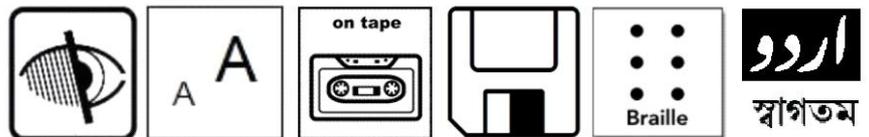


Monthly Financial Monitoring Report

2013/14 as at end of June 2013 – Quarter 1

Including a Glossary of terms on page 33



Monthly Financial Monitoring Report 2013/14 – end of June 2013

General Fund Revenue Operations – pages 4 to 23

During 2013/14 this monitoring report will be produced in full at the end of each quarter to tie in with reports to Cabinet. Interim budget monitoring reports will be produced each month and discussed with Budget Managers and Heads of Service.

The Q1 monitoring report on the General Fund for 2013/14 is showing a net £29k favourable variance compared to the original budget of £9,332k. This assumes that the planned use of

General Fund Reserves	General Fund Reserve £000	Directorate Investment Reserve £000	
Balance at 1st April 2013	1,000	353	£386k from the Transitional Budget Reserve is deferred to support future years and given the current levels in the Directorate Investment Reserve any remaining favourable variance is used to increase the Transitional Reserve. This will keep the General fund Reserve at the MTFS target of £1m.
Fav/(Adv) movement in 2013/14	29		
Planned transfers/utilisation		(5)	
Transitional Reserve - contribution to reserve	(29)		
50% transfer to Directorate Investment Reserve			
Place Directorate	-	-	
Business Directorate	-	-	
Corporate Directorate	-	-	
Balance anticipated at 31st March 2012	1,000	348	

Earmarked Revenue Reserves – page 24 to 25

The total cash-backed Earmarked Reserves brought forward at 1st April 2013 were £5,563k (excluding the Transport Reserve).

The original budget included the use of £386k from the Transitional Reserve, but this support is not likely to be required given the favourable variances noted above and instead the year looks likely to make a contribution of £29k into the Transitional Reserve as noted above.

The forecast closing balance at the 31st March 2013 is now predicted to be £5,646k, but this is forecast to drop to £4,903k by March 2015.

Government Grants Unapplied – page 26

The opening value of government Grants Unapplied at the 1st April 2013 was £614k. This included £125k of Housing Capital Pot and Green Vale Homes (GVH) contributions held to fund Disable Facilities Grants (DFGs) approved but not completed by the year-end. The 2013/14 DFG grant has been received, as has confirmation that GVH will again support up to £200k of works to former council houses across the borough.

The forecast balance at March 2014 is now revised to £178k, which is expected to reduce to £106k by March 2016.

Staff Monitoring – page 26

During the first quarter 6.5 FTEs have been removed from the establishment. Of the remaining 187.1 FTEs there were 6.4 vacant posts at the end of June. These changes have contributed to cash savings on staff costs during the first three months of £85k.

Treasury & Cash Management - page 27 to 29

Bank balances have risen from £6.2m at the beginning of the year to £9.8m at the end of June, but this is a temporary improvement and they are still on course to be around £6m at the end of the year.

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At the beginning of the year the Sector treasury management advice was to keep deposits comparatively liquid in order to take advantage of any rise in interest rates after the summer. However, the council has been informed that some of their accounts will see a further reduction in interest rather than an increase. As a consequence, a second 364-day deposit of £2m has been invested on the 2nd July to earn 1.01%. Though this will bring the interest income forecast back up to a favourable variance of £5k, the current effective interest rate is below the Sector model portfolio for the first time in over 2 years at 0.7% compared with Sector's 0.79%.

The value of outstanding sundry invoices has increased to £852k following some large invoices being issued in June. As a result, the debtor days performance has dropped to 109 days compared to the target of 80 days. However, members should note that recovery of April invoices has outperformed that of the same time last year and £274k of debts outstanding at year-end have since been collected.

As a consequence of the outstanding debt rise, the doubtful debt figure has risen to £155k, against which the Council has a £123k provision.

Capital Receipts – page 30

There have been no sales of assets during quarter 1 against the annual target of £100k.

The level of useable capital receipts at the beginning of the year was £1,280k. Additional resources of £100k from sales and £230k from reserves, section 106 agreements and revenue operations, mean that the total resources available during the year are expected to be £1,608k. Against this the original capital programme, plus the funding of ongoing projects brought forward from 2012/13 will require £1,178k.

The above changes mean that the unapplied capital receipts at the end of the year are expected to be £195k for general fund activity and £235k for housing projects.

