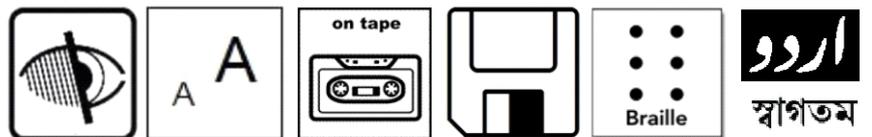


Monthly Financial Monitoring Report

2009/10 as at end of March 2010 – Period 12

Including a Glossary of terms on page 32



Monthly Financial Monitoring Report 2009/10 – end of March 2010

General Fund Revenue Operations – pages 4 to 23

The out-turn favourable impact on General Fund as at the end of February compared to budget for 2009/10 is **£368.2k**. This represents a favourable movement of **£7.8k** from the forecast at the end of February.

This favourable variance of £368k would potentially result in the General Fund Reserve at year-end being £1,247k (see below). The revenue budget carry-forward rules would identify £196k of this for one-off improvement projects in 2010/11, therefore a total of £259k has been transferred to a new Directorate Investment Reserve, leaving the General Fund Reserve at 31st March 2010 predicted at £1,051k against a recommended maximum of £1m.

General Fund Reserves	£000	
Total Balance at 1st April 2009	942.0	
Less 50% service allowance		
Communities	(45.0)	}
Member Training	(5.0)	
Regeneration	(13.0)	
Plus expected contribution from 2009/20 operations	368.2	} Transferred to Directorate Investment Reserve
Total Balance estimated at year-end	1,247.2	
Less 50% service carry forward allowance to 2010/11		}
Place Directorate	(92.0)	
Business Directorate	-	
Corporate Directorate (operational services only)	(104.0)	
Net Balance estimated at 31st March 2010	1,051.2	

Earmarked Revenue Reserves – page 24

Upon closer inspection of the definition and background of the Government Grants Unapplied, three of the accounts have been transferred through the Revenue Account into Earmarked Reserves, (coloured orange in the table on page 24).

The £478k Performance Reward Grant instalment, due at the end of March, has been included in the Reserves sheet this month, along with the commitment to use £250k of this for the new pool and £228k carried forward to 2010/11 as per the report to Cabinet in March.

The total Earmarked Reserves forecast at the end of March 2010 are £4,639k, recognising the above £259k from the General Fund Reserve, a £350k contribution to the Pension Reserve from the VAT Shelter and £193k from Communities for Health Grant Unapplied to the Leisure Reserve (shown in blue).

Government Grants Unapplied – page 25

In March three Government Grant Unapplied accounts have been transferred through the Revenue Account to Earmarked Reserves to better reflect the nature of the grants and the Council's earned entitlement to use them.

A contribution of £193k has been made from the Communities for Health Grant towards the Leisure Transitional Costs. This results in a year-end forecast balance of £308k.

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Treasury Management and the economic environment - page 26

Treasury Management results continued to outperform the Sector model portfolio with average returns of 2.2% in 2009/10 compared to 1.16% for the Sector model in mid March. This interest performance has resulted in £69k favourable movement in interest earned for the year (up £10k on February's estimates).

Sector interest rate expectations for the next 18 months have slowed in March with base rates anticipated now at 0.5% until the end of 2010. March saw extensive Treasury Management activity for the Council, including the arrangement of a £4.6m loan from the Public Works Loans Board to fund the Leisure Services Investment. These funds have now been put on deposit for 1 year prior to the need.

Cash Management - page 27 to 28

Operational cash levels declined £500k further than predicted in March to £4.5m. However, the £4.6m PWLB loan meant that total investments at the end of March were £8m and cash was £1.1m. Cash levels rose again on 1st April as revenues for 2010/11 began to flow in.

Debt collection rates for the current year's invoices continued their good performance, though the pattern of new debts raised at the quarter-end meant that the end of March saw Debtor Days at 82 against a target of 80. During 2009/10 officers collected 88% of debt outstanding in relation to prior years and an average of 80% of 2009/10 debts raised, though only 5% of all debts raised are technically 'overdue'.

Following the write off of £12.6k of debts in March, the Bad Debt Provision ends the year at £155k. Officers deem this satisfactory, therefore no further contributions are required in 2009/10.

Capital Receipts – page 29

Capital receipts to year end were £284k from the sale of assets and CPO deposit recovery. Right to Buy receipts returned a further £10k to end the year at £140k and VAT shelter receipts are predicted at a total of £429k. Total forecast receipts for the year are £854k compared to original expectations of £860k.

Projected requirements to fund the 2009/10 capital programme is £1,008k, however, £394k relates to projects carried forward into 2010/11 as slippage. This results in capital receipts carried forward at March 2010 of £1,269k, of which £411k is earmarked for slippage items and £373k for future housing capital works. This leaves £486k available as a contribution to fund the 2010/11 general fund capital programme.

Capital Programme and Funding – page 30 to 31

At the end of March 79% of the revised capital programme has been completed, leaving £1,466k of slippage to be carried forward to 2010/11. Full details of the slippage can be seen on page 30.

Capital expenditure in March included

- £122k on Disabled Facilities Grants,
- £322k expenditure on the Elevate programme,
- £1.4m worth of the vehicles ordered were delivered and tested up to the end of March

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General Fund Summary - March 2010 (Period 12)

Service Area	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Place Directorate					
Communities	1,258.6	1,200.6	58.0	51.9	6.1
Customer Services and e Government	2,841.4	2,764.3	77.1	110.2	(33.1)
Regeneration	530.7	482.9	47.8	43.2	4.6
Place Operations	3,745.2	3,744.6	0.6	(1.3)	1.9
Business Directorate					
Building Control Services	151.8	179.6	(27.8)	(38.0)	10.2
Environmental Services	832.2	790.7	41.5	19.5	22.0
Legal & Democratic Services	1,116.2	1,083.5	32.7	23.0	9.7
Planning Services	481.5	560.7	(79.2)	(64.0)	(15.2)
Local Land Charges	71.7	62.3	9.4	8.6	0.8
Corporate Support Services					
Corporate Management	536.6	493.2	43.4	47.1	(3.7)
Finance & Property Services	284.1	404.8	(120.7)	(124.1)	3.4
People and Policy	249.1	242.6	6.5	14.1	(7.6)
Non Distributed Costs	557.4	337.6	219.8	227.9	(8.1)
Capital Financing and Interest	(809.0)	(867.9)	59.0	42.3	16.7
Favourable impact on General Fund	11,847.6	11,479.4	368.2	360.4	7.8

Revenue activities to note during February include:

- In terms of Housing & Council Tax Benefit, the year-end estimate is of a subsidy shortfall of £16k, though this is matched by £16k more in court costs awarded and receipt of two DWP additional requirement grants totalling £21k.
- Savings within Regeneration have enabled a provision for Homelessness accommodation of £11.2k to fund any outstanding costs at year-end.
- In terms of operational vehicles, the cost of the last few weeks of leasing increased by £7.4k. However, savings of a further £10.8k on fuel and Open Spaces operational costs, have enabled a £16k contribution to the vehicle replacement provision.
- In the Business Directorate, Building Control and Licensing fee income have improved but Development Control income has shown a minor adverse movement. The large planning application anticipated around the end of March (and noted in last months' report) had not been received before the year-end.
- Vacancies within the Environmental Health section have resulted in a saving of £6.5k.
- In Property Services the building repair costs have increased but these have been compensated for by the reduction in usage and credit notes for past over-billing on gas, electricity and water charges.
- A provision of £100k has been laid aside for remaining costs relating to the 2008/09 senior management restructure.
- Following the completion of the 2008/09 audit claim for NNDR, £78.5k has been identified as attributable to RBC General Fund, not to central government.
- Final interest income results have shown a further £14.9k favourable movement.

The main areas of movement in March can be seen in the table opposite.

