newsletter Production & Design	7.1		7.1	
Training		6.0	6.0	
Publicity & Communication		29.0	29.0	
Remove contribution to Corporate Plan	1.9		1.9	
Various Non Pay budgets	4.0	(0.9)	3.1	
Professional fees re employment advice	(4.0)		(4.0)	
Green Travel Plan Cycles	0.5		0.5	
Alcohol Prevention	(10.0)		(10.0)	
Children's Trust	20.0		20.0	
<b>TOTAL</b>	<b>33.9</b>	<b>34.1</b>	<b>68.0</b>	

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### People & Policy Highlight Report – Period 12 (March)

#### Historic Issues

- The main forecast under-spend relates to budgets that were previously used by the Communications section for newsletter production, graphic design etc. A £30k expenditure budget remains in this area, c£3k of which will be used to support the Council's various current consultation projects.

#### Current Month Issues

- The People & Policy budget has projected to under spend by £68k, a favourable movement of £34.1k.
- Previous budget reports had alluded to the potential under spend on the Communications & Publicity budget. This under spend has now been released resulting in a favourable movement in month of £29k.
- The Corporate Training budget has under spent by £6k at the year end.

#### Future Issues

- None.

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

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

**Period 12 (March)**

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	135.9	148.4	(12.5)	(13.8)	1.3
Other Non-distributed Costs	11.4	97.4	(86.0)	(1.1)	(84.9)
<b>Capital Financing</b>					
Minimum Revenue Provision	124.5	139.3	(14.8)	-	(14.8)
Investment Interest	(78.7)	(136.2)	57.5	61.2	(3.7)
<b>Leisure</b>	652.6	651.7	0.9	0.6	0.3
<b>Total</b>	<b>845.7</b>	<b>900.6</b>	<b>(54.9)</b>	<b>46.9</b>	<b>(101.8)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Pensions - inflation pressures	(13.8)	1.3	(12.5)	
Additional receipts from GVH VAT shelter		61.1	61.1	
Transfer to Pensions Earmarked Reserve		(61.1)	(61.1)	
Interest expenditure	12.5		12.5	
Interest income	48.3	3.6	51.9	
Additional contribution to Doubtful Debt Provision		(20.0)	(20.0)	
Additional contribution to MMI Provision		(20.0)	(20.0)	
Additional contribution to Collection Fund Deficit Provision		(45.3)	(45.3)	
Transfer VAT reclaim & interest to Leisure Reserve		(4.4)	(4.4)	
Additional MRP		(14.8)	(14.8)	
Other misc variances	(0.1)	(2.4)	(2.5)	
<b>TOTAL</b>	<b>46.9</b>	<b>(102.0)</b>	<b>(55.1)</b>	

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### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Economic Regen Reserves							
	Change Manag't	Corporate Contingency Reserve	Planning LABGIS	Core Strategy	Econ' Regen'	Budget Volatility	Single Status	Homeless' Reserve
	AN060103	AN060131	AN060107	AN060108	AN060109	AN060110	AN060111	AN060127
<b>Balance at 01/04/12</b>	<b>932.7</b>	<b>14.4</b>	<b>65.4</b>	<b>243.1</b>	<b>335.3</b>	<b>226.6</b>	<b>30.0</b>	<b>213.6</b>
<b>Funds Received 2012/13</b>								
2012/13 grants								
Revenue income received	4.4				42.3	86.7		
Revenue income anticipated								
<b>Total Funds Available</b>	<b>937.1</b>	<b>14.4</b>	<b>65.4</b>	<b>243.1</b>	<b>377.6</b>	<b>313.3</b>	<b>30.0</b>	<b>213.6</b>
<b>2011/12 Utilisation Deferred</b>								
Stubblee /Acc & Ross College								
Area Forum Grants								
Leisure Investment Project								
Leisure MRP Costs								
Leisure PWLB Costs								
Leisure Support								
Valley Centre demolition					(125.6)			
<b>2012-13 Published Budget Utilisation</b>								
Admin Support to Regeneration					(20.5)			
Tourism Support								
Regeneration Officer					(50.8)			
Area Forum Grants								
Community Engagement Officer & Planning for Climate Change								
<b>2012-13 Other Utilisation Plans</b>								
Building Safer Stronger Communities								
Core Strategy								
Allocations Strategy - Letter Drop								
B-with-us								
Refuse Bins						(26.7)		
Youth Homelessness funding								(26.9)
PRG Adrenalin Gateway Program								
PRG Signage Capital								
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)								
Council tax - CPO properties								
Additional pension payments								
East Railway Comuted Sum								
THI Contribution								
Homelessness post cover								
<b>Transfer to Change Management</b>	<b>222.8</b>	<b>(14.4)</b>					<b>(30.0)</b>	
<b>Reserve Estimates 31/3/13</b>	<b>1,159.9</b>	<b>0.0</b>	<b>65.4</b>	<b>243.1</b>	<b>180.7</b>	<b>286.6</b>	<b>0.0</b>	<b>186.7</b>
<b>Future Contributions/Utilisation Plans</b>								
2013/14 Plans				(13.7)	(47.8)			(30.0)
2014/15 Plans				(62.2)	(22.8)			(156.7)
2015/16 Plans								
<b>Potential Reserve Balances</b>	<b>1,159.9</b>	<b>0.0</b>	<b>65.4</b>	<b>167.2</b>	<b>110.1</b>	<b>286.6</b>	<b>0.0</b>	<b>0.0</b>

