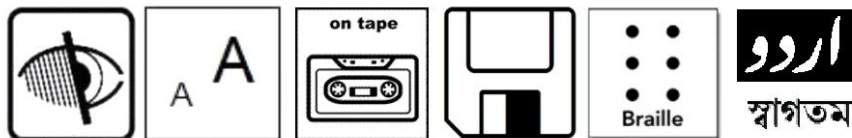


Monthly Financial Monitoring Report

2012/13 as at end of July 2012 – Period 4

Including a Glossary of terms on page 35



Monthly Financial Monitoring Report 2012/13 – end of July 2012

General Fund Revenue Operations – pages 4 to 23

The July monitoring report on the General Fund for 2012/13 is showing a £227k favourable variance compared to the original budget of £9,829k. This is an overall favourable movement of £37k since the last report. The table below shows how the potential carry forward of favourable Directorate variances might result in a net increase of £113k in the General Fund Reserve to £1,067k at the 31st March 2013 against a target of £1m.

General Fund Reserves	General Fund Reserve £000	Directorate Investment Reserve £000
Balance at 1st April 2012	953	110
Favourable/(adverse) movement in 2012/13	227	
Planned transfers/utilisation		(7)
50% transfer to Directorate Investment Reserve		
Place Directorate	(30)	30
Business Directorate	(33)	33
Corporate Directorate	(50)	50
Balance anticipated at 31st March 2012	1,067	216

Officers have now revised their interpretation of the future impacts arising from the current net variance of £227k as shown below.

	July 2012 Favourable Variances £'000	July 2012 Adverse Variances £'000	Full Year Impact		
			Recurrent £'000	Status under review £'000	Non Recurrent £'000
Communities	107	(37)	(10)	73	18
Customer Services & E-Government	76	(72)	52	(50)	0
Operations	87	(98)	(16)	(20)	0
Business	97	(31)	(12)	77	1
Health, Housing & Regeneration	12	(12)	(1)	(7)	8
Corporate Management	38	0	49	0	8
Finance & Property Services	63	(42)	11	(5)	11
People & Policy	19	0	19	0	0
Non Distributed Costs	36	(13)	0	17	0
TOTAL	533	(305)	92	85	46
<i>Total reported last month</i>	<i>500</i>	<i>(314)</i>	<i>89</i>	<i>42</i>	<i>43</i>

Earmarked Revenue Reserves – page 24 to 25

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

In addition to the usage of £182k planned within the original budget, commitments for £887k were brought forward from 2011/12, mainly for the Marl Pits leisure project and Stubbylee Barn. The forecast closing balance at the 31st March 2013 is now £3,432k but this is forecast to drop to £1,843k by March 2015.

Government Grants Unapplied – page 26

Government Grants Unapplied brought forward at 1st April 2012 amounted to £815k.

There have been no changes during July, though confirmation has now been received that Green Vale Homes will maintain their £200k maximum contribution for 2012/13. The total Disabled Facilities Grants (DFGs) to be incurred within 2012/13 will now be a maximum of £804k.

The forecast balance at March 2013 is £561k, reducing to £319k by March 2016.

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Staff Monitoring – page 26

Movements in the staff savings up to the end of July have netted to a favourable £58k with 6 posts vacant at the end of the month against a budgeted establishment of 204.4 full time equivalents.

Treasury & Cash Management - page 27 to 29

The Council's cash balances rose from £9,565k at the end of June to £10,675k at the end of July. This follows the recovery of some significant government debts outstanding at the year-end. With the rising cash balances officers are continuing to use the Santander UK plc for the secondary on-call account.

A second 3-month deposit has been placed with the Bank of Scotland at a raised value of £2.5m earning 1.3%. With more certainty of the cash flows for the remainder of the year officers are now more confident in predicting the ability to take advantage of two further 3-month deposits in October and late January to earn around 1.3% or 1.4%. with the £99k already received or earned from current deposits, this should bring a total favourable variance of £122k.

Sundry debt levels outstanding almost doubled to £804k following a few high value invoices issued in July. Though this has temporarily increased the debtor days figure to 111 days compared to 72 days in June, there is reduced level of default risk for these debts and so the anticipated bad debt provision requirement has dropped slightly to £133k, against which the Council has a £109k provision.

Almost 68% of the suggested doubtful debt provision relates to invoices raised prior to October 2011. Consideration of any additional provision will be made at the year-end.

Capital Receipts – page 30

No significant sales have been concluded during July, though one small piece of land is in the process of being sold. However, officers still expect to obtain a further £100k in sales in excess of those received to date.

The opening balance of usable capital receipts was £1,011k, though planned usage of that will result in drop to £95k by March 2013.

Capital Programme and Funding – page 31 to 32

There have been no changes to the revised capital programme in July. The original capital programme was £936k (with potential to rise further if additional capital receipts were obtained). To this slippage of £2,965k has been added as reported at the end of 2011/12 as well as new projects of £470k, resulting in a revised capital programme of £4,372k.

In July a further £440k was spent, bringing the total to date up to £1,076k, mainly on the leisure investment project at Marl Pits, £80k to the College for Stubblelee and some disabled facilities grants. The total commitments of £1,336k includes £1,206k on the Marl Pits project.

Collection Fund 2012/13 – page 33

Officers currently predict a deficit of £38k on the Collection Fund for 2012/13, though this is subject to some major assumptions about movements throughout the year. The Rossendale element of this, at 16.29%, would be c£6k.

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General Fund Summary - July 2012 (Period 4)

Service Area	2012/13 Original Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Place Directorate					
Communities	1,835.2	1,767.0	68.2	69.5	(1.3)
Customer Services and E-Government	1,231.7	1,227.6	4.1	(0.3)	4.4
Place Operations	1,579.7	1,592.3	(12.6)	(18.5)	5.9
Business Directorate					
Building Control Services	127.9	130.3	(2.5)	(2.9)	0.4
Legal & Democratic Services	791.9	790.2	1.6	1.0	0.6
Planning Services	157.4	121.5	36.0	25.3	10.7
Local Land Charges	22.0	29.5	(7.5)	(7.5)	0.0
Licensing & Enforcement	152.1	113.6	38.4	32.5	5.9
Health, Housing & Regeneration	1,012.8	1,012.0	0.8	(7.4)	8.2
Corporate Support Services					
Corporate Management	414.8	376.4	38.4	38.1	0.3
Finance & Property Services	1,439.5	1,420.7	18.8	24.7	(5.9)
People and Policy	401.8	382.6	19.1	18.5	0.6
Non Distributed Costs	147.3	159.7	(12.4)	(12.4)	0.0
Capital Financing and Interest	45.9	9.8	36.1	29.1	7.0
Leisure	652.6	652.0	0.6	-	0.6
Use of Earmarked Reserves	(183.3)	(183.3)	-	-	-
Favourable impact on General Fund	9,829.0	9,601.9	227.2	189.7	37.5

The revenue position at the end of July includes various favourable and adverse variances.

Total anticipated favourable variance compared to the original budget in relation to staff has risen by £30k to £128k favourable against the establishment of 204.4 full-time equivalent employees at the start of the year. The major favourable movements in July were in the operations teams in relation to agency costs.

The other main areas of non-staff movements in July can be seen in the table opposite.

- Benefit overpayments recovered are up £7k.
- Recycling income is down £9k and planning income is up £10k.
- Repairs and maintenance of property have been hit by several incidences of vandalism in recent weeks, raising costs by a further £7k.
- Interest income has increased by a further £7k to a prediction of £23k favourable variance for the year.