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Major Variances this month	Favourable /(Adverse)	Net
Communities		
LSP Consultation Events	8.0	
Community Development Initiatives	5.5	
Community Safety Fire & Police Events	(7.0)	
Cultural Strategy Events	(6.0)	
Markets Income	3.9	
Other variances	1.7	6.1
Customer Services and e Government		
Housing Benefits subsidy shortfall	(16.0)	
Court Costs awarded	16.0	
IT contract savings net of re-investment	(14.0)	
Telephony upgrade	(15.0)	
Concessionary Fares	(11.0)	
DWP 'additional requirement' grants	21.0	
Grant Claim audits	(5.0)	
Other variances	(9.1)	(33.1)
Regeneration		
Homelessness provision	(11.2)	
Choice-based lettings admin charge	5.0	
Housing Market Renewal admin costs net of grants	4.6	
Other variances	6.2	4.6
Place Operations		
Leased vehicles & associated repairs	(7.4)	
Recyclates income	7.1	
Fuel	10.8	
Trade Waste Tipping Fees	(6.0)	
Open Spaces materials & plants	11.5	
Vehicle replacement provision	(16.0)	
Street Sweeping refuse sacks stocks cfwd	8.5	
Other variances	(6.6)	1.9
Business Directorate		
Building Control fee income	4.4	
Legal Reference Materials contract	5.0	
Environmental Health re-structure staffing	6.5	
Licensing income	8.3	
Other variances	3.4	27.6
Corporate Management		
Other variances	(3.7)	(3.7)
Finance & Property Services		
Finance Training Provision	(10.0)	
Operational Buildings Gas, Electric & Water	37.0	
Operational Building Repairs	(26.3)	
Ski Slope security	(6.0)	
Other variances	8.7	3.4
People & Policy (incl P&P & Comm)		
Equal Pay Claim legal fees	(18.1)	
Other variances	10.5	(7.6)
Non-Distributed Costs & Capital Financing		
Pensions for past employees	9.8	
Provision for 2008/09 management restructure costs	(100.0)	
Income from 2008/09 NNDR audit changes	78.5	
Interest Income	14.9	
Other variances	5.4	8.6
Favourable adverse on General Fund		7.8

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Communities - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Strategic Functions					
Community Management & Admin	167.5	174.0	(6.4)	(8.1)	1.7
Area Based Grant	-	-	-	-	-
Community Safety	200.4	208.1	(7.7)	(0.1)	(7.6)
Local Strategic Partnership	28.2	10.5	17.7	9.7	8.0
Area Forum Grant Budgets	20.0	20.0	-	-	-
Voluntary Sector Support					
Grants	304.1	299.2	5.0	4.9	0.1
Discretionary NNDR	44.8	42.3	2.5	2.5	(0.0)
Events	40.6	45.1	(4.5)	2.4	(6.9)
Neighbourhoods					
Environmental Area Teams	351.0	311.4	39.5	32.9	6.6
Markets	7.2	4.1	3.1	(0.7)	3.8
Pest Control	27.1	19.3	7.8	6.8	1.0
Dog Warden	42.9	41.8	1.1	1.6	(0.5)
Public Conveniences	24.8	24.8	-	-	-
Total	1,258.6	1,200.6	58.0	51.9	6.1

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Community Management & Admin - Salary costs	(4.0)		(4.0)	
Community Management & Admin - contribution to ELEP	(2.5)		(2.5)	
Community Safety - 2nd Homes income Fire & Police	6.4	(7.5)	(1.1)	
CCTV - BT costs / contract	(7.0)		(7.0)	
LSP - 2nd homes income more than budget	8.0		8.0	
LSP - no Consultation Events costs/ext printing		8.0	8.0	
Environmental Area Teams - 3 posts vacant for 2 months & Area Manager appointed on lower spinal point. Vacancy for 1 Mth	34.5		34.5	
Management fee for Museum less than expected	5.3		5.3	
Area Teams - Travel costs / Misc Exp	(3.0)	1.5	(1.5)	
Community Developments - not spend full £12k	2.5	5.5	8.0	
Discretionary Business Relief for Charties	2.0		2.0	
Rosendale Alive Weekend - no event this year	7.5		7.5	
Events - Xmas lights Re-furbishment	(5.0)	(1.0)	(6.0)	
Events - provision for Cultural Strategy		(6.0)	(6.0)	
Markets income	(11.0)	3.9	(7.1)	
Markets - Salary related costs & Publicity	11.0		11.0	
Dog Warden Service - Misc Exp	2.2		2.2	
Pest Control Income - UU invoiced for Sewer Baiting	6.8	1.0	7.8	
Other misc variances	(1.9)	0.8	(1.1)	
TOTAL	51.8	6.2	58.0	

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Communities Highlight Report – Period 12

Historic Issues

- Within the Area Team budgets there have been vacancies for 2 Area Officers and 1 Area Manager for 2 months. Along with this, one Area Manager has been appointed on temporary secondment on a lower spinal column point than budgeted for. The total projected saving on salaries for the financial year is £29k.
- The 2nd homes income allocated from LCC is £7k more than anticipated.
- It is anticipated that the Christmas lights will over spend by £5k due to refurbishment of the decorations.
- The invoice for the management fee for the Museum has been received and is £5.3k less than originally expected.
- Included in the Original Budget was £7.5k for The Rossendale Alive Weekend. This event did not take place this year; therefore there is a saving of £7.5k.

Current Month Issues

- Community Safety – £7k of Fire & Police income has been used to create a provision for several projects which are still being worked up.
- Expenditure against the £12k budget for Community Developments Initiatives is now £4k, a further £5.5k favourable move within March.
- Previous forecast expenditure within the Local Strategic Partnership budget for 4 consultation events was overstated by circa £8k.
- There is requirement to complete a Cultural Strategy within 2010-11. The anticipated cost of producing this strategy is £6k. A provision has been made for this amount from the un-utilised 2009-10 events budgets.
- The 2009-10 final out turn for Markets income was £3.9k more than previously forecast.

Future Issues

- Nothing to report.

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Customer Services & E-Government - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Strategic Functions					
Management and Support	1.4	16.5	(15.1)	(19.0)	3.9
Service Assurance Team	12.1	12.5	(0.4)	(0.6)	0.2
Revenues, Benefits and Customer Services					
Local Tax Collection	387.4	337.4	50.1	41.7	8.4
Benefits Admin	577.5	569.3	8.2	(12.3)	20.5
Shared Contact Centre	51.5	53.0	(1.5)	(2.5)	1.0
Net - Benefit Payments & Subsidy received	(76.0)	(50.9)	(25.1)	(9.1)	(16.0)
Leisure Services (from Partnerships)	991.8	991.8	(0.0)	6.1	(6.1)
Information and Communications Technology	44.7	(8.3)	53.0	84.9	(31.9)
Concessionary Travel	851.0	843.0	8.0	21.0	(13.0)
Total	2,841.4	2,764.3	77.1	110.2	(33.1)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Recovery of Housing Benefit over payments	34.0		34.0	
Housing Benefit Subsidy shortfall - including supported housing shortfall of £80k	(40.0)	(16.0)	(56.0)	
Courts Costs Income & Costs re non payment of Council Tax and Business Rates	37.0	16.0	53.0	
Outsourced Revenue & Benefits contract - inflation saving	14.0		14.0	
Government Connect	(15.7)	(4.5)	(20.2)	
Alterations to the One Stop Shop	(9.0)	(3.5)	(12.5)	
External Audit Charges	7.5	(5.0)	2.5	
Additional saving arising from the closure of the IT contract	98.0	(10.0)	88.0	
Software Licences / Purchase of Computers	(24.0)	(4.0)	(28.0)	
Disaster Recovery / purchase of new computers & servers	10.0	5.0	15.0	
Senior Manager pay review - back-pay and ongoing costs	(15.0)		(15.0)	
Migration of Finance System to SAN	(4.7)		(4.7)	
Telephony upgrade		(15.0)	(15.0)	
Concessionary Fares	19.8	(11.0)	8.8	
Various DWP Grant Income		21.0	21.0	
Other minor variances	(1.6)	(6.2)	(7.8)	
TOTAL	110.3	(33.2)	77.1	

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Customer Service & E-Government Highlight Report – Period 12

Historic Issues

- One of the biggest contributions to the Customer Services & E-Government under spend is the saving arising from bringing the IT contract in-house. The savings on this area at the end of February were £98k.
- Court costs awarded to the Council for non-payment of Council Tax are predicted to exceed budget by circa £29k.

Current Month Issues

- Provisional figures indicate an adverse movement on Housing Benefit and Council Tax subsidy of £16k from previous estimates. The shortfall on housing benefit subsidy relating to supported housing tenancies is £84k
- Provisional figures provided by Capita indicate a favourable movement relating to Court Costs awarded for non-payment of Council Tax of £16k.
- External audit of NNDR and Benefit grant claims has ended the year £5k more than previous savings anticipated.
- Under spends achieved by bringing the IT Contract in-house have been reinvested in updating the telephony system £15k, remote working £5k and investment in new file servers £5k
- After setting aside £30k for future budget volatility, there has been an adverse movement of £11k, pertaining to concessionary fares in March, bringing the net year-end position to £8.8k favourable.
- Various Department of Works and Pension grants received have contributed to under spend to the amount of £21k. The council has already incurred expenditure pertaining to the council tax efficiency statement and allowing Business Rate customers to pay the 2009-10 business rate increase over 12 equal instalments.