<b>Minor Reserves</b>	Balance Bfwd	Forecast Added	Forecast Used	Transfer to Change Managm't	Bal March 2013	Bal March 2016
Directorate Investment Reserves						
Place Directorate	0.0	112.0	0.0		112.0	112.0
Business Directorate	49.0	93.0	(18.7)		123.3	118.4
Corporate Directorate	61.0	57.0	0.0		118.0	118.0
CCTV	92.3	5.0	(20.8)	(76.5)	0.0	0.0
Performance Mgt	64.5	0.0	0.0	(64.5)	0.0	0.0
Right to Challenge / Asset of Value	0.0	13.4	0.0	(13.4)	0.0	0.0
Departmental Reserves	0.0	254.4	0.0		254.4	188.9
Pension Fund Reserve	141.0	323.4	(253.4)		211.0	0.0
	<b>407.8</b>	<b>858.2</b>	<b>(292.9)</b>	<b>(154.4)</b>	<b>818.7</b>	<b>537.3</b>

The transactions on the Pension Fund Reserve reflect the anticipated pension contributions over the coming years and the additional Green Vale Homes VAT Shelter income in 2012/13 as noted on page 23.

The potential impact of the localisation of non-domestic rates from April 2013 has yet to be determined and reflected in the above reserve requirements. It is possible that this will result in a recommendation to increase the level on the budget volatility reserve over the next two years.

At the end of 2012/13 several reserve balances have been consolidated into the Change Management Reserve.

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## Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserves	Bacup N'hood Reserve	PRIDE Reserve	Perform Reward Grant	Transitional Budgetary Support	Area Based Grants	Other Minor Reserves	Total
	AN060130	AN060118/9	AN060125	AN060126	AN060120	AN060129	AN060121		
<b>Balance at 01/04/12</b>	<b>254.5</b>	<b>923.7</b>	<b>135.0</b>	<b>178.0</b>	<b>329.2</b>	<b>815.0</b>	<b>48.3</b>	<b>407.8</b>	<b>5,152.6</b>
<b>Funds Received 2012/13</b>									
2012/13 grants								13.40	13.4
Revenue income received	52.1	122.0					34.2	521.67	863.4
Revenue income anticipated								323.10	323.1
<b>Total Funds Available</b>	<b>306.6</b>	<b>1,045.7</b>	<b>135.0</b>	<b>178.0</b>	<b>329.2</b>	<b>815.0</b>	<b>82.5</b>	<b>1,266.0</b>	<b>6,352.5</b>
<b>2011/12 Utilisation Deferred</b>									
Stubblee /Acc & Ross College			(90.0)					0.00	(90.0)
Area Forum Grants				(22.8)				0.00	(22.8)
Leisure Investment Project		(250.0)						0.00	(250.0)
Leisure MRP Costs		(36.1)						0.00	(36.1)
Leisure PWLB Costs		(78.3)						0.00	(78.3)
Leisure Support								0.00	0.0
Valley Centre demolition								0.00	(125.6)
<b>2012-13 Published Budget Utilisation</b>									
Admin Support to Regeneration								0.00	(20.5)
Tourism Support								0.00	0.0
Regeneration Officer								0.00	(50.8)
Area Forum Grants				(70.0)				0.00	(70.0)
Community Engagement Officer & Planning for Climate Change							(58.5)	0.00	(58.5)
<b>2012-13 Other Utilisation Plans</b>									
Building Safer Stronger Communities								(20.80)	(20.8)
Core Strategy								0.00	0.0
Allocations Strategy - Letter Drop								0.00	0.0
B-with-us								0.00	0.0
Refuse Bins								0.00	(26.7)
Youth Homelessness funding								0.00	(26.9)
PRG Adrenalin Gateway Program					(5.4)			0.00	(5.4)
PRG Signage Capital					(42.0)			0.00	(42.0)
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)					(4.7)			0.00	(4.7)
Council tax - CPO properties								0.00	0.0
Additional pension payments								(253.40)	(253.4)
East Railway Comuted Sum								(5.00)	(5.0)
THI Contribution								(7.60)	(7.6)
Homelessness post cover								(6.10)	(6.1)
<b>Transfer to Change Management</b>							(24.0)	(154.40)	0.0
<b>Reserve Estimates 31/3/13</b>	<b>306.6</b>	<b>681.3</b>	<b>45.0</b>	<b>85.2</b>	<b>277.1</b>	<b>815.0</b>	<b>0.0</b>	<b>818.7</b>	<b>5,151.3</b>
<b>Future Contributions/Utilisation Plans</b>									
2013/14 Plans	(124.5)	(24.6)	12.8	(85.2)	(80.0)	(386.0)		(132.40)	(911.4)
2014/15 Plans	(68.5)	(18.6)				(429.0)		(70.00)	(827.8)
2015/16 Plans	(113.6)	(9.6)						(79.00)	(202.2)
<b>Potential Reserve Balances</b>	<b>0.0</b>	<b>628.5</b>	<b>57.8</b>	<b>0.0</b>	<b>197.1</b>	<b>0.0</b>	<b>0.0</b>	<b>537.3</b>	<b>3,209.9</b>

## Current issues

At the February report the anticipated reserves at year-end were £4,163.3k. During March the following changes have been made:-