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Major Variances in July	Favourable /(Adverse)	Net
Communities		
Staff costs	4.7	
Emergency Planning	5.5	
Bacup Cemetery works	(9.2)	
Other minor variances	(2.3)	(1.3)
Customer Services and e Government		
Benefit overpayments recovered	7.0	
Disaster recovery & circuits	3.3	
Other minor variances	(6.0)	4.3
Place Operations		
Staff costs	15.2	
Recycling income	(8.7)	
Fuel	2.3	
Other minor variances	(2.9)	5.9
Business Directorate		
Staff costs	5.6	
Planning income	10.0	
Other minor variances	2.1	17.7
Business - Health, Housing & Regeneration		
Staff costs	4.7	
Other minor variances	0.3	5.0
Corporate Management		
Other minor variances	0.3	0.3
Finance & Property Services		
Property running costs (gas, waster, electric)	4.0	
Repairs & Maintenance	(6.6)	
Rental income	(2.9)	
Other minor variances	(0.4)	(5.9)
People & Policy (incl P&P & Comm)		
Other minor variances	0.6	0.6
Non-Distributed Costs & Capital Financing		
Interest receivable	7.0	
Other minor variances	0.6	7.6
This month's favourable/(adverse) variance on the General Fund		34.2

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Communities - Period 4 (July)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Strategic Functions					
Community Management & Admin	131.6	109.6	22.0	22.2	(0.2)
Community Safety	50.1	51.5	(1.5)	(1.6)	0.1
Local Strategic Partnership	(35.3)	(39.1)	3.9	3.9	(0.0)
Area Forum Grant Budgets	70.0	70.0	-	0.0	-
Emergency Planning	7.7	2.1	5.6	0.0	5.6
Grants	125.9	125.9	-	0.0	-
Discretionary NNDR	25.8	25.8	-	0.0	-
Localities - Residual budget	17.0	17.4	(0.5)	(0.6)	0.1
Haslingden, Helmshore & Edenfield Locality	313.0	315.6	(2.6)	(4.5)	1.9
Rawtenstall Locality	406.8	396.6	10.1	8.3	1.8
Bacup & Whitworth Locality	354.4	347.6	6.8	5.7	1.1
Parks & Open Spaces	291.3	320.4	(29.1)	(16.9)	(12.2)
Street Cleansing	332.3	281.3	51.0	47.3	3.7
Pride in Rossendale	7.0	7.0	0.0	0.0	0.0
Cemeteries	(142.3)	(144.5)	2.2	4.3	(2.1)
Markets	(119.9)	(120.3)	0.4	1.4	(1.0)
Total	1,835.2	1,767.0	68.2	69.5	(1.3)

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 post	31.2		31.2	
Emergency Planning Contract	(12.0)		(12.0)	
Emergency Planning running costs		5.5	5.5	
Communities Admin savings on Printing and Consultancy fees	1.4		1.4	
LSP 2nd homes income more than budget	3.5		3.5	
Markets salaries savings	4.3	(0.3)	4.0	
Markets - income	(2.3)	(1.0)	(3.3)	
Salary and Agency costs - Parks & Open Spaces	(16.8)	2.7	(14.1)	
Salary and Agency savings - Street Cleansing	54.2	2.3	56.5	
Open Spaces - Tools & Equip and plants	6.4		6.4	
Open Spaces - Playground Equipment / refurb	(2.7)	(2.9)	(5.6)	
Open Spaces - Tarmacing Bacup Cemetery / works at Stubblelee		(9.2)	(9.2)	
Vehicles - excise duty	(3.4)		(3.4)	
Playing fields Income	2.8		2.8	
Cemeteries - Income	4.3	(2.2)	2.1	
Misc costs / income	(1.4)	3.8	2.4	
TOTAL	69.5	(1.3)	68.2	

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Communities Highlight Report – Period 4 (July)

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.
- The cleansing department is currently trialling operations with reduced resources with a view to contributing towards the saving challenges of the Medium Term Financial Strategy. This area is showing a net saving of £56.5k

Current Month Issues

- Overall this budget area continues to forecast full year net budget savings of c£68k (4% of the original budget).
- Parks, Open Spaces and Street Cleansing continue to make improvements in staffing costs (some of which is linked to the historical issues noted above).
- The improvements in Emergency Planning running costs reflect the release of “continuation” budgets which historically have not been spent.
- The re-tarmacking of Bacup Cemetery has been agreed, after feedback from the public and Councillors, at a cost of £6.6k.
- Work around Stubblelee Park for the use of the barn by the college has come in at £2.5k
- The projected shortfall on markets income is £3.3k, an adverse movement of £1k during July.
- The Cemeteries income has moved adversely by £2.2 though this is still projected to over achieve by £2.1k.

Future Issues

- Nothing to report

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

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Strategic Functions					
Management and Support	77.9	77.4	0.5	0.5	(0.0)
Service Assurance Team	135.6	128.0	7.6	8.8	(1.2)
Revenues, Benefits and Customer Services					
Local Tax Collection	(344.8)	(328.5)	(16.3)	(19.7)	3.4
Benefits Admin	865.8	846.7	19.1	19.7	(0.6)
Net - Benefit Payments & Subsidy received	(98.5)	(95.3)	(3.2)	(8.0)	4.8
Information and Communications Technology					
Technology	554.3	559.7	(5.4)	(2.5)	(2.9)
Pest Control					
Pest Control	11.0	10.6	0.4	(2.4)	2.8
Dog Warden					
Dog Warden	30.4	29.0	1.4	3.4	(2.0)
Total	1,231.7	1,227.6	4.1	(0.2)	4.3

Key changes made during the period to the full year forecast	Variance	Variance	Full-Yr Forecast	R
	Bfwd £000	this Pd £000	£000	A G
STAN - Services to a Neighbourhood	4.0		4.0	
Government Connect	3.0		3.0	
Salary under spends (vacancy) & allowances	13.0		13.0	
Inflation on contracts	19.0		19.0	
Court Costs awarded for non collection of	(20.0)		(20.0)	
Software Licenses	7.0	(3.0)	4.0	
Other minor variances	5.4	(1.0)	4.4	
Housing Benefit overpayments	(7.0)	7.0	-	
Disaster Recovery & Computer Circuits	(28.0)	3.3	(24.7)	
Dog Warden	3.4	(2.0)	1.4	
TOTAL	(0.2)	4.3	4.1	

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Customer Service & E-Government Highlight Report – Period 4 (July)

Historic Issues

- Based upon current inflation assumptions ongoing contracts are forecast to under spend by £19k.
- Savings relating to a staffing vacancy have been earmarked to fund external resilience; £30k has been earmarked for this purpose; but no contracts have yet been entered into. A procurement exercise is scheduled to complete in August with a proposed implementation date of September.
- 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.
- Court costs awarded to the Council in respect of the non-payment of council tax, are below anticipated levels. Since court dates and volumes of arrears are consistent with original expectations; officers suspect that this shortfall is the result of an increase in arrangements to pay made with customers who would otherwise have been taken to court.

This would appear to be supported by court volumes in June and July, which are in line with previous years. It should be noted, however that whilst court cost income and associated recovery costs are solely attributable to Rossendale Borough Council, whereas only 16.29% of Council Tax Income is retained by the borough.

Current Month Issues

- The headline figure is a projected under spend of £4.1k; a favourable movement in month of £4.3k. The only significant budget movements in the month being a favourable movement in month on the cash recovery of Housing Benefit overpayments.

Future Issues

- Dog Warden contract -only one organisation has responded to the original tender, therefore a commercial evaluation process could not be completed and the tender specification is currently being reviewed. Another procurement exercise will be conducted following this review.
- Pest Control, the new contract with Hyndburn went live in August 2012; the contract will be reviewed in February 2013. The recent spell of bad weather has resulted in reduced income for the service.