Future Issues

- The Housing subsidy figures are provisional, financial housing benefit / council tax subsidy figures will not be available until the end of May 2010, due to the completion of integrity checks on year-end software upgrades.

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Regeneration - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Strategic Functions					
Regen Mangt & Admin	55.2	51.5	3.7	2.8	0.9
Tourism	48.9	53.3	(4.5)	(4.7)	0.2
Economic Regeneration					
Economic Regeneration	83.0	84.0	(1.0)	(1.3)	0.3
Regen Joint Delivery Team	(0.6)	(0.6)	0.0	-	0.0
Regeneration Projects	35.9	33.9	2.1	2.1	(0.0)
Parking	85.1	38.4	46.7	46.0	0.7
Strategic Housing					
Housing Strategy	96.0	96.2	(0.2)	(1.0)	0.8
Homelessness	139.8	139.5	0.4	7.1	(6.7)
Private Sector Renewal	(5.1)	(8.5)	3.4	1.5	1.9
Elevate Project Management	(7.4)	(4.7)	(2.7)	(9.3)	6.6
Total	530.7	482.9	47.8	43.2	4.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Housing Strategy - various non pay items	(1.7)		(1.7)	
Various non pay under/ spends	0.3	3.4	3.7	
Termination of Off-Street Parking Enforcement with LCC	44.9		44.9	
Tourism - miscellaneous non pay items	(4.0)		(4.0)	
Peer Support grant budget & costs move to Communities budgets	3.0		3.0	
Contract extension - Housing Market Renewal (Jan - Mar)	(5.0)		(5.0)	
Regeneration - revised forecast for Corporate Subscription	3.0		3.0	
Economic Regeneration Audit Fees	-		-	
Homelessness Accommodation underspend	9.0		9.0	
Homelessness Accommodation provision carried forward		(11.2)	(11.2)	
Choice Based Letting - Administration Charge	(5.0)	5.0	-	
Parking - Excess Parking Charges income	1.0	1.1	2.1	
Private Sector Recharges		1.9	1.9	
HMR-Consultants Fees		(1.6)	(1.6)	
HMR - Salaries		4.2	4.2	
HMR - Recharges		2.0	2.0	
Regeneration - Subscriptions	(2.5)		(2.5)	
TOTAL	43.0	4.8	47.8	

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Regeneration Highlight Report – Period 12

Historic Issues

- The projected under spend on the Regeneration budget primarily relates to the cessation of the off-street parking enforcement following the end of collaborative arrangements with LCC.

Current Month Issues

- Given the underspend on Homelessness accommodation to date, a provision has been made of £11.2k to fund any future claims.
- Release of funds from the Change Management Reserve to meet the 1st year costs of the Choice Based letting system £5k (administered by Pendle Council).
- £2k favourable movement on expenditure recharged against external Housing Market Renewal grant funding.
- £4.2k favourable movement on salaries within the Housing Market Renewal Team, partly due to a previous miscalculation of liability for maternity pay.
- £1.1k additional income received from LCC for final settlement of outstanding balances pertaining to the terminated Parkwise on-street parking agreement.

Futures Issues

- Elevate funding is secured for 2010/11, however, the position for 2011/12 onwards is uncertain. The Council is currently exploring its exit strategy should Elevate funding cease.

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Place Operations - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in Mar (Adv)/Fav £000
Strategic Functions					
SSL Administration	(71.0)	(41.8)	(29.3)	(20.4)	(8.9)
Operational Functions					
Refuse Collection	1,417.1	1,371.7	45.4	68.3	(22.9)
Street Sweeping	986.3	1,045.0	(58.6)	(62.4)	3.8
Open Spaces Contracts	1,198.7	1,136.0	62.7	36.4	26.3
Bereavement Services / Cemeteries	214.1	233.7	(19.6)	(23.2)	3.6
Total	3,745.2	3,744.6	0.6	(1.3)	1.9

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Vehicle Leases/ Repairs budgets	74.2	(7.4)	66.8	
Fleet Maintenance Section	(29.6)	(0.3)	(29.9)	
Tipping Fees - Glass Cans & Plastics	(24.2)	(2.4)	(26.6)	
Tipping Fees - Street Sweeping	(11.0)		(11.0)	
Tipping Fees - Purchase of New Hooklift and Skips	(31.0)		(31.0)	
Refuse Bin Deliveries/spend	(0.9)		(0.9)	
Paper Income / Glass Cans & Plastics Income	36.9	7.1	44.0	
Fuel	(21.1)	10.8	(10.3)	
Salaries / Agency	62.9	(4.8)	58.1	
Upgrade of Henrietta Street	(21.2)		(21.2)	
Trade Waste Tipping Fee's	(13.0)	(6.0)	(19.0)	
Materials & Plants - Open Spaces	(4.0)	11.5	7.5	
Parks Development	20.3		20.3	
Addition to Vehicle Replacement Provisions	-	(16.0)	(16.0)	
other variances	(15.8)		(15.8)	
Cemeteries Income	(23.8)	0.9	(22.9)	
Street Sweeping- Vehicle Hire	11.0		11.0	
Refuse & Street Sweeping Sacks (stock-take adjustments)	(11.0)	8.5	(2.5)	
TOTAL	(1.3)	1.9	0.6	

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Operations Highlight Report – Period 12

Historic Issues

- The 2009-10 budget assumed that Glass, Cans & Plastics would be tipped off at Henrietta St, however the decision was made by Councillors to continue tipping off with a third party. The adverse financial impact of this decision was £33k.
- The 2009-10 budget did not assume any income from the Glass, Cans & Plastics collected, however, based on current tonnage the projected income from Glass Cans & Plastics was £5k at the end of February. Similarly the recycle rate for paper has risen steadily throughout the year and was projected to provide an extra £31.9k in February.
- The delivery of the new fleet had a positive impact on the expected level of expenditure within the lease budgets of £74.2k. However, this created the need for an in-house Fleet Maintenance section with staff and set-up costs of £29.3k.

Current Month Issues

- The current projected budgetary position for the operations directorate is a break even position.
- Additional costs relating to the completion of the Noblets' vehicle maintenance and leasing contract had not been foreseen, resulting in an increase in expenditure of £7.4k.
- Paper income has increased further due to the price rising from £30 to £40 per tonne. The positive impact on the budget of this fluctuation in price increase is £7.1k.
- The cost of fuel within operations reduced by £10.8k. The main contributing factor towards this was the timing and delivery of the last order in March, confirmed during the year-end stock-take.
- This month has seen an increase above projected agency and overtime spends of £4.8k, overall, bringing the salary/agency costs under spend for the year to circa £58k.
- Confirmation of the tipping fees charged by LCC for trade waste increased the projections by £6k due to the addition of a 5% admin fee not previously anticipated.
- Expenditure within open spaces reduced by £11.5k. An order for circa £9k for trees seeds and plants had previously been incorporated within the 2009/10 budget however these plants will not be received/planted until May/June and therefore form a legitimate the cost in the next financial year.
- The net position at year-end has allowed £16k to be added to the vehicle replacement provision, leaving a balance on the vehicle replacement provision of £39k.
- Expenditure on sacks is corrected to only £2.5k adverse following the year-end stock-take.

Futures Issues

- Vehicle Maintenance has been brought in-house, an estimated budget has been set aside for the provision of this service. The validity of these budget assumptions will only be completely validated as the financial year 2010-11 progresses.