Capital Programme and Funding – page 31 to 32

The original capital programme for 2013/14 was £1,201k and £825k was rolled over from 2012/13 for projects in progress. During quarter 1 a further £223k was added to the programme - £200k of DFGs funded by contributions from GVH, and £23k for play area works funded by section 106 agreements. The revised capital programme at the end of June was therefore £2,249k, against which £332k has been spent or committed to date (15%).

Activity in quarter 1 has focussed on DFG grants already approved or in progress at the year-end and the continuation of the accommodation project here at the Business Centre which should be opening on the 19th August.

Collection Fund 2012/13 – page 33

At the end of June collection rates for Council Tax and NNDR were only very marginally down on the year-to-date targets.

It is difficult at this early stage to make any full year projections for a surplus or deficit on the Collection Fund. However, two areas are being monitored carefully throughout the year to understand how actual performance relates to the original expectations. These are Council Tax Support, which could return a favourable £33k for Rossendale based upon Q1 performance, and NNDR revaluations which again could end the year £50k favourable for Rossendale if Q1 performance continues.

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General Fund Revenue Operations

Service Area	2013/14 Original Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Place Directorate					
Communities	1,380.8	1,300.4	80.4	-	80.4
Customer Services and E-Government	1,324.7	1,297.5	27.2	-	27.2
Place Operations	2,058.2	1,960.5	97.6	-	97.6
Business Directorate					
Building Control Services	128.3	103.8	24.5	-	24.5
Legal & Democratic Services	749.5	689.4	60.1	-	60.1
Planning Services	27.1	(42.1)	69.1	-	69.1
Local Land Charges	22.0	18.8	3.2	-	3.2
Licensing & Enforcement	145.7	131.4	14.3	-	14.3
Health, Housing & Regeneration	895.6	868.5	27.1	-	27.1
Corporate Support Services					
Corporate Management	337.5	333.8	3.7	-	3.7
Finance & Property Services	1,394.6	1,389.0	5.6	-	5.6
People and Policy	342.8	335.1	7.7	-	7.7
Non Distributed Costs	390.7	397.0	(6.3)	-	(6.3)
Capital Financing and Interest	213.5	207.2	6.3	-	6.3
Leisure	403.0	408.2	(5.2)	-	(5.2)
Use of Earmarked Reserves	(482.3)	(96.3)	(386.0)	-	(386.0)
Favourable impact on General Fund	9,331.7	9,302.4	29.4	-	29.4

The revenue position at the end of quarter 1 included both favourable and adverse variances.

The favourable variance currently forecast for licencing income has been transferred to a new Licensing Earmarked Reserve to meet future income volatility and any impacts of the current local scheme review.

The Non-Distributed element of staff savings has been transferred to the Pensions Reserve to meet the deficit on the pension fund in future years.

Readers are reminded that the original budget, approved back in February, included the use of £386k from the Transitional Reserve in order to balance the budget. Officers now recommend that the favourable variance predicted above is used to defer that transfer, so that the Transitional Reserve can support the predicted funding gap in 2015/16.

Total anticipated favourable variance compared to the original budget in relation to staff is £408k favourable, including the effects of restructures and joint working arrangements being implemented as a direct response to the challenges posed by the MTFs. However, £182k of this specifically relates to pensions and given the overall pension fund deficit this amount is being transferred to the Pensions Fund Reserve to help finance future contributions.

The table on page 26 shows that the management response to the MTFs has led to a reduction of 6.5FTE staff against the original budget establishment of 193.6 FTEs. The full-year impacts of these savings decisions are being reflected in the draft budgets for future years as soon as they are approved.

The other main areas of non-staff movements in quarter 1 can be seen in the table opposite.

All the above changes have resulted in a net favourable variance forecast of £29k against the original budget for the year.