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Place Operations - Period 4 (July)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Strategic Functions					
Operations Admin / Vehicle Maintenance	440.8	416.7	24.1	25.7	(1.6)
Operational Functions					
Refuse Collection	807.9	843.1	(35.2)	(60.4)	25.2
Street Sweeping	331.0	314.1	16.8	16.2	0.6
Total	1,579.7	1,573.9	5.7	(18.5)	24.2

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	20.5		20.5	
Other Salary Savings	14.1	4.2	18.3	
Street Sweeping Overtime	9.7		9.7	
Agency	(51.9)	11.0	(40.9)	
Henrietta Street Miscellaneous	(0.5)		(0.5)	
Public Realm funding	3.0		3.0	
Protective clothing	(4.8)		(4.8)	
External repairs	(2.0)		(2.0)	
Recycling contract - Tipping off glass, cans & plastics	(21.6)	18.3	(3.3)	
Recycling Income	2.8	(8.7)	(5.9)	
Bulky collections expenditure & income	(8.0)		(8.0)	
Trade Waste income	14.0		14.0	
Bin Deliveries	3.5		3.5	
Vehicle Maintenance	(24.4)		(24.4)	
Fuel	31.7	2.3	34.0	
Road Tax	(9.9)		(9.9)	
MOT	(3.2)		(3.2)	
Leases	5.6		5.6	
Street Sweeping Miscellaneous	2.3		2.3	
Misc	0.6	(2.9)	(2.3)	
TOTAL	(18.5)	24.2	5.7	

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Operations Highlight Report – Period 4 (July)

Historic Issues

- The vacancy arising from the departure of the Head of Operations 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 have been raised for the year resulting in forecasts of £12.5k positive movement on the budgets.
- Additional vacancies and reduced hours have generated salary savings of £18.3k however agency costs are currently forecast to over spend on budget by £40.9k. This is 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 Month Issues

- There has been a net favourable movement of £24.2k within July leading to an overall favourable variance of £5.7k for the year.
- The previously forecast adverse variance regarding agency workers has been reduced by £11k following investigations into more efficient use of agency staff.
- The tonnage of paper and card recycling has been lower than expected and as such the income forecast has been reduced by £8.7k, creating an adverse variance within the month.
- Clarification has been sought regarding the cost sharing agreement with LCC regarding recycling income and tipping fees, altering forecasts by £18.3k favourably against the adverse variance previously reported.
- An agreed reduction in hours worked by an officer has resulted in a £4.2k favourable variance.
- Though the price for fuel rose 2p/litre within the month, it remained below the levels forecasted previously, leading to a further favourable variance of £2.3k.

Futures Issues

- Current industry conditions have resulted in an assumption of 10% reduction of recycling paper and card. Further market fluctuation may have an adverse effect on the future budgets
- Lancashire County Council is currently reviewing the cost share arrangement with Rossendale Borough Council in line with their own savings targets. This may have a significant adverse impact from 2013/14 onwards.

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Business Services - Period 4 (July)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Strategic Functions					
Executive Director of Business	0.4	0.4	-	-	-
Planning					
Development Control	(15.3)	(52.1)	36.9	25.9	11.0
Forward Planning	172.7	173.6	(0.9)	(0.7)	(0.2)
Land Charges	22.0	29.5	(7.5)	(7.5)	0.0
Building Control					
Building Control - Fee Earning Account	17.3	16.9	0.4	0.0	0.4
Building Control - Statutory Function	102.6	105.4	(2.9)	(2.9)	0.0
Building Control - Street Signs	8.0	8.0	-	-	-
Legal Services	205.3	206.8	(1.4)	(1.5)	0.1
Democratic Services					
Electoral Registration	57.1	57.3	(0.2)	-	(0.2)
Elections	71.6	73.0	(1.4)	(2.0)	0.6
Democratic Representation	372.6	371.8	0.7	0.5	0.2
Mayoralty	77.4	73.4	3.9	4.0	(0.1)
Town Twinning	7.5	7.5	-	-	-
Licensing & Enforcement	152.1	113.6	38.4	32.5	5.9
Total	1,251.2	1,185.1	66.1	48.4	17.7

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Planning - Salary vacancy/ costs	14.9		14.9	
Planning - Professional fees	(8.0)		(8.0)	
Planning - Planning Applications Income	19.0	10.0	29.0	
Land Charges Income	(7.5)		(7.5)	
Building Control - Training from 2009/10	(1.5)		(1.5)	
Building Control - Subscriptions	(1.0)		(1.0)	
Legal Income	(1.1)		(1.1)	
Legal car allowances	(0.4)		(0.4)	
Local Elections	(2.0)	0.6	(1.4)	
Councillor Allowances	(0.6)		(0.6)	
Democratic - Post changed to Part-time	2.3		2.3	
Democratic - Admin costs	(1.0)	0.2	(0.8)	
Mayoralty Miscellaneous	4.0	(0.1)	3.9	
Licensing and Enforcement Staff costs	-	5.6	5.6	
Taxi income	41.1		41.1	
Licensing - Additional admin costs relating to increase in income	(8.7)		(8.7)	
Other Licensing Income	1.2		1.2	
Licensing and enforcement Land Registry Searches	(0.5)		(0.5)	
Misc	(1.8)	1.4	(0.4)	
TOTAL	48.4	17.7	66.1	

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Monthly Financial Monitoring Report 2012/13 – end of July 2012

Business Highlight Report – Period 4 (July)

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 £29k due to a number of major applications received, generating a positive variance. Local Land Charges however are forecast to be £7.5k below their income target.
- The income on Taxi Licensing however is forecast to over achieve by £41.1k. The additional administration costs of processing this number of applications are forecast to be £8.7k.

Current Month Issues

- The Business directorate is currently forecast to under spend by £66.1k, representing a favourable movement of £17.7k.
- An officer within Licensing and enforcement has reduced their hours worked resulting in a favourable variance within the year of £5.6k.
- A number of major planning applications within the development control function have generated a further £10k of income. Although this brings the total forecast to a £29k favourable positive movement from the original budgets, this level of income is in line with last year's achievements which were at a historic low.

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.

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Health, Housing & Regeneration - Period 4 (July)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Strategic Functions					
Regeneration Mangement & Admin	73.9	72.2	1.7	1.5	0.2
Tourism	53.5	53.5	-	-	-
Economic Regeneration					
Economic Regeneration	63.4	62.4	1.1	(0.1)	1.2
Museum	91.1	106.9	(15.8)	(15.8)	(0.0)
Regen Joint Delivery Team	69.3	69.3	-	-	-
Regeneration Projects	0.6	0.6	-	-	-
Parking	0.3	0.3	-	-	-
Strategic Housing					
Housing Strategy	60.6	54.3	6.3	1.5	4.8
Homelessness	88.0	92.3	(4.3)	(4.2)	(0.1)
Private Sector Renewal	49.0	41.5	7.6	7.3	0.3
Environmental Health					
Environmental Health	463.0	458.7	4.3	2.3	2.0
Total	1,012.8	1,012.0	0.8	(7.5)	8.3

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Museum Management Fee	(15.8)		(15.8)	
PSR - Salary - part time retirement	7.6		7.6	
Housing Strategy Salary	-	4.7	4.7	
Homelessness Salaries	(3.5)		(3.5)	
Car Allowances	2.1	3.0	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 Income	0.5		0.5	
Misc	(0.2)	0.6	0.4	
TOTAL	(7.5)	8.3	0.8	

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Business - Health, Housing & Regeneration Highlight Report – Period 4 (July)

Historic Issues

- Previously reported budget saving on the Whittaker Park Museum management fee is no longer accurate. The budget for 2012/13 had already been set before this information was brought to light, and as such, an adverse variance of £15.8k has been created.
- The decision to take part time retirement by an officer within the Private Sector Renewal team has resulted in a saving of £5.8k within the year.