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Business Services - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Strategic Functions					
Executive Director of Business	25.8	25.8	-	-	-
Planning					
Development Control	274.5	370.8	(96.3)	(80.4)	(15.9)
Forward Planning	207.0	189.9	17.1	16.4	0.7
Land Charges	71.7	62.3	9.4	8.6	0.8
Building Control					
Building Control Trading Account	12.3	34.2	(21.9)	(27.9)	6.0
Building Control - Statutory Function	125.3	139.1	(13.8)	(19.8)	6.0
Building Control - Street Signs	14.2	6.4	7.8	9.7	(1.9)
Legal Services	14.4	9.5	5.0	(0.6)	5.6
Democratic Services					
Electoral Registration	79.1	76.4	2.7	0.8	1.9
Elections	108.8	106.5	2.3	2.3	(0.0)
Democratic Representation	763.5	736.6	26.9	25.8	1.1
Mayoralty	114.4	118.5	(4.1)	(5.3)	1.2
Town Twinning	10.3	10.3	-	-	-
Environmental Health					
Env Health	641.7	619.9	21.8	7.7	14.1
Emergency Planning	23.5	13.5	10.0	10.2	(0.2)
Licensing	167.0	157.3	9.7	1.6	8.1
Total	2,653.4	2,676.8	(23.4)	(50.9)	27.5

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Development Control - planning application income	(87.2)	(3.0)	(90.2)	
Development Control / Forward Planning - consultancy costs	31.3		31.3	
Development Control - computer licenses	(18.8)		(18.8)	
Development Control - document scanning	8.6		8.6	
Forward Planning - staff vacancy	13.0		13.0	
Forward Planning - External Printing & publicity	(2.5)		(2.5)	
Local Land Charges - income	1.0		1.0	
Building Control general fee income	(34.0)	4.4	(29.6)	
Building Control Subscriptions	-	1.3	1.3	
Building Control Section 215 & Elevate work income	(9.0)		(9.0)	
Building Control computer licenses	(3.9)	3.9	-	
Building Control Street Signs	9.0		9.0	
Legal - staff vacancies	26.0		26.0	
Legal Reference Materials / professional fees	(8.0)	5.0	(3.0)	
Legal Income	(18.0)		(18.0)	
Democratic Services - staff vacancies and advertisements	23.1	2.3	25.4	
Democratic Services - purchase of new Franker	(2.7)		(2.7)	
Democratic Services - Members Allowance	6.6		6.6	
Mayoralty - Agency / staff	(6.0)		(6.0)	
Elections - Staff costs and by-election provision	2.5		2.5	
Environmental Health - Restructure & staff vacancies	12.4	6.5	18.9	
Environmental Health - Permitted Processes & Other Income	(8.0)		(8.0)	
Land Drainage	4.6	(2.2)	2.4	
Emergency Planning	10.0		10.0	
Licensing - Salaries	7.0		7.0	
Licensing - Various Income	(2.1)	8.3	6.2	
Miscellaneous	(5.8)	1.0	(4.8)	
TOTAL	(50.9)	27.5	(23.4)	

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Business Highlight Report – Period 12

Historic Issues

- The current poor economic conditions continue to have an adverse impact on the Council's income streams, particularly planning and building control income. Several initiatives to reduce the impacts of these variances have resulted in lower consultancy costs and staff savings listed below.
- Local Land Charges income remains within the reduced levels in the original budget, though costs of search services with the County Council have improved by £5k.
- Development Control document scanning contracts have been reviewed and some work has been brought back in-house, resulting in an overall saving of £8.6k.

Current Month Issues

- The current projected budgetary position for the business directorate is an over spend of £23.4k, a £27.5k improvement on the February forecast of £50.9k.
- Development Control has seen a positive month in relation to planning applications however one of the major planning applications responsible for last months increase in income forecasts was not completed before the year end. This has negatively affected the final income figure by £3k.
- The income for Building Control continues to fluctuate making accurate forecasts problematic. This month has seen the income increase above forecasts by £4.4k.
- Environmental health staff costs have moved positively due to the delay in appointing a replacement Senior environmental health officer (position vacant since January). The non-appointment of the role has positively adjusted the outturn by £6.5K.
- The Legal section has a 12 month rolling contract for reference materials which runs from 20th June 2009 – 19th June 2010. To accurately show the costs of this contract, £3.8k has been allocated to the 2010/11 budgets reducing the 2009/10 outturn.
- Licensing taxi income has always been forecast from the expected license renewals on the database. The income within March took the total income to £6k above projections, due to new applications throughout the year. Further increases on various other license incomes have increased by £2.3k.

Futures Issues

- Expenditure on the Core Strategy continues to be funded from the Earmarked Reserves as planned, and costs monitored carefully (see the Earmarked Reserves Schedule on page 24). Expected allocations of Planning Delivery Grant are also being monitored.

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Corporate Management - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Corporate Management					
Executive Office	239.6	207.1	32.5	38.2	(5.7)
Corporate Contingency	130.7	130.7	(0.0)	-	(0.0)
Executive Support & Corporate Subscriptions	166.2	155.3	10.9	8.9	2.0
Total	536.6	493.2	43.4	47.1	(3.7)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Various Non Pay budgets	(2.4)		(2.4)	
Executive - Recruitment Expenses	(10.2)		(10.2)	
Executive - Miscellaneous expenses	2.6		2.6	
Executive - Salaries revised projection	48.5		48.5	
Executive - Contribution from Bus Co		(5.7)	(5.7)	
Corporate Subscriptions	8.6	2.0	10.6	
TOTAL	47.1	(3.7)	43.4	

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Corporate Management Highlight Report – Period 12

Historic Issues

- A Corporate Contingency budget was created from the secondment of the Director of Resources to Team Lancashire and an assumed 8 months vacancy gap relating to the Deputy Chief Executive post (now to be replaced by a Director of Customers and Communities).
- The total value allocated to the Corporate Contingency is £130k. The 2009/10 budgets included the previous post of Executive Director of Resources which has now been deleted from the staffing structure. The savings on this post in 2009/10 of £95k were transferred to the Corporate Contingency. The post of Deputy Chief Executive has been re-designated to Director of Customers & Communities, a proportion of the saving arising from delays in filling this post (£35k) were transferred to the Corporate Contingency budget.

Current Month Issues

- The under spend of £38k on the Corporate contingency has been transferred to provisions.

Corporate Contingency	£000
Budget	
Executive Director of Resources	95
Post formerly designated as Deputy Chief Executive	35
Total Budget	130
Allocated	
Democratic Services – Staff cover	29
Elections – Signature matching – new server and software purchase	12
Planning – Enforcement cover	24
Corporate – Standards Enquiry	4
Legal Fees	5
Rosendale RUFC – Drainage works	5
Other Professional Fees	1
Rosendale Harriers Contribution – improvements to running track	6
Ombudsman Ruling	9
Pension Strain	2
Total Allocated	92
Balance now transferred to provisions	38

Futures Issues

- The 2010/11 budget includes a significant reduction in the Corporate Contingency to £30k, however the £38k 2009-10 under spend transferred to provisions will be also available.

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Finance and Property Services - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Financial Services Team	(188.8)	(222.4)	33.7	32.3	1.4
Internal Audit	97.0	78.3	18.7	18.7	(0.0)
Corporate Costs					
External Audit Fee	126.4	114.5	11.9	11.9	(0.1)
Bank Charges	20.2	22.0	(1.8)	(6.1)	4.3
Treasury Management	58.2	67.6	(9.4)	(3.0)	(6.4)
Property Services					
Property Services Team	82.4	99.7	(17.3)	(11.2)	(6.1)
Corporate Estates	(60.3)	(56.2)	(4.2)	(5.8)	1.6
Non Domestic Estates	6.9	45.9	(39.1)	(39.3)	0.2
Office Accommodation	5.5	26.9	(21.4)	(23.6)	2.2
Operational Properties	290.7	395.2	(104.5)	(111.3)	6.8
Leisure Properties	(175.2)	(173.8)	(1.4)	(1.1)	(0.3)
Bus Shelters	21.2	(1.8)	23.0	17.8	5.2
Business Centre	-	8.7	(8.7)	(3.4)	(5.3)
Total	284.1	404.8	(120.7)	(124.1)	3.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Financial Services - Staff savings	32.5		32.5	
Financial Services - Misc variances	(5.8)	2.0	(3.8)	
Financial Services - External Training for IFRS and Crystal Reports		(10.0)	(10.0)	
Sector Treasury support for Vehicle Tendering		(4.8)	(4.8)	
Risk Management Health Check	(3.9)		(3.9)	
Internal and External Audit Fees	30.8		30.8	
External procurement support not required		4.0	4.0	
Professional Artwork for Statement of Accounts/Annual Report		4.5	4.5	
Operational Buildings - Gas & Electric	(75.5)	32.2	(43.3)	
Operational Buildings - Water	(19.8)	4.8	(15.0)	
Haslingden Market - Water costs due to vandalism and leakage	(5.0)		(5.0)	
Operational Buildings - Repairs & Maintenance	24.7	(6.3)	18.4	
Operational Buildings - provision for planned works		(20.0)	(20.0)	
Legionella works - risk assessments required every 3rd year	(12.0)	(3.6)	(15.6)	
Recharges for Q4 to AB&D, Mechanics, Greenhouses		6.0	6.0	
Corporate Estates - Income budget but no income	(21.0)		(21.0)	
Corporate Estates - E-on electricity bill outstanding issue 2002-08	(2.6)		(2.6)	
Corporate Estates - Rental for Bridge End House & Hall St	7.9		7.9	
Corporate Estates - various income		4.2	4.2	
Industrial Units vacancies	(18.0)		(18.0)	
Industrial Units various Credit notes issued	(15.6)		(15.6)	
Non Domestic Estates - Business Rates units 1,2,3	(6.8)		(6.8)	
Refund GVH rent (not RBC property)	(8.1)		(8.1)	
Ski Slope - extra security	(2.7)	(6.0)	(8.7)	
Asbestos costs	(9.5)		(9.5)	
Public Clocks repairs (poss claim on insurance)	(2.5)		(2.5)	
Car Park - repairs & maintenance & public liability claim	1.2		1.2	
Business Centre - electricity, Gas & misc	(2.9)	(2.4)	(5.3)	
R'stall / Bacup Markets - refuse bins		(2.2)	(2.2)	
Misc Variances	(9.6)	1.1	(8.5)	
TOTAL	(124.2)	3.5	(120.7)	