February Report estimate March 2013	4,163.3		
Not used Hako replacement	120.0		
GVH Favourable	61.0		
Departmental Reserves	254.0		
Toursim u/spend to LABGI	42.3	Future use disclosed in February Report	(1,418.9)
Increase contributin Budget Volality	32.0	Bacup big Ideas	(50.0)
Reduced usage of Youth Homelessness	156.0	Vehicle replacement plans	(273.6)
Area Fourm Grants reduced usage	10.0	Reduced usage of Youth Homelessness	(156.7)
PRG Usage	99.0	Departmental Reserves	(65.5)
Revenue u/spend to Business Directorate	30.0	PRG Usage	(80.0)
Core Strategy	159.0	Planning LABGIS not to be used	65.4
Directorate Investment Reserves & others	24.7	Other reserve usage now cancelled	37.9
<b>Current balance at March 2013</b>	<b>5,151.3</b>	<b>Current estimate at March 2016</b>	<b>3,209.9</b>

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### Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Bacup Town Centre	Housing Capital Pot *	Disabled Facilities Grants *	Regen Grants (HMR)*	Commun' Spaces	DEFRA Grant	Local'n Ctax Grant	Commun' for Health	Total
<b>Balance at 01/04/12</b>	<b>25.2</b>	<b>52.6</b>	<b>493.0</b>	<b>0.0</b>	<b>70.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>174.0</b>	<b>815.0</b>
<b>New Funds Received 2012/13</b>										
Grant received		100.0		419.0		5.1	143.1	84.0		<b>751.2</b>
Other contributions				178.0						<b>178.0</b>
<b>Total Funds Available</b>	<b>25.2</b>	<b>152.6</b>	<b>493.0</b>	<b>597.0</b>	<b>70.2</b>	<b>5.1</b>	<b>143.1</b>	<b>84.0</b>	<b>174.0</b>	<b>1,744.2</b>
<b>Planned Utilisation in 2012/13</b>										
Planning Core Strategy work	(16.8)									<b>(16.8)</b>
DFGs original Capital Prog 2012/13			(170.0)	(419.0)						<b>(589.0)</b>
<b>Additional Utilisation in 2012/13</b>										<b>0.0</b>
DFGs brought forward from 2011/12			(81.0)							<b>(81.0)</b>
DFGs additional GVH element				(178.0)						<b>(178.0)</b>
Elevate Programme balance					(10.1)					<b>(10.1)</b>
Localisation of Ctax - software costs								(84.0)		<b>(84.0)</b>
Released to fund capital works						(5.1)	(143.1)			<b>(148.2)</b>
DFG grant commitments cfwd			107.0							<b>107.0</b>
<b>Anticipated Balance 31/3/13</b>	<b>8.4</b>	<b>152.6</b>	<b>349.0</b>	<b>0.0</b>	<b>60.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>174.0</b>	<b>744.1</b>
<b>Future Utilisation Plans</b>										
2013/14 - DFG commitments bfwd			(107.0)							<b>(107.0)</b>
2013/14 - original plans		(152.6)	(170.0)							<b>(322.6)</b>
2014/15			(72.0)							<b>(72.0)</b>
<b>Potential Reserve Balances</b>	<b>8.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>60.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>174.0</b>	<b>242.5</b>

The table above now includes £107k of DFG works approved in 2012/13 but not yet complete and paid for. It also includes the DEFRA grant to date for land remediation work at Whitworth and the Community Spaces grant received and used for a play equipment upgrade project.

### Staff costs, including agency

The table below now reflects the changes made in year to the opening operational structures, resulting in a revised establishment of 197.6 FTEs, of which 4 were vacant at the year-end. The total favourable variance has increased by £22k in March to £288k.

Employment Costs Period 12 - March 2013	YTD Budget £000	YTD Actual £000	Variance this mth (Adv)/Fav £000	Variance last mth (Adv)/Fav £000	Change this mth (Adv)/Fav £000	Original Budget Staff FTEs	FTE Changes during 2012/13	Current Vacant Posts
<b>Place Directorate</b>								
Communities Service	1,494	1,405	89	69	20	49.7	-2.8	0.0
Customer Services	430	368	62	53	9	10.8	-1.0	1.0
Operations Service	1,416	1,340	76	94	(18)	51.7	0.0	1.0
<b>Business Directorate</b>								
Building Control Services	222	223	(1)	(0)	(0)	5.0	0.0	0.0
Legal & Democratic Services	439	434	5	3	3	12.7	0.0	1.0
Planning Services	443	410	33	30	3	12.6	-1.0	0.0
Local Land Charges	80	80	0	0	0	2.0	0.0	0.0
Public Protection	251	244	7	5	1	8.8	0.0	0.0
Health, Housing & Regen	879	876	3	1	2	21.5	-1.0	0.0
<b>Corporate Services</b>								
Corporate Management	369	358	11	8	3	5.0	-1.0	0.0
Finance & Property Services	639	639	0	1	(1)	18.6	0.0	1.0
People & Org. Performance	245	244	1	2	(1)	6.0	0.0	0.0
<b>Total</b>	<b>6,907</b>	<b>6,619</b>	<b>288</b>	<b>266</b>	<b>22</b>	<b>204.4</b>	<b>-6.8</b>	<b>4.0</b>