Current Month Issues

- Health, Housing and Regeneration are forecast to under spend by £0.8k representing a favourable movement of £8.3k within the month.
- The majority of £4.7k favourable variances in July relate to staffing and salary related costs.
- Further savings of £3k are expected on the car allowance budgets throughout the Health, Housing and Regeneration section.

Future Issues

- Nothing to report

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Corporate Management - Period 4 (July)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Corporate Management					
Executive Office	289.9	276.8	13.1	12.8	0.3
Corporate Contingency	-	-	-	-	-
Concessionary Fares	40.0	20.2	19.8	19.8	-
Executive Support & Corporate Subscriptions	84.9	79.4	5.5	5.5	(0.0)
Total	414.8	376.4	38.4	38.1	0.3

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	7.8		7.8	Green
Customer Service Review	(0.8)		(0.8)	Yellow
Miscellaneous non pay budgets	7.8	0.3	8.1	Green
Corporate Subscriptions/Contributions	3.5		3.5	Green
Concessionary Fares	19.8		19.8	Green
TOTAL	38.1	0.3	38.4	Green

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Corporate Management Highlight Report – Period 4 (July)

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 £19k.

Current Month Issues

- There have been no significant changes this month.

Futures Issues

- Nothing to report

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Finance and Property Services - Period 4 (July)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Financial Services Team	405.2	404.6	0.5	2.2	(1.7)
Internal Audit	80.0	64.4	15.6	15.6	-
Corporate Costs					
External Audit Fee	93.7	64.0	29.7	29.7	0.0
Bank Charges (net of fees)	13.4	18.7	(5.3)	(5.3)	-
Treasury Management	6.6	6.6	-	0.0	-
Property Services					
Property Services Team	240.8	261.7	(20.9)	(13.7)	(7.2)
Corporate Estates	(32.7)	(38.6)	5.9	5.8	0.1
Non Domestic Estates	(67.7)	(80.6)	12.9	15.8	(2.9)
Office Accommodation	237.3	252.2	(14.9)	(15.8)	0.9
Operational Properties	359.9	359.9	0.0	(3.1)	3.1
Leisure Properties	67.0	60.6	6.4	2.9	3.5
Bus Shelters	(17.4)	(11.8)	(5.6)	(5.6)	0.0
Business Centre	53.5	59.1	(5.7)	(3.7)	(2.0)
Total	1,439.5	1,420.7	18.8	24.8	(6.0)

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		15.6	
External Audit - new audit contract	29.7		29.7	
Finance Team - other misc variances	(3.1)		(3.1)	
Water	(10.0)	(0.4)	(10.4)	
NNDR - refunds	11.6	(0.2)	11.4	
Repairs & Maintenance	(9.0)	(6.6)	(15.6)	
Electricity	(1.8)	3.9	2.1	
Gas	(1.3)	0.7	(0.6)	
Salary savings - vacant post	3.6		3.6	
Pension strain for previous employee	(2.9)		(2.9)	
BT ISDN / rental costs at Stubbylee Hall	(4.7)		(4.7)	
Telephone call charges across sites	(3.2)		(3.2)	
Departure charges	(3.8)		(3.8)	
Land Drainage	2.0		2.0	
Corporate Estates - Professional Fees Land at Douglas Road	(0.8)		(0.8)	
Corporate Estates/ Industrial Units - Rental Income	4.6	(2.9)	1.7	
Business Centre - Rental income	(1.9)		(1.9)	
Business Centre - Miscellaneous Expenses	2.5	(0.8)	1.7	
Property - Miscellaneous Expenses	(2.4)	0.4	(2.0)	
TOTAL	24.7	(5.9)	18.8	

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Finance & Property Services - Monitoring Highlight Report – Period 4 July

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 £15.6k.

Current Month Issues

- BACs transfer software upgrade required – one off cost of £1.2k

Futures Issues

- Nothing to report

Property Services

Historic Issues

- Officers are still in negotiations with LCC regarding the Bury Road culvert works of £130k which are not included in these budgets.
- BT costs for ISDN and rental costs for Stubblelee Hall are showing an over spend of £4.7k.
- NNDR refunds totalling £11.4k
- Vandalism at Stubblelee hall, Rawtenstall Market and the Town Hall has increased the projected over spend for Repairs & Maintenance by £6.9k to £9k. Security measures are being increased on a case by case basis. Officers have met with senior police to seek further advice on security arrangements.

Current Month Issues

- Water Charges are projected to over spend by £10.4k. This takes into account the new surface water and highway charges for cemeteries at Bacup and Haslingden of £16k. (NB - a recent refund of £9k will be reflected until the end of August report).
- Repairs & Maintenance projected costs have increase by £6.6k to £15.6k. Given the recent pressures resulting from vandalism and break-ins, this forecast could increase to a £30k adverse by the end of the year.
- The existing gas contract, due for renewal in October 2012, is predicted to over spend by £0.6k. Current forecasts for a new contract may see a 16% rise compared to the existing arrangement, which could result in further costs of £6k per annum from October 2012. Officers are working with Apollo (Energy Specialists) to attempt to keep those increases as low as possible.
- Electricity charges are predicted to under spend by £2.1k.
- The projected income for Corporate Estates and Industrial Units are showing an over achievement of £1.7k.

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 pressure of up to £20k per annum.
- Work is required at Healey Dell, though the final costs and liability are yet to be confirmed.

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People and Policy - Period 4 (July)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
People & Organisational Development Human Resources	401.8	382.6	19.1	18.5	0.6
Total	401.8	382.6	19.1	18.5	0.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Salaries	2.4		2.4	
External Printing / Publicity	4.4		4.4	
Photography Fees	1.0		1.0	
General Subscriptions	2.1		2.1	
Newsletter Production & Design	7.1		7.1	
Various Non Pay budgets	2.9	0.6	3.5	
Professional fees re employment advice	(1.9)		(1.9)	
Green Travel Plan Cycles	0.5		0.5	
TOTAL	18.5	0.6	19.1	

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People & Policy Highlight Report – Period 4 (July)

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, though no commitments have been allocated to date.

Current Month Issues

- There have been no significant movements this month.

Future Issues

- Nothing to report.

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Non-distributed Costs, Corporate Resources & Leisure Services

Period 4 (July)

Summary	2012/13 Org Budget £000	2012/13 Forecast £000	2012/13 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	135.9	148.8	(12.9)	(12.9)	(0.0)
Other Non-distributed Costs	11.4	10.8	0.5	0.5	0.0
Capital Financing					
Minimum Revenue Provision	124.5	124.5	-	-	-
Investment Interest	(78.7)	(114.7)	36.1	29.1	7.0
Leisure	652.6	652.0	0.6	-	0.6
Total	845.7	821.5	24.3	16.7	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
Pensions - inflation pressures	(12.9)		(12.9)	
Interest expenditure	12.7		12.7	
Interest income	16.4	7.0	23.4	
Other misc variances	0.5	0.6	1.1	
TOTAL	16.7	7.6	24.3	

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Non-Distributed Costs & Capital Financing - Highlight Report – Period 4 July

Historic Issues

- Pension charges in relation to former employees has risen by £12.9k for the year following inflation rises in the pension levels.
- Interest payments not now required will result in another favourable variance of £13k.

Current Month Issues

- Interest income has been forecasting a favourable variance all year so far. In July this has risen by a further £7k to £23.3k following the second 3-month investment and more certain expectations of two further 3-month deposits in October and January. The amount of interest earned to the end of July and secured through the current fixed rate deposits now totals just over the £99k.

Future Issues

- Nothing to report.