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Finance & Property Services - Monitoring Highlight Report – Period 12

Financial Services

Historic Issues

- A mini-restructure in April 2009 resulted in savings of c £32.5k.
- External Audit Fees reflect reduced corporate operating risks.
- Internal Audit fees have been revised downwards £19k through a lower average daily charge.
- Zurich Risk Management Health Check £4k has been funded through the insurance savings.

Current Month Issues

- Training provision of £10k for IFRS, tendering, Crystal Reporting & ongoing professional accounting courses for the Trainee Accountant.
- Treasury Management Fees paid to Sector to support vehicle tender £4.8k adverse.
- The move of ELeP to Team Lancashire has reduced procurement support costs by £4k.
- Artwork costs of £4.5k on Statement of Accounts and Annual Report no longer required.

Futures Issues

- Nothing to report.

Property Services

Historic Issues

- Gas & Electricity Charges increased by 60% in 2008/09. This had not been recognised when setting the budgets for 2009/10. From the 2007/08 usage and the 60% increase, the total projected over spend as at the end of March was £43k.
- Corporate Estates – An incorrect income budget for Industrial Estates was set for 2009/10 for £21k. Due to the economic down-turn a proportion of the industrial units are not occupied therefore the income target was not met. In addition during 2009/10, £14k of credit notes have been issued for property rentals erroneously raised in previous years (a one-off cost). Facilities Management staff are in the process of trying to attract more tenants.
- United Utilities levy for surface water drainage to February forecast £19.8k above expectations.
- Council occupation of 3 units on Heys St will now incur charges for NNDR costing £6.8k.
- The Car Park budget for Repairs and Maintenance has moved to Property Services. There is an under spend of £1.2k. The funding has been set aside for emergency works.

Current Month Issues

- The Gas over spend is £13k and the Electricity over spend at the end of the year is £29k. This has improved in March due to a refund for the Electricity of £15k at Rawstron St Playing field.
- The Business Centre is showing an over spend of £8.7k, mainly due to the Gas costs which are £2.5k more than budget, and rental income which has declined by £4k from previous projections.
- Legionella invoice for March is expected to cost a further £3.6k.
- A provision of £20k has been set aside for planned works repairs & maintenance works in 2010/11
- A provision of £6k has been set aside for CCTV security at the Ski Slope to replace the Security services supplied by Chapman's Security Services currently costing circa £1.3k per month

Futures Issues

- New gas tender, to commence in October 2010, will potentially save 40% and the electricity contract will save up to 34%.

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People and Policy - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
People & Organisational Development					
Human Resources	(9.6)	0.3	(9.9)	6.9	(16.8)
Training	(11.6)	(16.9)	5.3	-	5.3
Policy & Performance					
Policy & Performance Team	127.1	124.0	3.1	1.7	1.4
Communications	143.2	135.2	7.9	5.5	2.4
Total	249.1	242.6	6.5	14.1	(7.6)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Vacancies - People & Policy section -	26.0	1.4	27.4	
Other variances	5.5	1.1	6.6	
Staff Morale Budget	1.5		1.5	
Corporate Plan Printing & other non pay variances	2.0		2.0	
Provision for delayed IIP external inspection review	(4.0)		(4.0)	
Staff survey	(2.4)		(2.4)	
Professional Charges - Equal Pay Claims	(18.9)	(18.1)	(37.0)	
Training		5.5	5.5	
Communications - publicity / computer purchase	4.5	2.4	6.9	
TOTAL	14.2	(7.7)	6.5	

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People & Policy Highlight Report – Period 12

Historic Issues

- The prime reason for the projected under spend within the People & Policy budget pertains to savings arising from a recent staff re-structure and delays in appointment.

Current Month Issues

- There has been an adverse movement of 7.4k on the overall budget. This is mainly due to
 - Additional legal fees of £18.1k relating to equal pay claims.
 - Training under spends of £5.5k.
 - Under spend on Communications for publicity of £2.4k
 - Various miscellaneous under spends totalling £2.7k.

Futures Issues

- Further costs are anticipated in the near future pertaining to legal support for Equal Pay Claims. If these costs, along with those already incurred, rise above the level of savings already made within this section, then they will be funded from the Single Status Reserve to limit impact on the General Fund.

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Non-distributed Costs and Corporate Resources - Period 12

Summary	2009/10 Org Budget £000	2009/10 Forecast £000	2009/10 Variance (Adv)/Fav £000	Variance last reported £000	Change in March (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	318.5	(223.4)	542.0	88.6	453.4
Non-distributed Office Costs	221.2	655.2	(434.0)	111.6	(545.6)
Other Costs / Income	17.7	(94.2)	111.9	27.7	84.2
Capital Financing					
Minimum Revenue Provision	82.5	98.7	(16.2)	(18.0)	1.8
Investment Interest	(137.0)	(212.2)	75.2	60.3	14.9
Reversal of Capital Charges	(754.5)	(754.5)	-	-	-
Total	(251.6)	(530.4)	278.8	270.2	8.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Payroll - current employees backpay for 2008/09	17.5		17.5	
Payroll - reduction in inflation settlement for 2009/10	91.2		91.2	
Pensions - Past employees	(19.5)	9.8	(9.7)	
Insurances	114.9		114.9	
Removal of requirement to make further Provision for Bad Debts	3.5		3.5	
National Grid insurance claim	22.0		22.0	
Provision for Legal claims	-	(100.0)	(100.0)	
Transfer of audit corrections from 2008/09 into GF Balance		78.5	78.5	
Other misc variances	(1.7)	5.4	3.7	
Increase in MRP in relation to Accommodation Project	(18.0)		(18.0)	
Interest - net expenditure/income	60.3	14.9	75.2	
TOTAL	270.2	8.6	278.8	

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Non-Distributed Costs & Capital Financing - Highlight Report – Period 12

Historic Issues

- Provision made in 2008/09 for the back pay due on salaries in relation to the balance of the pay rise has been brought forward as a general credit.
- Historical compensatory added year's pension costs payable to the County Council on a monthly basis have risen by a full year effect of £19.5k as a result of the 5% inflation applied to pensions from April (based on RPI in preceding September).
- Full Tender of the Insurance Premiums have resulted in savings of £115k against original budget (£120k against 2008/09 actual spend).
- Interest income received to the end of February was predicted to achieve £60.3k more than the original budget.
- The 2009/10 pay settlement has now been concluded and all back pay paid in October. All savings have been collected in this area, rather than distributed across all departments. The drop from 2.5% originally anticipated to 1% agreed has saved the Council just over £91k
- The Council has received an insurance claim receipt of £22k for the loss of business and costs incurred following the gas explosion in December 2008.
- Given the level of Bad Debts Provision available it is unlikely the £3.5k provision originally planned for 2009 will be required.
- The Minimum Revenue Provision full year forecast has now been updated to include the effects of financing the 2009/10 capital programme. The net effect is an additional £18k of revenue costs for 2009/10.

Current Month Issues

- Pension strain payments relating to past employees have been paid over several years. Only one such annual payment remained in 2009/10, the final payments for the rest were made in 2008/09. This has resulted in a saving of £9.8k in 2009/10.
- A provision of £100k has been set aside for pending the outcome of an outstanding court case.
- At the audit of the NNDR claims for 2008/09 several amendments were made, 2 of which were attributable to the General Fund and have now been brought forward, creating an income of £78.5k.
- Interest income predictions have risen by £14.9k to £75.2k favourable for the year.