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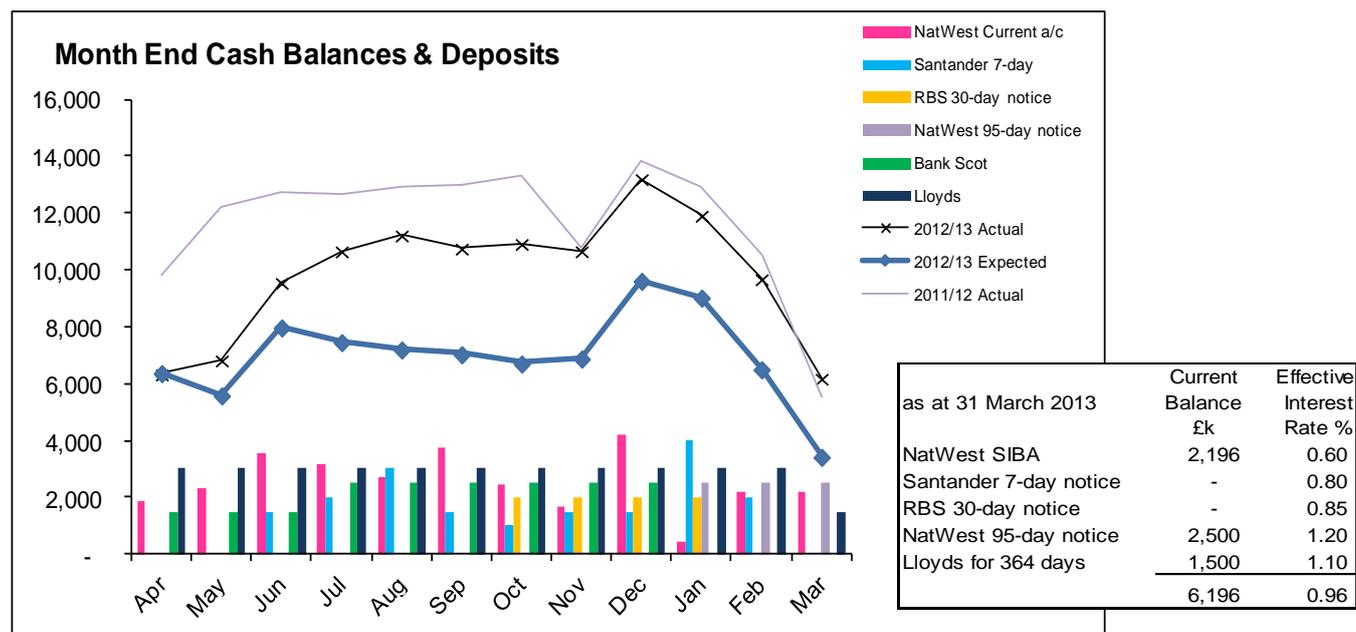
# Monthly Financial Monitoring Report 2012/13 – end of March 2013

## Treasury Management & Cash Flow Monitoring

### Cash Flow Management

At the end of March the bank balances were £6,196k, down from £9,696k at the end of February.

The original forecast for the bank balance at the 31<sup>st</sup> March was £3,447k. However, during the year the Council has received £1.2m from government for the NNDR debtor at March 2012, saved over £550k in revenue costs and earned more than £1m in additional capital receipts which funded around £573k in additional capital works. The net effect of these changes would have raised the year-end bank balance forecast to around £5,624k.



As reported last month, interest rates are falling and the main SIBA account has fallen in March to Base rate + 0.1%. In an effort to balance interest receipts and flexibility officers have placed one 364-day investment with Lloyds in February earning 1.1% and the NatWest 95-day notice account is being used as this is currently offering 1.2% but that is due to fall in May to 0.8%.

The effective interest rate is still above that of the Sector model portfolio of 0.79%, but this will be affected by the above reduction in May.

### Deposits and Interest Earned

The 2012-13 interest earned has maintained the forecast of recent months, ending the year £49.2k above the original budget after transferring £8.3k to the capital programme.

Interest	Budget 12/13	Actual 12/13	Variance Fav/(Adv)	Change Fav/(Adv)	as at 31 March 2013	Terms	Gross Rate %	Interest Paid
<b>Revenue</b>					<b>NatWest instant access</b>	£1M+	0.60	Quarterly
Interest payable	(12.5)	0.0	12.5	0.0	<b>Santander 7-day notice</b>	£1+	0.80	Quarterly
Interest income	90.0	139.2	49.2	0.9	<b>RBS 30-day notice</b>	£1+	0.90	Monthly
<b>Net Interest</b>	<b>77.5</b>	<b>139.2</b>	<b>61.7</b>	<b>0.9</b>	<b>NatWest 95-day notice</b>	£1+	1.20	Monthly
<b>Capital</b>					<b>Lloyds</b>	£1.5m 364 days	1.10	14/02/14
Interest income	0.0	8.3	8.3	0.0				
<b>Net Interest</b>	<b>0.0</b>	<b>8.3</b>	<b>8.3</b>	<b>0.0</b>				

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Economic Outlook (issued 16th April)

The Consumer Prices Index (CPI) grew by 2.8% in March 2013, unchanged from February. Over the last six months, the CPI 12-month rate has been particularly stable, standing at 2.7% for four months followed by 2.8% for February and March 2013.

The contributions to change in the CPI rate from the various detailed categories were small compared with most months. The largest upward contribution came from the recreation & culture sector where there were price rises for audio-visual equipment and books, newspapers & stationery. The largest downward contributions came from furniture & furnishings, motor fuels and meat.



The RPI is a long-standing measure of UK inflation that has historically been used for a wide range of purposes such as the indexation of pensions and rents and index-linked gilts. The contents of this chart fall outside the scope of National Statistics. The RPI has been de-designated as a National Statistic. ONS is currently working to develop RPIJ as an alternative but this is only an experimental statistic at present.