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Economic Regen Reserves							
	Change Managt	Corporate Contingency Reserve	Planning LABGIS	Core Strategy	Econ' Regen'	Budget Volatility	Single Status	Homeless' Reserve
	AN060103	AN060131	AN060107	AN060108	AN060109	AN060110	AN060111	AN060127
Balance at 01/04/12	932.7	14.0	65.4	243.1	335.3	226.7	30.0	213.6
Funds Received 2012/13								
2012/13 grants								
Revenue income received								
Revenue income anticipated					38.0			
Total Funds Available	932.7	14.0	65.4	243.1	373.3	226.7	30.0	213.6
2011/12 Utilisation Deferred								
Stubbylee / Acc & Ross College								
Area Forum Grants								
Leisure Investment Project								
Leisure Support								
Valley Centre demolition					(131.1)			
2012-13 Published Budget Utilisation								
Admin Support to Regeneration					(20.0)			
Tourism Support								
Regeneration Officer					(47.0)			
Area Forum Grants								
Community Engagement Officer & Planning for Climate Change								
2012-13 Other Utilisation Plans								
Bacup 'Big Ideas'								
Building Safer Stronger Communities								
Core Strategy				(159.7)				
Allocations Strategy - Letter Drop				(7.4)				
B-with-us					(6.0)			
Refuse Bins						(26.7)		
Youth Homelessness funding								(183.6)
PRG Adrenalin Gateway Program								
PRG Signage Capital								
Hako Sweepers								
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)								
Council tax - CPO properties		(4.0)						
Additional pension payments								
Homelessness post cover								
Reserve Estimates 31/3/13	932.7	10.0	65.4	76.0	169.2	200.0	30.0	30.0
Future Contributions/Utilisation Plans								
2012/13 Plans								
2013/14 Plans				(13.7)	(40.1)			(30.0)
2014/15 Plans				(62.2)	(109.0)			
Potential Reserve Balances	932.7	10.0	65.4	0.1	20.1	200.0	30.0	0.0

Minor Reserves	Balance Bfwd	Forecast Added	Forecast Used	Bal March 2013	Bal March 2015
Directorate Investment Reserves					
Place Directorate	0.0	0.0	0.0	0.0	0.0
Business Directorate	49.0	0.0	(7.0)	42.0	42.0
Corporate Directorate	61.0	0.0	0.0	61.0	61.0
CCTV	92.3	0.0	(20.9)	71.4	71.4
Performance Mgt	64.5	0.0	0.0	64.5	64.5
Pension Fund Reserve	141.0	0.0	(141.0)	0.0	0.0
	407.8	0.0	(168.9)	238.9	238.9

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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	Transistional Budgetary Support	Area Based Grants	Other Minor Reserves	Total
	AN060130	AN060118/9	AN060125	AN060126	AN060120	AN060129	AN060121		
Balance at 01/04/12	254.5	924.0	135.0	178.1	329.3	815.0	48.3	407.8	5,152.8
Funds Received 2012/13									
2012/13 grants								0.00	0.0
Revenue income received	47.5		8.0					0.00	55.5
Revenue income anticipated		122.0	19.2					0.00	179.2
Total Funds Available	302.0	1,046.0	162.2	178.1	329.3	815.0	48.3	407.8	5,387.5
2011/12 Utilisation Deferred									
Stubbylee / Acc & Ross College			(100.0)					0.00	(100.0)
Area Forum Grants				(38.0)				0.00	(38.0)
Leisure Investment Project		(617.8)						0.00	(617.8)
Leisure Support								0.00	0.0
Valley Centre demolition								0.00	(131.1)
2012-13 Published Budget Utilisation									
Admin Support to Regeneration								0.00	(20.0)
Tourism Support								0.00	0.0
Regeneration Officer								0.00	(47.0)
Area Forum Grants				(70.0)				0.00	(70.0)
Community Engagement Officer & Planning for Climate Change							(33.1)	0.00	(33.1)
2012-13 Other Utilisation Plans									
Bacup 'Big Ideas'			(50.0)					0.00	(50.0)
Building Safer Stronger Communities								(20.90)	(20.9)
Core Strategy								0.00	(159.7)
Allocations Strategy - Letter Drop								0.00	(7.4)
B-with-us								0.00	(6.0)
Refuse Bins								0.00	(26.7)
Youth Homelessness funding								0.00	(183.6)
PRG Adrenalin Gateway Program					(76.2)			0.00	(76.2)
PRG Signage Capital					(70.0)			0.00	(70.0)
Hako Sweepers	(120.0)							0.00	(120.0)
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)					(26.0)			0.00	(26.0)
Council tax - CPO properties								0.00	(4.0)
Additional pension payments								(141.00)	(141.0)
Homelessness post cover								(7.00)	(7.0)
Reserve Estimates 31/3/13	182.0	428.2	12.2	70.1	157.1	815.0	15.2	238.9	3,432.0
Future Contributions/Utilisation Plans									
2012/13 Plans	0.0	(428.2)	12.8					0.00	(415.4)
2013/14 Plans	35.5			(70.1)		(599.0)		0.00	(717.4)
2014/15 Plans	(68.5)					(216.0)		0.00	(455.7)
Potential Reserve Balances	149.0	0.0	25.0	0.0	157.1	0.0	15.2	238.9	1,843.5

Current issues

The expected usage of the earmarked reserves for 2012/13 and the coming years has been reflected above. This includes the conclusion of the Valley Centre demolition and grounds works as well as the leisure investment project at Marl Pits.

The balance of funds in the former Health & Wellbeing Projects Reserve are attributable to community safety projects and so this reserve has been re-designated as the CCTV Reserve.

Officers are currently assessing the potential impacts of the localisation of non-domestic rates which commences in April 2013. It is highly likely that this will result in a recommendation to increase the level on the budget volatility reserve significantly over the next two years. More information will be presented to Cabinet in the coming months.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Empty shops revival	Housing Capital Pot *	Disabled Facilities Grants *	Lottery Grants *	Regen Grants (HMR)*	Commun' Spaces Grant	Local'n Ctax Grant	Commun' for Health	Total
Balance at 01/04/12	25.2	52.6	493.0	0.0	0.0	70.2	0.0		174.0	815.0
New Funds Received 2012/13										
Government grant received				353.0				84.0		437.0
Other contributions				200.0						200.0
Total Funds Available	25.2	52.6	493.0	553.0	0.0	70.2	0.0	84.0	174.0	1,452.0
Planned Utilisation in 2012/13										
Planning Core Strategy work	(16.8)									(16.8)
DFGs original Capital Prog 2012/13			(170.0)	(353.0)						(523.0)
Additional Utilisation in 2012/13										0.0
DFGs brought forward from 2011/12			(81.0)							(81.0)
DFGs additional GVH element				(200.0)						(200.0)
Other Housing Capital Programme										0.0
Elevate Programme balance						(70.2)				(70.2)
Anticipated Balance 31/3/13	8.4	52.6	242.0	0.0	0.0	0.0	0.0	84.0	174.0	561.0
Future Utilisation Plans										
2013/14			(170.0)							(170.0)
2014/15			(72.0)							(72.0)
2015/16										0.0
Potential Reserve Balances	8.4	52.6	0.0	0.0	0.0	0.0	0.0	84.0	174.0	319.0

There have been no changes during July other than the confirmation from Green Vale Homes that they will continue to make up to £200k available for DFG grants on their properties during 2012/13. This brings the total potential DFGs spend in 2012/13 up to £804k. In the table above the only ongoing grant scheme is the Disabled Facilities Grants, which officers have written confirmation will continue at similar levels until at least 2014/15.

A one-off grant of £84k has been received to mitigate any costs incurred in relation to the implementation of the Localisation of Council Tax against which no commitments have yet been identified.

Staff Costs, including agency

The table below reflects the operational structures at the beginning of the year.