Futures Issues

- Nothing to report.

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Earmarked Reserves (cash-backed items only)	Economic Regen Reserves																	Total
	Change Manag't	Director Invest Reserve	Planning LABGIS	Planning PDG	Core Strategy	Econ' Regen'	Budget Volatility	Single Status	Perform' Manage't	Health & Wellbeing Projects	Contam Land	IT Reserve	Pension Fund Reserve	Leisure Reserves (1, 2 & 3)	Perform Reward Grant	Aread Based Grants	Plan for Climate Change	
Balance at 01/04/09	392.2	0.0	172.0	149.8	225.0	878.8	284.0	530.2	65.0	156.0	97.7	83.0	356.0	847.0	0.0	83.0	22.5	4,342.2
Funds Received 2009/10																		
2009/10 grant received				136.0		15.8				30.3					478.0			660.1
VAT Shelter Receipts													350.0					350.0
Health grants to Leisure														193.0				193.0
From General Fund Reserve		63.0																63.0
Total Funds Available	392.2	63.0	172.0	285.8	225.0	894.6	284.0	530.2	65.0	186.3	97.7	83.0	706.0	1,040.0	478.0	83.0	22.5	5,608.3
Utilisation of Reserves																		
Job Evaluation								(100.0)										(100.0)
Conservation Works			(17.8)							(91.2)								(109.0)
Strategic Housing Studies			(14.9)	(12.2)														(27.1)
Renewable Energy Study				(65.9)														(65.9)
Core Planning Strategy Work				(45.5)														(45.5)
Other Studies / Assessments				(33.6)														(33.6)
Alcohol intervention										(9.0)								(9.0)
Workplace Health Projects										(9.6)								(9.6)
Joint Working - PCT										(9.3)								(9.3)
Healthy Eating										(16.0)								(16.0)
Active People										(18.0)								(18.0)
Stay Safe project										(9.2)								(9.2)
Climate Change Officer																	(7.6)	(7.6)
Pensions Payment re HRA													(350.0)					(350.0)
Ross Transport Mkt Testing	(46.9)																	(46.9)
Choice Based Letting	(15.8)																	(15.8)
Valley Centre Project						(3.0)												(3.0)
Matched funding NWDA grant						(25.3)												(25.3)
Tourism Support						(15.0)												(15.0)
Business Start up Grants						(38.4)												(38.4)
Homelessness initiatives						(12.3)												(12.3)
BEARS - Be A Ross Saver										(30.7)								(30.7)
Community Engagem't Officer																(32.7)		(32.7)
Community Events																(14.1)		(14.1)
Leisure Review														(36.5)				(36.5)
Leisure Support														(113.9)				(113.9)
Transfers to/from Revenue		196.0					30.0							250.0	(250.0)			226.0
Reserve Estimates 31/3/10	329.5	259.0	139.3	128.6	225.0	800.6	314.0	430.2	65.0	84.5	6.5	83.0	356.0	1,139.6	228.0	36.2	14.9	4,639.9
Future Utilisation Plans																		
2010/11 Plans			(65.0)	(135.0)	(55.0)	(295.0)		(70.0)		(101.0)				(42.5)	(228.0)			(991.5)
2011/12 Plans			(38.0)	0.0	(80.0)	(46.4)		(40.0)										(204.4)
2012/13 Plans				(20.0)	(90.0)	(13.2)		(200.0)										(323.2)
Potential Reserve Balances	329.5	259.0	36.3	(26.4)	0.0	446.0	314.0	120.2	65.0	(16.5)	6.5	83.0	356.0	1,097.1	0.0	36.2	14.9	3,120.8

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Government Grants Unapplied	Communities for Habitats	Mortgage Rescue	Empty shops revival	Communitites for Health	Sports Council	Total
	AL030114	AL030115	AL030116	AL030131	AL030118	
Balance at 01/04/09	0.0	0.0	0.0	282.2	0.0	282.2
New Funds Received 2009/10						
2009/10 grant received to date	16.8	59.5	52.6	100.0	10.0	238.9
Total Funds Available	16.8	59.5	52.6	382.2	10.0	521.1
Year-to-date Utilisation in 2009/10						
Community Engagement Officer						0.0
Community Events						0.0
Core Strategy Work						0.0
Employment Study						0.0
Retail Study						0.0
Tourism Study						0.0
Renewable Energy studies/costs						0.0
Natural Environment Study						0.0
Strategic Housing Land Assessment						0.0
Digitisation Costs						0.0
Plannng for Climate Officer						0.0
Sport for England					(10.0)	(10.0)
Healthy Workplace officer				(7.3)		(7.3)
Computer Equipment				(2.4)		(2.4)
Transfer to Leisure Trust Transitional Support Earmarked Reserve				(193.0)		(193.0)
Estimated Balance 31/3/10	16.8	59.5	52.6	179.5	0.0	308.4
Future Utilisation Plans						
2010/11						0.0
2011/12						0.0
2012/13						0.0
Potential Reserve Balances	16.8	59.5	52.6	179.5	0.0	308.4

Reserves coded orange in the table on the previous page have been transferred from Government Grants Unapplied in the table opposite

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Treasury and Cash Flow Management

Deposits and Interest Earned

All our treasury management activity continues to be in accordance with our treasury advisor's recommendations. In March the Council acquired a 25-year loan of £4.6m from the Public Works Loans Board (PWLB) at 4.49% as detailed at the foot of this page. Clear understanding of the weekly and monthly cash flow forecast has allowed staff to make several investment changes in March, placing a further £2m with the Bank of Scotland for 364 days at 1.9% and two £1.5m deposits with Barclays for 364 days at 1.7% and 1.5%.

Interest	Budget 09/10	F'cast 09/10	Variance (Adv)/Fav
Payable	(19)	(16)	4
Receivable	153	223	69
Total	37	207	73

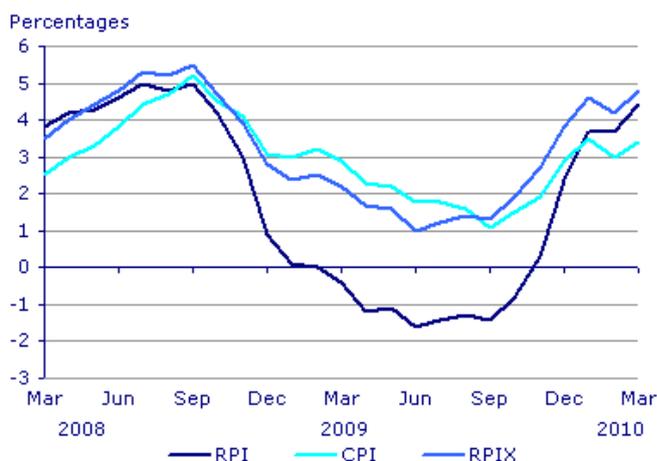
as at 31st March 2010

		Gross Rate %	Interest Paid
SIBA	£1M+	0.80	Quarterly
Abbey National	£500+	0.80	Quarterly
Alliance & Leicester	£500+	0.80	Monthly
Bank of Scotland	£3m 364 days	1.80	Oct 2010
	£2m 364 days	1.90	Mar 2011
Barclays	£1.5m 364 days	1.70	Mar 2011
	£1.5m 364 days	1.50	Mar 2011
Royal Bank of Scotland			now ended

Economic Outlook

The Consumer Price Index rose 3.4% in March. The RPI annual inflation was 4.4% at the end of March, up from 3.7% in February.

The main effects in March came from domestic gas where average bills were unchanged between February and March this year but fell between the same two months a year ago. Other large upward pressures came from transport, principally due to movements in petrol and diesel pump prices, and air fares, and from some food prices which have risen with the effect of the winter weather on vegetable crops.



However, economists remain wary about forecasting this as a long-term trend and the current UK economic outlook remains uncertain, especially if pay levels continue to be squeezed in order to reduce costs.

Interest Rate Forward Predictions

In March, treasury advisors, Sector, revised their forecast of future base rates, delaying the prediction of any increase for a further six months until at least January 2010. Given Sector's continued confidence in the PWLB 25-year loan rates predicted below, Council officers took the proactive step in March to take advantage of 25-year rates at 4.49%, in order to lock in the £4.6m of external funds required to deliver the Leisure Services investment agreed by Council.