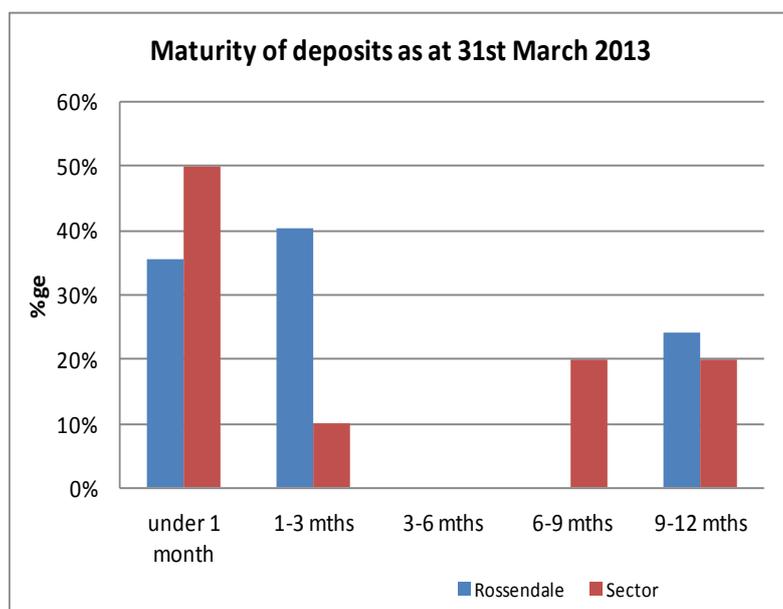
### Interest rate forward predictions

Sector analysts have maintained their prediction that interest rates will not rise until at least Q1 of 2015.

as at	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept
March 2013	2013	2013	2013	2013	2014	2014	2014	2014	2015	2015	2015
<b>Base Rate</b>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%
<b>25yr PWLB</b>	4.10%	4.10%	4.10%	4.10%	4.20%	4.20%	4.30%	4.40%	4.60%	4.60%	4.80%

### Treasury Management Practices and Prudential Indicators

All the Council's investments continue to follow the policies laid down in the Treasury Management Strategy document, only using UK high street banks with high credit ratings and/or assisted by government funding and limiting investments to short-term (ie. 364 days maximum).



The Council's Treasury Management Practices limit the maximum investment with any single institution to the greater of £5m or 50% of total funds available, and £10m across a single group. During February all bank accounts operated within these limits.

Sector's current portfolio has an effective interest rate of 0.79% and an average duration of 130 days.

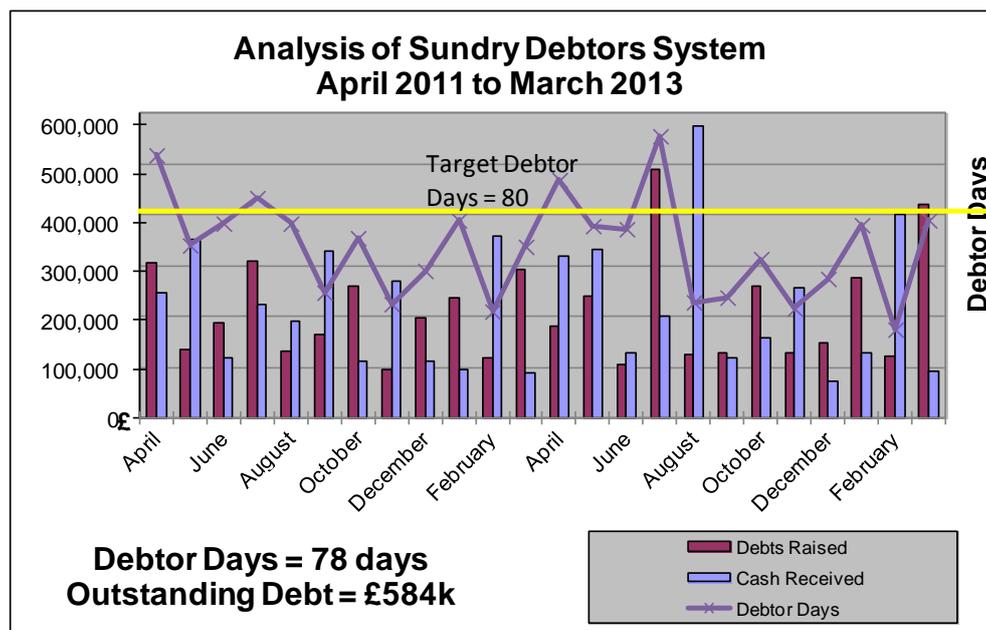
Following the 364-day investment with Lloyds during February and the use of the 95-notice account, the Council's average duration at the year-end rose to 116 days.

However, the effective interest rate has fallen from 1.22% to 0.96% following the maturity of the March deposit with Lloyds.