Employment Costs Period 4 - July 2012	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
Place Directorate								
Communities Service	501	493	8	12	(4)	49.7	0.0	2.0
Customer Services	143	126	17	12	4	10.8	0.0	1.0
Operations Service	472	445	27	19	8	51.7	0.0	1.0
Business Directorate								
Building Control Services	74	74	0	1	(0)	5.0	0.0	0.0
Legal & Democratic Services	146	146	(0)	(4)	3	12.7	0.0	0.0
Planning Services	148	145	3	2	1	12.6	0.0	1.0
Local Land Charges	27	27	0	0	0	2.0	0.0	0.0
Public Protection	84	83	1	0	1	8.8	0.0	1.0
Health, Housing & Regen	293	298	(5)	(12)	8	21.5	0.0	0.0
Corporate Services								
Corporate Management	123	120	3	2	1	5.0	0.0	0.0
Finance & Property Services	213	210	3	2	0	18.6	0.0	0.0
People & Org. Performance	82	81	1	0	1	6.0	0.0	0.0
Total	2,306	2,248	58	35	23	204.4	0.0	6.0

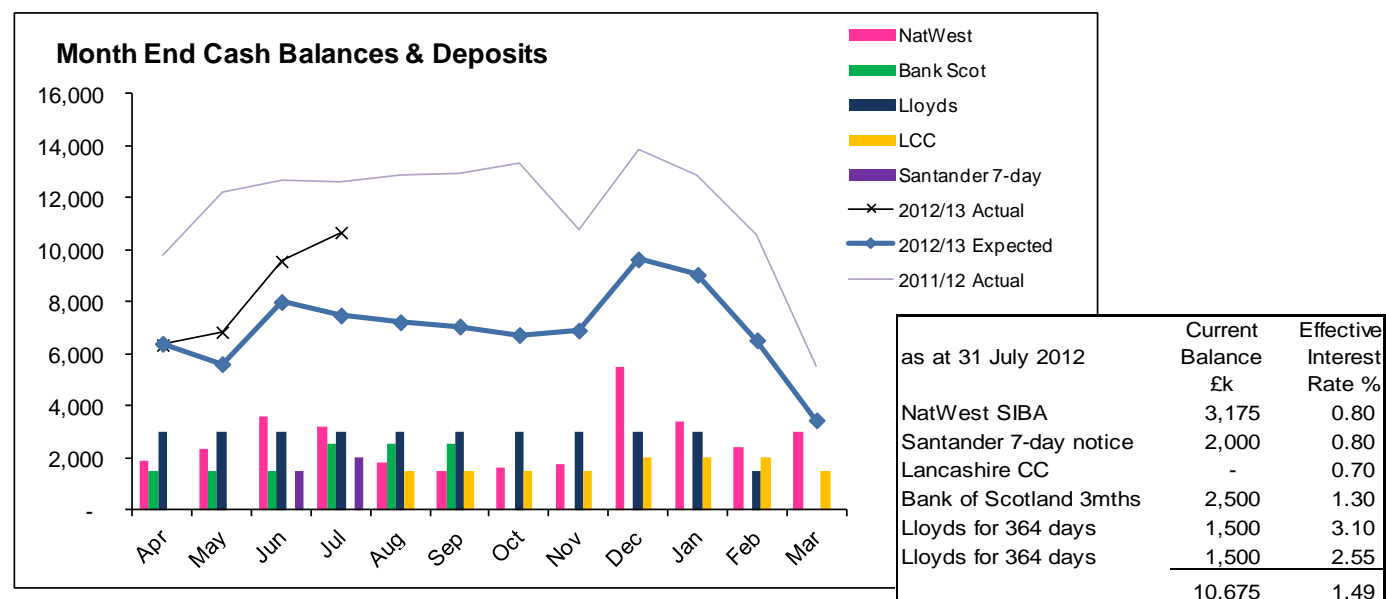
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Treasury Management & Cash Flow Monitoring

Cash Flow Management

At the end of July the bank balances were £10,675k up from £9,565k at the end of June.



Cash flows above reflect the pattern of revenue incomes predominantly in the first 10 months of the financial year, the payments for precepts and revenue/capital expenditure throughout the year. In the graph above the 2011/12 actual balances have been shown as a comparator against both the expected balances for 2012/13 and the actual balances to date. The major difference between the years is the cash spent on capital projects in 2011/12 and the completion of the Marl Pits leisure investment in 2012/13.

The table above right shows clearly the spread of deposits being maintained by officers to ensure security of the Council's funds. During July officers entered into a further 3-month investment of £2.5m with the Bank of Scotland at a rate of 1.3%. This has contributed to the increase in anticipated interest in the table below.

Deposits and Interest Earned

The interest income forecast has been updated to reflect both the Bank of Scotland investment in July and anticipation of further rolling 3-month investments in October and January. The total interest income forecast has therefore risen by £9k to £122k, of deposits to date have already secured over £99k. Around £8.7k of this interest is attributable to the reducing balance of funds held for investment in leisure capital project at Marl Pits.

Interest	Budget 12/13	Forecast 12/13	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable	(13.0)	0.0	13.0	0.0
Interest income	90.0	113.3	23.3	7.0
Net Interest	77.0	113.3	36.3	7.0
Capital				
Interest income	0.0	8.7	8.7	2.2
Net Interest	0.0	8.7	8.7	2.2

as at 31 July 2012	Terms	Gross Rate %	Interest Paid
NatWest instant access	£1M+	0.80	Quarterly
Santander 7-day notice	£1+	0.80	Quarterly
Lancashire County Council	£1+	0.70	Quarterly
Bank of Scotland	£2.5m 3mths	1.30	24/10/12
Lloyds	£1.5m 364 days	3.10	13/02/13
Lloyds	£1.5m 364 days	2.55	20/03/13

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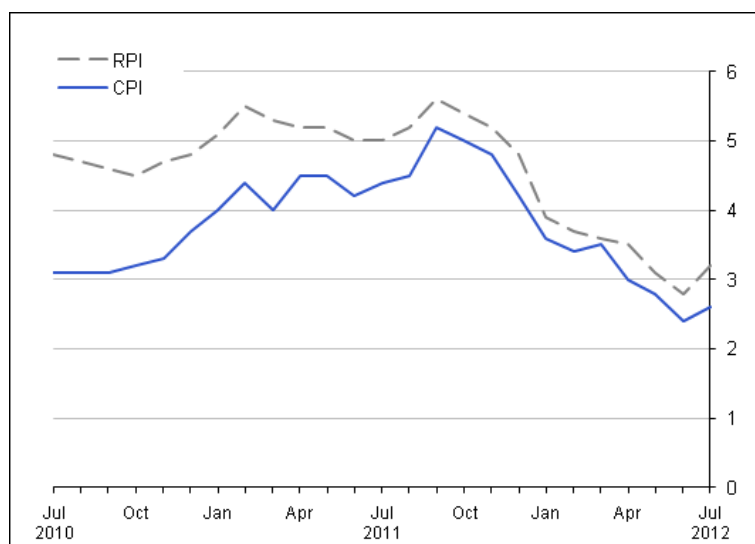
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Economic Outlook (issued 14th Aug 2012)

CPI annual inflation stands at 2.6% in July 2012, up from 2.4% in June. At the same time the RPI annual inflation rose to 3.2% in July, up from 2.8% in June.

The largest upward pressures on the change in the CPI rate came from transport (particularly air fares) and clothing & footwear.

The largest upward pressures on the change in the RPI rate came from the purchase of cars, air fares, clothing & footwear and housing.