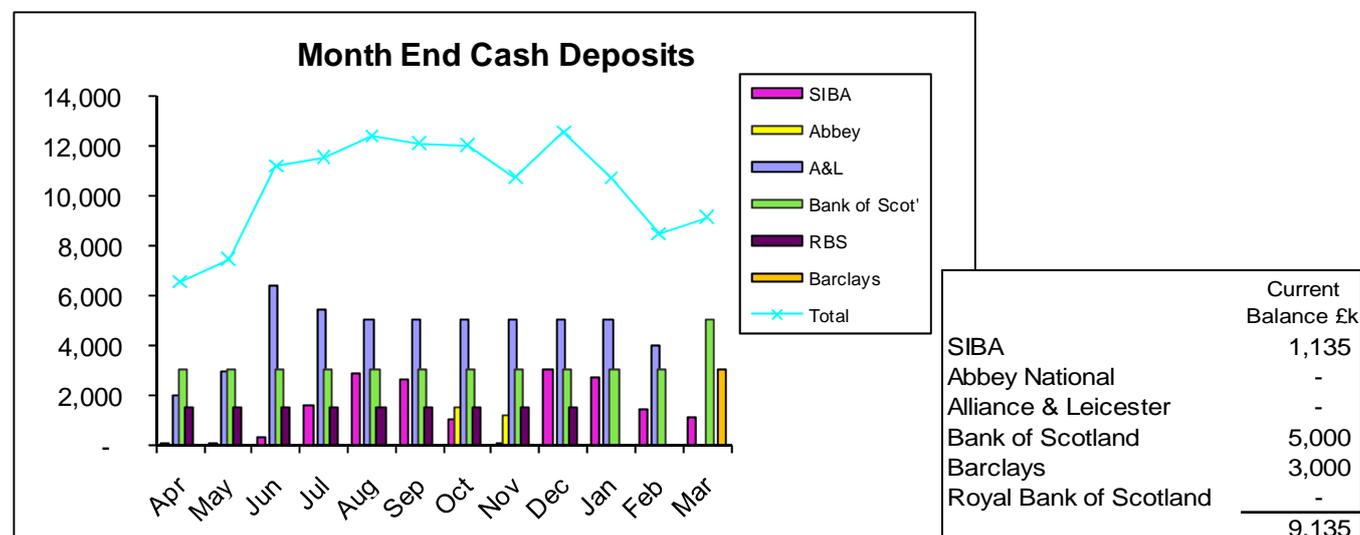
as at	Q/E1	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2
29 March 2010	2010	2010	2010	2010	2011	2011
Base Rate	0.50%	0.50%	0.50%	0.50%	1.00%	1.50%
25yr PWLB	4.75%	4.75%	4.80%	4.85%	4.90%	5.00%

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Cash Flow Management

In line with capital spending and revenues income profiles the Council's cash flow continued its downward phase to the year-end, with the actual cash balance at the 31st March £4.5m compared to an expectation of £5m. During March the PWLB loan of £4.6m was received, which raised the year-end value to £9.1m



One of the major cash flows of the Council is the payment of salaries to staff. To the end of March the Council has saved over £454k in terms of the expected costs of employees, a further improvement of £30k since February.

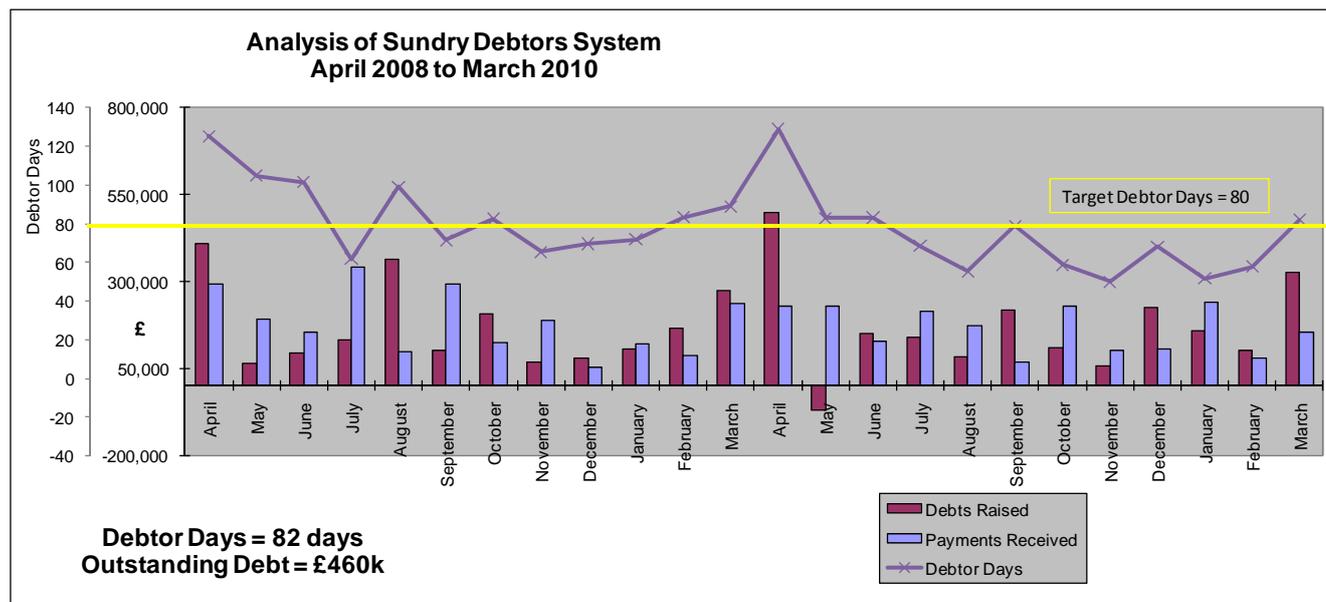
Supplementary to the annual Superannuation Payments to LCC for former employees (within Non-distributed Costs below), the Council made a further payment of £350k in March in relation to the former Housing Revenue employees, funded through VAT Shelter receipts.

Employment Costs Period 12 - March 2010	YTD Budget	YTD Actual	Variance (Adv)/Fav	Movement (Adv)/Fav	Budgeted Staff FTEs	Current Vacant Posts
	£000	£000	£000	£000		
Place Directorate						
Communities Service	591	551	40	1	16.5	1.0
Customer Services	564	513	51	4	14.2	1.0
Regeneration Service	503	490	13	0	13.0	0.0
Operations Service	2,381	2,284	97	4	87.5	1.0
Business Directorate						
Building Control Services	197	198	(1)	1	5.0	0.0
Environmental Services	593	606	(13)	2	16.8	1.0
Legal & Democratic Services	432	389	43	4	13.8	3.5
Planning Services	503	515	(12)	(4)	17.7	0.0
Corporate Services						
Corporate Management	439	391	48	2	7.0	0.0
Finance & Property Services	693	656	37	3	21.3	0.0
People & Org. Performance	345	312	33	3	9.5	0.5
Non-Distributed Costs	319	202	117	9	-	-
Total	7,560	7,106	454	30	222.3	8.0

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A similarly important facet of cash flow management is the prompt collection of debts.



The graph above has been amended slightly this month to show the movement in Debtor Days over the past 2 years. Balances at the end of March 2010 are £45k below those in March 2009. New debts raised in 2009/10 were £2,007k. Current year debt collection improved throughout the year, leaving just over 5% of debt raised to the end of February still outstanding at the end of March (March bills not being overdue until the new year). However, the profile of debts raised means that the Debtor Days calculation fluctuates throughout the year, rising to 82 at 31st March 2010 compared to the target of 80 days and 89 days in March 2009.

Following £12.6k of write-offs in March, the Doubtful Debt Provision now stands at £156.6k. At March 2010 the estimated requirement for the Doubtful Debt Provision is £111.3k, including full provision for debts originating in 2008/09 or before. Therefore, no further provision for doubtful debts is required during 2009/10.