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### Sundry Debts Monitoring

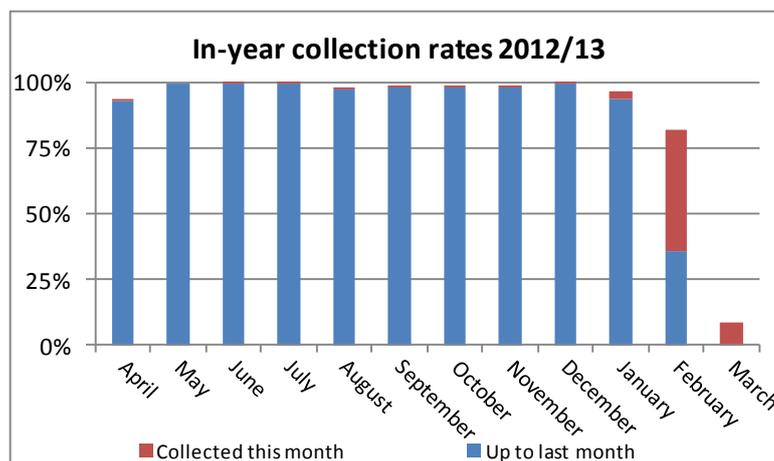


During March £468k of new invoices were raised, including £167k of quarterly recycling bills, bringing the total to date in 2012/13 up to £2,855k.

Of the £584k debt outstanding, 73% is 'new debt' under 30 days old and 15% relates to previous financial years, reflecting the improvement in collecting current year debt during 2012/13.

However, the value of debt raised in March pushed the average debtor days up to 78 days from 35 last month and compared to the target of 80 days.

Though worse than the March 2012 figure of 68 days, the average this year has been 66 days, an improvement of 2 days on the 2011/12 average. Members should note the average collection rate for invoices issued between April and January stands at 98%



Debts Outstanding	Mar 2011	Mar 2012	28 Feb 2013		31 Mar 2013		Doubtful Debt Prov'n	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	519.2	48.9		42.5		37.5	100%	37.5
2011/12 Debt		419.3		55.8		52.0	100%	52.0
2012/13 Debt								
Q1 Apr			14.0		13.3		75%	10.0
Q1 May			1.3		1.3		75%	1.0
Q1 Jun			1.1	16.4	0.5	15.1	75%	0.4
Q2 Jul			2.5		2.3		50%	1.2
Q2 Aug			3.8		3.6		50%	1.8
Q2 Sept			2.4	8.7	1.6	7.5	50%	0.8
Q3 Oct			6.7		5.9		10%	0.6
Q3 Nov			2.5		2.2		10%	0.2
Q3 Dec			1.0	10.2	0.6	8.7	10%	0.1
Q4 Jan			22.8		12.6		10%	1.3
Q4 Feb			81.3		22.6		10%	2.3
Q4 Mar			2.6	106.7	428.5	463.7	10%	28.2
<b>Total Debt o/s</b>	<b>519.2</b>	<b>468.2</b>		<b>240.3</b>		<b>584.5</b>		<b>137.4</b>

### Doubtful debts

The March invoices have raised the doubtful debt level to £137k. However, £26k of that relates to 2 works in default which will eventually be recovered from the properties.

Officers wrote-off £6.2k during March, and made a further £20k contribution (the first since 2010/11) to leave the doubtful debt provision at £123k (see pg 23).

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## Monthly Financial Monitoring Report 2012/13 – end of March 2013

### Capital Resources

**Table 1 - 2012/13 receipts**

Major Receipts:	Original Expect'ns £000	YTD Actual £000	Total Forecast £000	Surplus / (Deficit) £000
<b>Capital Receipts</b>				
Land & Property Sales	100	1,116	1,116	1,016
Insurance Receipt		12	12	12
Equity Release Repayments		9	9	9
Cost of sales		(23)	(107)	(107)
	100	1,114	1,030	930
<b>Revenue Receipts</b>				
GVH - Vat Shelter	346	296	407	61

**Table 2 - Useable Capital Receipts**

Useable Capital Receipts Forecast	£ 000
Balance at April 2012	1,011
Capital Receipts expected in 2012/13	1,030
	<b>2,041</b>
Revenue Contributions (RCCO)	
Leisure & Regen Reserves	390
other Earmarked Reserves from Revenue Operations	129
	104
<b>Total Capital Resources 2012/13</b>	<b>2,664</b>
Capital Programme spend	(1,383)
<b>Useable Capital Receipts Mar 2013</b>	<b>1,281</b>
Reserved for housing	(399)
Reserved for slippage items	(593)
<b>Unreserved Capital Bal Mar 2013</b>	<b>289</b>

### Historic issues

VAT Shelter payments for Q4 2011/12 were received in June at £77k above the level accrued for. When added to Quarter 1 & 2 income the total receipts to date are £213k.

Of the land sale receipts above £525k pertaining to a development in Bacup was earmarked and used within the revised programme overleaf to facilitate the transfer of the larger site, leading to a net £300k benefit.

The sale of a ransom strip in Whitworth has been concluded and one £9k former Equity Release grant has been paid back with the funds from the latter being ring-fenced for housing.

### Current issues

In December 3 CPO properties were sold at auction. The income has all been received and noted in table 1 above, but the associated CPO costs are still not complete, but provisions will be made as part of the year-end closure process. The 'Forecast' column above includes those anticipated costs resulting in net capital receipts of around £30k which is included within the housing ring-fenced funds to meet any net costs of future similar schemes.

Green Vale Homes paid the Q3 VAT Shelter entitlement of £83k in the first week of April and anticipate that Q4 should bring the total up to £407k for the year. Accruing for this will result in a net £61k favourable variance which is being transferred to the Pensions Reserve to be used to fund pension costs as required.

### Financing the Capital Programme

The value of capital receipts remaining at year-end has risen from an estimate of £720k quoted in the February report to £1,281k in table 2 above. This has been mainly due to slippage at the end of 2012/13 as detailed on the following page. Of those slippage items, £593k are to be funded from useable capital receipts.

Where those slippage items are to be funded from grants those amounts will also be carried forward at year-end.