Interest rate forward predictions

Sector analysts have again confirmed their earlier expectation of interest rate rise now slipping into Q1 of 2014.

as at 31 July 2012	Sept 2012	Dec 2012	Mar 2013	Jun 2013	Sept 2013	Dec 2013	Mar 2014	Jun 2014
Base Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%
25yr PWLB	4.20%	4.30%	4.30%	4.40%	4.50%	4.50%	4.60%	4.70%

as at 31 Mar 2012	Mar 2012	Jun 2012	Sept 2012	Dec 2012	Mar 2013	Jun 2013	Sept 2013	Dec 2013
Base Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%
25yr PWLB	4.20%	4.20%	4.30%	4.30%	4.40%	4.50%	4.60%	4.70%

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.

The NatWest SIBA account has been above the £5m point for 9 days during July on three separate occasions.

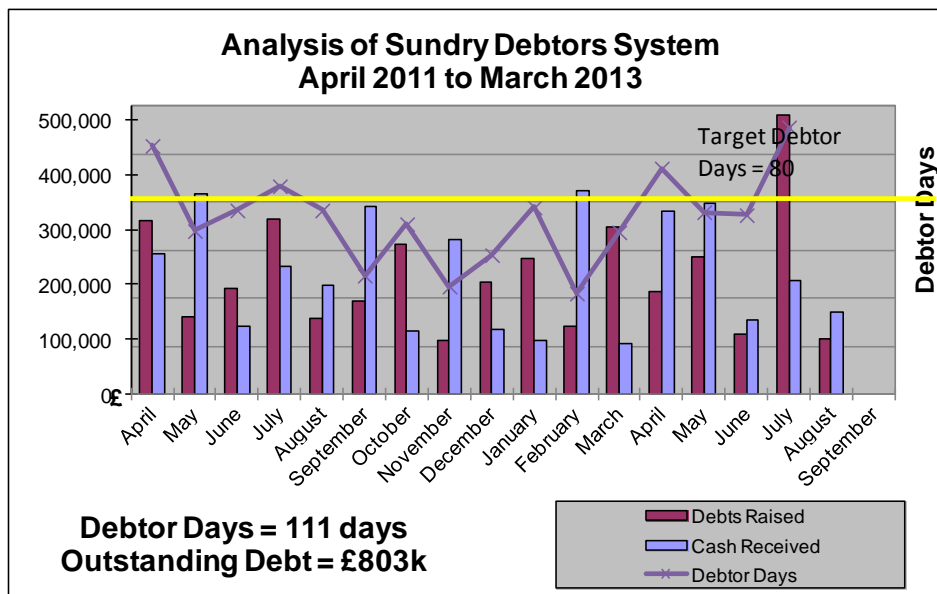
- On the 2nd to the 4th July and the 16th to the 18th July the funds in SIBA were between £5 and £6m. On both these occasions the total funds available meant that the SIBA deposit did not go above the 50% limit. Precept payments on the 5th July and the main benefits run on the 19th July reduced the balance back to under £5m.
- Between the 9th and 11th July officers were awaiting confirmation that Santander call account could continue to be used as the reserve for cash deposits and hence the SIBA account was holding all the cash funds of the Council. During this time the total funds available were around £10m and so the practice limits were breached for three days. On the 12th July £2m was placed with Santander, bringing SIBA back under £5m.

Sector's current portfolio is running at 0.972% with an average duration of 34 days as they continue to keep investments short. The Council's two 364-day investments and the July 3-month deposit have contributed to an average duration of 81 days and a comparative effective interest rate of 1.49%.

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Sundry Debts Monitoring



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

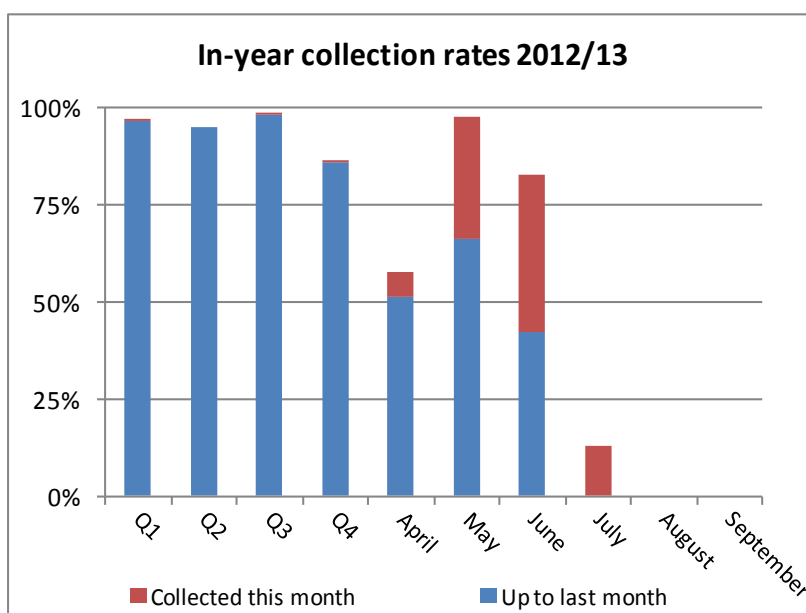
During July £410k of new invoices were raised, principally for the quarterly recycling income and some one-off bills for major Section 106 agreements. Of the £573k raised in Q1 19% remains outstanding, mainly for trade waste services collected by instalments throughout the year.

Of the £803k outstanding at the end of July 2012, 26% relates to prior years and 61% is under 30 days old.

The abnormal level of invoices issued in July compared to last year (see above chart) has had a temporary adverse effect on the debtor days performance which stands at 111 days compared to 72 days last month and the 80 days target.

Doubtful debts

Based on doubtful debt experience the Council may have doubtful debts of £133k, against which there is a current provision of £109k.



Debts Outstanding	Mar 2011	Mar 2012	30 June 2012		31 July 2012		Doubtful Debt Prov'n	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	41.7	24.9		23.8		23.6	100%	23.6
2010/11 Debt	477.5	24.0		21.6		21.5	100%	21.5
2011/12 Debt								
Q1		24.0	21.7		20.3		100%	20.3
Q2		33.7	32.5		32.5		75%	24.4
Q3		11.9	10.4		10.3		50%	5.2
Q4 Jan		349.7	99.2	163.8	98.9	162.0	10%	19.2
2012/13 Debt								
Q1 Apr			96.8		83.9		10%	8.4
Q1 May			88.1		5.5		10%	0.6
Q1 Jun			65.2	250.1	19.7	109.1	10%	2.0
Q2 Jul			11.4		444.9		10%	4.1
Q2 Aug					42.6		10%	4.3
Q2 Sept				11.4		487.5	10%	0.0
Total Debt o/s	519.2	468.2		470.7		803.7		133.5

This calculation of doubtful debts has excluded the recycling income and S106 bills sent out recently because there is virtually no risk associated with those debts.

At the end of the year officers will consider any additional contribution, however the current forecast is for no material requirement.

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Capital Resources

Table 1 - 2012/13 receipts

Major Receipts:	Original	Total		Surplus / (Deficit)
	Expect'ns £000	Received £000	Forecast £000	
Capital Receipts				
Land & Property Sales	100	253	350	250
Equity Release Repayments			-	-
Cost of sales			-	-
	100	253	350	250
Revenue Receipts				
GVH - Vat Shelter	346		346	-

Table 2 - Useable Capital Receipt Balances

Useable Capital Receipts Forecast	£ 000
Balance at April 2012	1,011
Capital Receipts expected in 2012/13	350
	1,361
Revenue Contributions (RCCO)	
VAT Shelter after Pensions	-
Leisure & Regen Reserves	749
other Earmarked Reserves	170
from Revenue Operations	47
Total Capital Resources 2012/13	2,327
Capital Programme spend	(2,203)
Capital Resources at March 2013	124
Reserved for housing at March 2013	(29)
Estimate of Unreserved Capital Receipts at March 2013	95

Historic issues

VAT Shelter payments for Q4 were received in June at £77k above the level accrued for in 2011/12. This additional income will be treated as the beginning of the 2012/13 contribution when it is received in June.