	Mar 2009	3 Mar 2010		31 Mar 2010		Doubtful Debt Prov'n		Recovery summary 2009/10			
	£k	£k	£k	£k	£k	rate	value	Owing	Due	Coll'n rate	
2005/06 Debt	0.2		0.2		0.2	1	0.2	Debts pre 1/4/09	505	62	88%
2006/07 Debt	5.3		3.3		2.6	1	2.6	Debt re 2009/10			
2007/08 Debt	102.3		45.2		37.6	1	37.6	9 mths to 1 yr	583	7	99%
2008/09 Debt	397.5		41.7		21.5	1	21.5	6 mths to 9 mths	445	12	97%
2009/10 Debt								90 days to 6 mths	391	11	97%
Q1 - Apr		9.6		6.3		0.75	4.7	60 - 90 days	159	12	92%
Q1 - May		0.6		0.5		0.75	0.4	30 - 60 days	103	44	57%
Q1 - June		1.0	11.2	0.5	7.3	0.75	0.4	under 30 days	327	312	5%
Q2 - July		9.9		8.7		0.5	4.4	Total	2,008	398	80%
Q2 - Aug		1.5		1.5		0.5	0.8				
Q2 - Sept		1.9	13.3	1.8	12.0	0.5	0.9				
Q3 - Oct		4.4		2.2		0.1	0.2				
Q3 - Nov		8.5		7.1		0.1	0.7				
Q3 - Dec		2.0	14.9	1.3	10.6	0.1	0.1				
Q4 - Jan		105.0		12.3		0.1	1.2				
Q4 - Feb		79.5		44.2		0.1	4.4				
Q4 - Mar		8.1	192.6	311.7	368.2	0.1	31.2				
Total Debt o/s	505.3		322.4		460.0		111.3				

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Capital Receipts Monitoring

Major Receipts:	Original	Surplus /	
	Expect'ns	Received	(Deficit)
	£000	£000	£000
Capital Receipts			
Land & Property Sales	100	282	182
CPO Reclaims	-	2	2
Equity Release/Elevate	-	-	-
GVH - RTB	200	140	(60)
Revenue Receipts			
GVH - Vat Shelter	560	429	(131)
	860	854	(7)

Cash received relating to asset sales to the end of March achieved £282k.

The legal section staff are still pursuing the refund of old Compulsory Purchase Order (CPO) deposits from the Courts along with compound interest – in total these could amount to around £100k. The first successful reclaims in 2009/10, worth £2k, have been made to establish the principles so that other claims can now follow and further progress will be monitored.

Just 4 former council house sales in 2009/10 have resulted in £72k of Right to Buy (RTB) receipts for the Council. In addition 8 former sales have now had to refund the discount originally received, totalling £68k. Therefore total RTB receipts from Green Vale Homes (GVH) for 2009/10 are £140k.

The level of VAT shelter receipts originally estimated at £560k have finished the year at an estimated £417k, plus an extra £13k relating to the closure of the 2008/09 GVH accounts, making a total of £429k. There is a requirement to transfer the first £350k to the Pension Fund earmarked reserve for payments required to LCC Pension Fund in respect of ex-housing staff. Of the balance available £20k is being applied to support Pride Revenue costs, leaving £59k to support capital spending as Revenue Contribution to Capital Outlay (RCCO) in the table above right.

Therefore, the expected Useable Capital Receipts available in 2009/10 is £1,883k. Planned usage is shown in the table on page 31.

Section 106 Receipts Monitoring

Net deposits received in 2009/10 were £19k and receipts applied to fund capital projects were £48k, leaving £237k intended for revenue works and £77k for capital schemes.

Section 106 Agreements	Third	RBC	RBC	Total	Applications in 2009/10	
	Party	Revenue	Capital			
	Projects	Projects	projects	Held		
	£000	£000	£000	£000	£000	
Balance b fwd at 1st April 2009	115	237	126	478	CCTV	10
Amounts Written Off			(20)	(20)	Parks Devel	36
Deposits received in 2009/10			19	19	Sculpture Trail	2
Deposits applied in 2009/10			(48)	(48)		
Current Balance	115	237	77	429		48

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Capital Programme Monitoring

Actual capital expenditure to the year-end, compared to budget, is as follows:

SERVICE AREA	2009/10 Budget including slippage	Period 12 MONITORING		Full YR Forecast	% spend fo full yr forecast	Funding Arrangements					
	Total £000	Spend £000	Committ £000	Forecast £000	to date £000	Grants/ Insurance	Capital Receipts	RBC RCCO	External Loan	RBC Int Borrow	MRP Effect
Place Directorate											
Place Operations	737	1,886	0	2,919	65%	79	672	235	0	1,933	644
Customer Services & e Govt	0	3	0	3	100%	0	0	3	0	0	0
Communities	336	229	0	266	86%	227	37	2	0	0	0
Regeneration	2,788	53	0	53	100%	0	0	0	0	53	2
Corporate Support Services											
Finance & Property Services	341	424	0	580	73%	0	6	69	0	493	43
Housing											
	2,871	2,748	0	2,988	92%	2,987	1	0	0	0	0
	7,073	5,343	0	6,809	78%	3,293	716	309	0	2,479	689

The capital programme for 2009/10 at the end of March was 78% of the revised total programme. The programme revisions during the year included the removal of NWDA-funded regeneration works under the revised development partnership delivery arrangements and the additional vehicle replacement programme of £1.9m.

March activity included £1.4m on new vehicles which arrived in late March, but this leaves £659k of the original order being slippage into 2010/11 for vehicles not expected to arrive now until June.

The monitoring of capital spend for the end of the year is slightly different from other months, in that a decision has to be taken whether any unspent monies should be rolled forward to the future year, or merely withdrawn from the programme.

These discussions have led to a slippage list totalling £1,466k which is detailed opposite. The first two items related to housing projects. The £120k not spent of Decent Homes work is going to be carried forward and used to top-up the Disabled Facilities Grants income in 2010/11 to contribute towards clearing some of the backlog of requests. The £120k identified for CPOs must be carried forward long-term to pay any homeowners who eventually come forward to claim compensation.

Slippage items	'£000
Decent Homes / DFG works	120
CPO Sales	120
Rochdale Road Emergency Works	77
Property Maintenance Projects	79
CCTV	37
Wheeled Bins	17
Vehicle Replacement Programme	659
Cemetery & Pathway works	107
PRIDE Environmental Programme	139
Sports playing fields	111
	1,466

Other significant activity during March included.

- £322k on ELEVATE projects to bring year-to-date spend to 100% of the programme.
- £122k on Disabled Facilities Grants to bring year-to-date spend to 102% of programme.

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Capital Programme Funding

The right hand side of the table at the top of the previous page shows how the full capital programme was to be funded. Around £3.3m has been received in grants, leaving an intention to fund £716k from capital receipts, £309k from revenue receipts and £2.4m from internal borrowing.

The slippage items have now resulted in amendments to those funding requirements as shown below, in that £614k will be required in 2009/10 and £411k will be carried forward into 2010/11.

With £373k being earmarked for future housing capital works, the remaining capital receipts uncommitted at the beginning of 2010/11 will be £486k

Useable Capital Receipts Forecast	£ 000
Useable Capital Receipts B'fwd 01/04/09	1,338
Capital Receipts expected in 2009/10	
Land & Property Sales	282
CPO Reclaims	2
RTB Capital Receipt	140
Revenue Contributions to Capital (RCCO)	
VAT Shelter Balance after Pensions	59
from Operations (vehicles & Henrietta St)	62
Capital Resources Available	1,883
Requirements of Capital Programme 2009/10	(614)
Capital Resources at 31st March 2010	1,269
Commitments - GF 2009/10 Slippage	(411)
Commitments - Housing Capital Works	(373)
Remaining uncommitted Capital Receipts	486

RCCO is Revenue Contribution to Capital Outlay

Minimum Revenue Provision

Internal borrowing 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 2009/10 was £82.5k. Projects completed in 2009/10 have added £38.1k to the brought forward requirement of £60.6k, making a total charge in 2009/10 of £98.7k. MRP relating to the vehicles and items on the slippage list will add a further £651.3k to the 2010/11 charge to revenue, in the main replacing previous leasing costs.

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Glossary

Budget

A statement of the Council's spending plans for revenue and capital expenditure over a specified period of time.

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. Section 40 of the Local Government and Housing Act 1989 defines 'expenditure for capital purposes'. 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.

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.

Earmarked Reserves

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

East-Lancs e-Partnership (ELeP)

A group of East Lancashire authorities which formed a guiding support network for the implementation of electronic service delivery improvements, including electronic purchasing, payments and consultation. This group has now been rolled up into the Lancashire Partnership Procurement Team and the experience and expertise gained locally over the past six years is being spread across the county.

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.

International Financial Reporting Standards (IFRS)

The International Accounting Standards which will apply to all local government bodies from the financial year commencing 1st April 2010, replacing the previous Statement of Recommended Practice.

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.

Minimum Revenue Provision

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.

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National non-domestic rates (NDR)

A national non-domestic rate poundage for commercial premises is set annually by the government and collected by all local authorities. The proceeds are redistributed between local authorities in proportion to their adult populations.

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)

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

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. Sector also update their model investment portfolio on a monthly basis, which is the benchmark by which we measure our investment performance.

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