**Future issues** DFG grant beyond 2014/15 remains uncertain and for prudence the future capital programme proposals assume no DFG grants beyond March 2015.

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### Capital Programme Spending

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

SERVICE AREA	2012/13 Original Capital Programme	2012/13 Revised Capital Programme	Period 12 MONITORING		Full YR Forecast	Revised Programme Funding Arrangements				
	Total £000	Total £000	Spend £000	Committ £000	Forecast £000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Effect
<b>Place Directorate</b>										
Communities & Operations	60	508	220	0	220	122	48	50	0	0
Customer Services & e Govt	0	76	55	0	55	0	0	11	44	2
Regeneration	0	442	424	0	424	292	0	132	0	0
<b>Corporate Support Services</b>										
Finance & Property Services	153	1,298	974	0	974	0	712	133	129	15
Leisure Facilities	0	2,072	2,070	0	2,070	0	0	258	1,812	87
Other PRG Projects	0	73	42	0	42	3	0	39	0	0
<b>Housing</b>	723	804	741	0	741	741	0	0	0	0
	<b>936</b>	<b>5,273</b>	<b>4,526</b>	<b>0</b>	<b>4,526</b>	<b>1,158</b>	<b>760</b>	<b>623</b>	<b>1,985</b>	<b>104</b>

Slippage items 2012/13	Costs '£000	Funding Arrangements				
		Grants/ Contrib'n	Capital Receipts	RBC RCCO	Reserves	RBC Int Borrow
Sharneyford Play Area	9	9				
Cutler Play Area	3		3			
Stacksteads Riverside Park	18	18				
Cemeteries	83		83			
Sports playing fields	192		192			
Whitworth land remediation	19	19				
Car Park upgrading	13		13			
IDOX software implement	20					20
Emergency Works	150		150			
Building Maintenance	18		18			
Accommodation Project	134		134			
Signage	31				31	
Leisure Facilities (retention)	10					10
DFGs approved not paid	125	125				
	<b>825</b>	<b>171</b>	<b>593</b>	<b>0</b>	<b>31</b>	<b>30</b>

### Capital Programme

The original capital programme for 2012/13 approved in February was £936k.

A total of £2,966k was carried over from 2011/12 for ongoing projects and £1,387k of new projects added during 2012/13 to mean that the revised programme reported in February was £5,273k.

### Current Issues

There have been no new projects approved in March, but by the year-end £825k of approved project costs have not been incurred (see list above) and these will be treated as slippage into 2013/14. The majority of those costs will be funded from capital receipts, which explains why the useable receipts at the 31<sup>st</sup> March 2013 is much higher than we forecast last month (see table 2 on the previous page).

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### Minimum Revenue Provision

Internal borrowing (technically known as the Capital Financing Requirement) is paid back over the life of the assets from the Revenue Account (known as the Minimum Revenue Provision or MRP) and the original budget for this in 2012/13 was £570.7k, of which £437k related specifically to operational vehicles and equipment and £9k was for the new desktop virtualisation project.

Minimum Revenue Provision (MRP)	Original MRP Budget 2012/13	Budget Virements 2012/13	Revised MRP Budget 2012/13	Revised MRP Costs 2012/13	MRP Costs 2013/14
Refuse Collection	313		313	312	312
Street Sweeping	68		68	64	70
Parks	56		56	56	56
IT	9	5	14	11	11
Facilities	0	4	4	4	14
Leisure Investment	0	36	36	36	87
Non-distributed Costs	124	17	141	144	124
	570	62	632	627	674

MRP in 2012/13 has now been revised to include the repayment of the Leisure and Regeneration investment projects and the solar panels project. These have been funded from budget virements in 2012/13, for example from IT leasing costs and electricity costs no longer required. The full year impacts of these changes have been accounted for in the ongoing cost budgets approved by Members in last month.

### Section 106 Receipts Monitoring

Section 106 Agreements	Third Party Projects £000	RBC Revenue Projects £000	RBC Capital projects £000	Total Held £000
Balance b fwd at 1st April 2012	155.2	281.7	142.0	578.9
Deposits received in 2012/13	169.3	-	257.9	427.2
Deposits applied in 2012/13	(31.4)	(20.3)	(141.5)	(193.1)
<b>Current Balance</b>	<b>293.1</b>	<b>261.5</b>	<b>258.4</b>	<b>813.0</b>

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

Planning Ref	Area	Site	Purpose	Time Period	Currant Balance
<b>RBC Maintenance:-</b>					
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	none stated	134,846
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	none stated	10,000
2001/003	Haslingden	Clough End Rd	Park upgrade	none stated	10,000
2010/428	Helmshore	Free lane	Helmshore Park - project in progress	Exp May 2015	37,000
2005/729	Rawtenstall	Higher Mill	Park / play area	none stated	15,000
2008/587	Borough	PCT, Bacup Rd, Rawtenstall	Irwell Sculpture Trail	none stated	33,602
2006/696	Whitewell Bottom	Burnley Rd East	Community Area upgrade	none stated	21,000
					<b>261,448</b>
<b>RBC Capital:-</b>					
2007/737	Edenfield	Market St	Edenfield Community Centre	Exp May 2018	10,000
2011/0046	Helmshore	Holmeffield House	Open Space	Exp Aug 2017	101,084
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces / Youth	Exp May 2017	41,500
2010/433	Whitworth	Eastgate	Open Spaces/ Affordable housing	Exp Jul 2017	105,835
					<b>258,419</b>

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### Collection Fund

The collection performance for the amount of Council Tax due from householders was 97.5% at the end of March compared to 97.6% in 2011/12 and the target of 97.8% for the year.