RCCO is Revenue Contribution to Capital Outlay

The receipt of £250k in late May pertains to a development in Bacup and has already been earmarked to enable engineering facilities to be installed at Henrietta Street Depot which will facilitate the eventual transfer of the larger site. This additional capital project is now included in the revised capital programme overleaf.

Current issues

No further receipts in July, but one sale of around £4k due to complete shortly.

Financing the Capital Programme

The capital receipts balance brought forward at the start of the year was £1,011k of which £359k was ring-fenced for housing capital projects. Of this £130k is expected to be used to support the cost of compulsory purchase orders (CPOs), with any subsequent sale proceeds being recycled to finance further CPOs in the future. Another £200k is intended for the decent homes assistance project, leaving just £29k of capital receipts ring-fenced for housing by the end of 2012/13.

The other main source of capital funds is through grants. The Disabled Facilities Grant (DFG) of £353k has already been received and this is being topped-up by the use of £251k from the unapplied Housing Capital Pot grant. In addition any monies spent on Green Vales Homes properties will be supported by a contribution from them, potentially up to the value of £200k. Hence, the revised DFG project is currently estimated to total £804k.

Future issues

Application of £251k from the unapplied Housing Capital Pot grant will leave a £242k balance (see the Grants table on page 26) to support future years DFGs. Of this £170k was identified in February's Capital Budget plans for 2013/14 and the balance of £72k is planned for use in 2014/15. Beyond that date there will be no further Housing Capital Pot support and the continuation of the base DFG grant above is not certain.

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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 4 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
Place Directorate										
Place Operations	60	362	35	4	362	11	323	28	0	0
Customer Services & e Govt Communities	0	0	3	10	0	0	0	0	0	0
Regeneration	0	131	91	112	131	0	0	131	0	0
Corporate Support Services										
Finance & Property Services	153	712	158	3	712	0	557	119	36	1
Leisure Facilities	0	1,960	603	1,206	1,960	0	27	618	1,315	0
Other PRG Projects	0	73	0	0	73	3	0	70	0	0
Housing	723	1,134	186	1	1,134	804	330	0	0	0
	936	4,372	1,076	1,336	4,372	818	1,237	966	1,351	1

Historic issues

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

In addition, £2,965k of projects ongoing in March were brought forward to 2012/13 as shown opposite.

A further £471k of new projects have been added since April, funded by

additional receipts, such as £200k DFGs funded by Green Vale Homes and £250k of works at Henrietta Street funded by additional receipts in order to facilitate the sale of the wider site.

Slippage items	Costs '£000	Funding Arrangements				
		Grants/ Contrib'n	Capital Receipts	RBC RCCO	Reserves	RBC Int Borrow
Victoria Park play area	5	5				
Edgeside Play Area	4	4				
Cemeteries	73		73			
Sports playing Fields	200		200			
Valley Centre Development	131					131
Car Park upgrading	36					36
Building Maintenance	44		44			
Stubbylee Hall - College project	100			100		
Emergency Works	109		109			
Leisure Facilities	1,960				599	1,361
PRG - Signage project	73	3		70		
Henrietta Street exit costs	19			19		
Disabled Facilities Grants	81	81				
CPO / Enforced Sales	130		130			
	2,965	93	556	189	599	1,528

Current issues

There have been no changes to the revised capital programme of £4,372k in July

Progress to date is shown above and July activity includes:-

- Marl Pits building with a further £199k being paid during July.
- Though only £185k of DFGs have been incurred or committed to the end of July, £455k of applications have been approved for completion in 2012/13. This includes £71k at Green Vale Homes properties, for which we have received confirmation that a maximum contribution of £200k has been allocated, though we will only claim up to the values actually spent.
- The previous commitment of £80k re Stubbylee arrangements with Accrington & Rossendale College was paid out in July.

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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 2012/13 was £570.7k, of which £437.1k related specifically to operational vehicles and equipment and £7.7k for the new desktop virtualisation project.

MRP in 2012/13 is set to rise further with the addition of the repayment of the Leisure and Regeneration investment projects once the building becomes operational. The value of this rise has been accounted for in the ongoing cost budgets.

Section 106 Receipts Monitoring

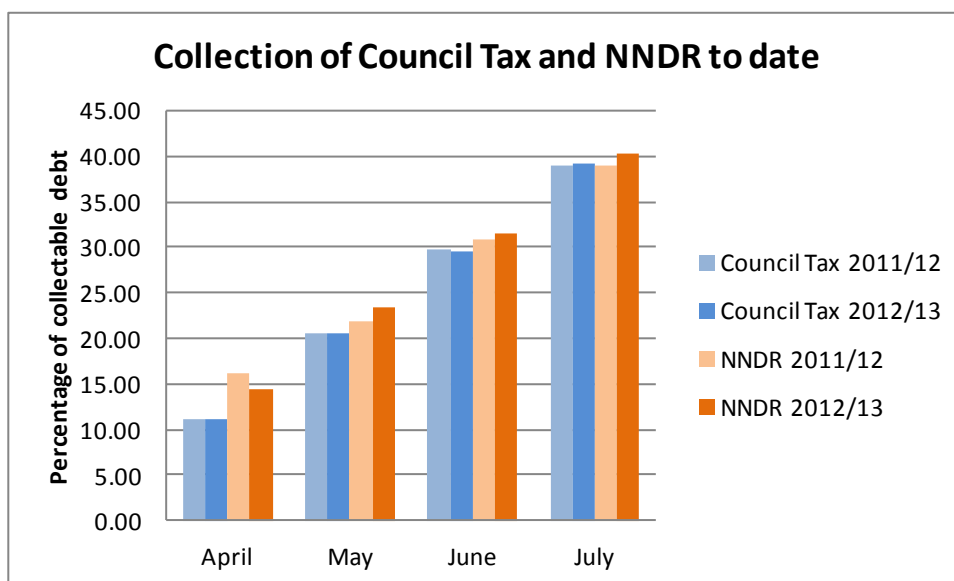
<u>Section 106 Agreements</u>	Third Party Projects £000	RBC Revenue Projects £000	RBC Capital projects £000	Total Held £000
Balance b fwd at 1st April 2012	155.2	281.7	142.0	578.9
Deposits received in 2012/13	54.0	-	160.3	214.3
Deposits applied in 2012/13	(31.4)	-	-	(31.4)
Current Balance	177.8	281.7	302.3	761.8

The table opposite shows details of deposits received to date in 2012/13, including invoices issued which are mentioned in the outstanding sundry debtors on page 29.

To date the only usage of deposits in 2012/13 have related to projects undertaken by third parties, including £10k to LCC for road works at Alder Grange.

Collection Fund

The comparative collection rates for council tax and non-domestic rates can be seen in the chart below. At the end of July both were showing favourable variances compared with 2011/12. NNDR is up 1.44%, but these funds will be transferred to central government rather than RBC. The council tax collection rates are up just 0.09%, but any favourable variance is more than negated by the additional discounts reducing the amount collectable in relation to the precepts payable. Officers are still predicting a net deficit of around £38k for the year, of which £6k would be the responsibility of RBC.



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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.

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.

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.

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.

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.

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Local Authority Business Growth Incentive Scheme (LABGIS)

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

Local Strategic Partnership (LSP)

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

Medium Term Financial Strategy (MTFS)

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

Minimum Revenue Provision (MRP)

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

National non-domestic rates (NDR)

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

Provision

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

Provisional

Best forecast given current knowledge.

Reserve

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

Revenue account

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

Retail Price index (RPI) and (RPIX)

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

RPIX is the RPI excluding mortgage interest payments.

Section 106 Agreement

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

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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