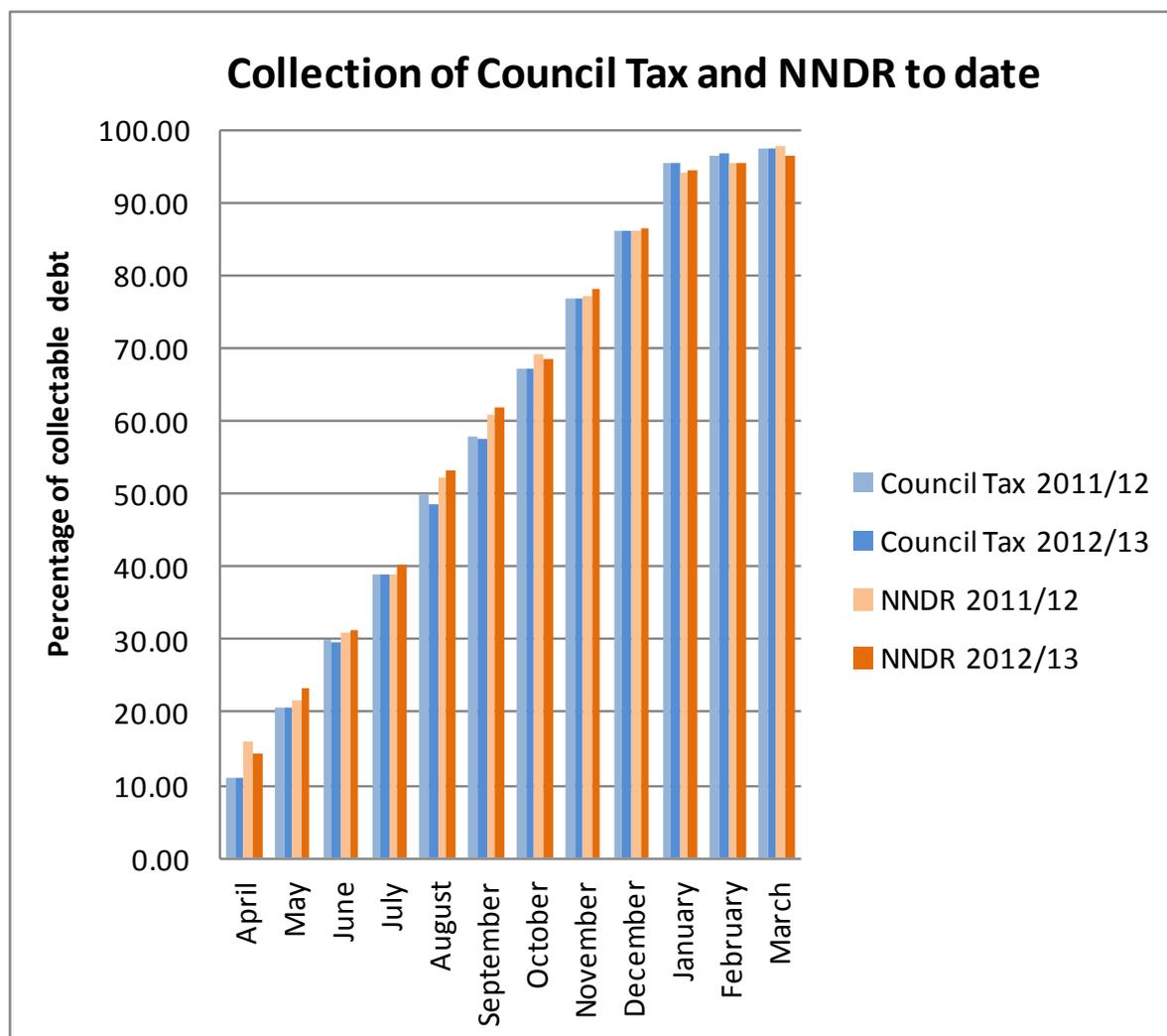
The draft Collection Fund is showing a net deficit of £273k for 2012/13, of which around £44.8k will be attributable to Rossendale Borough Council. This brings the Council's cumulative deficit up to £70k, against which we now have a full provision of £70k.

During 2012/13 there was a net reduction of £562k in the total Council Tax chargeable, compared to a similar reduction of £126k in the previous year. A significant portion of this drop is attributable to the banding reductions approved by the Valuation Office. As a result of these reductions the value of refunds rose from £420k in 2011/12 to £692k in 2012/13.

On a more favourable note, there has been a reduction of £98k in the level of exemptions and discounts claimable over the same time period.

NNDR collection rate to the end of March was 96.7%, below the 97.8% at the end of 2011/12 and the 98% target for the year. Whilst there have been £520k of banding reductions during the year, leading to £437k of refunds, this is far better than the £1.5m drop experienced in 2011/12.

The current business rates pooling scheme ceased on the 31<sup>st</sup> March 2013 and new arrangements have commenced as part of the Local Government Finance Act (2012), paving the way the partial retention of locally generated business rates income.



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## Glossary

### 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.

### 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.

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### 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.

### Sector

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 Sector model investment portfolio is the benchmark by which we measure our investment performance.

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اڈس، رڈسٹل ڈا. ڈا. 8 ۹ اڈل. ڈھڈ. ای ڈیکانای ڈوڈاڈوڈ ھرے۔

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