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Major Variances in Q1	Favourable /(Adverse)	Net
Communities		
Staff costs	90.0	
Cemeteries income	15.0	
Protective clothing	(8.0)	
Other minor variances	(16.6)	80.4
Customer Services and e Government		
Staff costs	9.0	
Software licences and implementation	(16.5)	
Web development	10.0	
Debit card collection costs	6.5	
Other minor variances	10.7	27.2
Place Operations		
Staff costs	43.8	
Recycling income + reduction in tipping off fees	45.8	
Fuel	63.0	
Vehicle maintenance	(55.0)	
Other minor variances	-	97.6
Business Directorate		
Staff costs	56.5	
Planning income	64.6	
Building control income	14.5	
Licencing income (net of associated additional costs)	151.0	
Additional Licencing income to Licensing Reserve	(151.0)	
Members expenses - following committee structure review	10.5	
Other minor variances	25.2	171.3
Business - Health, Housing & Regeneration		
Staff costs	13.5	
Other minor variances	13.6	27.1
Corporate Management		
Other minor variances	3.7	3.7
Finance & Property Services		
Staff costs	13.8	
Building running costs (gas, electricity, water, NNDR)	1.6	
Property rental income	(9.9)	
Asbestos - Marl Pits boiler	(6.0)	
Other minor variances	6.1	5.6
People & Policy (incl P&P & Comm)		
Emailing payslips instead of using a printing service	7.8	
Other minor variances	(0.1)	7.7
Non-Distributed Costs & Capital Financing		
Staff costs - including pensions	181.6	
Transfers to Pension Reserve	(181.6)	
Interest receivable	5.3	
Other minor variances	(10.5)	(5.2)
Change in planned use of Transitional Reserve		(386.0)
This month's favourable/(adverse) variance on the General Fund		29.4

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Communities - Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Strategic Functions					
Community Management & Admin	19.2	17.6	1.7	-	1.7
Community Safety	54.2	53.8	0.4	-	0.4
Area Forum Grant Budgets	70.0	70.0	-	-	-
Emergency Planning	5.7	5.0	0.6	-	0.6
Grants	115.7	115.7	-	-	-
Localities - Non Pay Budgets	63.8	66.8	(3.1)	-	(3.1)
Haslingden, Helmshore & Edenfield Locality	322.3	320.7	1.7	-	1.7
Rawtenstall Locality	399.8	319.6	80.2	-	80.2
Bacup & Whitworth Locality	289.3	291.0	(1.7)	-	(1.7)
Parks & Open Spaces	309.7	317.5	(7.8)	-	(7.8)
Cemeteries	(145.1)	(160.6)	15.6	-	15.6
Markets	(123.7)	(116.5)	(7.2)	-	(7.2)
Total	1,380.8	1,300.4	80.4	-	80.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Parks Vacancy		26.0	26.0	
Communities Officer Vacancies		48.5	48.5	
Disestablished Parks post - net of redundancy and Pension Strain		(6.0)	(6.0)	
Cemeteries Income		15.0	15.0	
Protectiver Clothing		(8.0)	(8.0)	
Works at Whittaker Park Bowls		(6.0)	(6.0)	
Parks related non pay expenditure		(5.0)	(5.0)	
Maintenance of Parks Vehicles		(3.0)	(3.0)	
Overtime		6.5	6.5	
Summer Agency		15.0	15.0	
Other minor variances		(2.6)	(2.6)	
TOTAL		-	80.4	80.4

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Communities Highlight Report – Period 3 (June)

Historic Issues

- Nothing has been reported.

Current Month Issues

- The current forecast has a projected under spend of £80.4k, a favourable movement in month of £23.9k.
- A Communities Officer has requested voluntary redundancy, it has been determined that their duties can be consumed by other members of the team, and the post can be disestablished. The saving in the current financial year will be £19.5k.
- A Parks officer has requested voluntary redundancy, the request has been accepted and their duties shared amongst other Parks staff. The redundancy and pension strain costs in the current year exceed the salary savings by £6k. The recurrent on-going savings are £22k.
- Cemeteries income has risen during July, a straight line forecast of income received to-date would indicate an over achievement against the budget of £15k, an improvement from May of £7k.
- Changes to working practices are estimated to generate savings of £6.5k in relation to overtime payments.
- Based upon expenditure incurred and outstanding orders, the budget for protective clothing is projected to over spend by £8k.

Future Issues

- The possible extension of the use of temporary staff in Parks will be reviewed later in the year, depending upon the finances available and works still outstanding.

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Customer Services & E-Government - Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Strategic Functions					
Management and Support	78.0	77.4	0.6	-	0.6
Service Assurance Team	131.0	128.3	2.7	-	2.7
Revenues, Benefits and Customer Services					
Local Tax Collection	(332.8)	(339.3)	6.5	-	6.5
Benefits Admin	950.8	948.0	2.9	-	2.9
Net - Housing Benefit Payments made & Subsidy received	(98.5)	(103.8)	5.3	-	5.3
Information and Communications Technology					
Technology	568.0	558.9	9.1	-	9.1
Pest Control					
Pest Control	0.0	(0.2)	0.2	-	0.2
Dog Warden					
Dog Warden	28.2	28.2	-	-	0.0
Total	1,324.7	1,297.5	27.2	-	27.2

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr Forecast £000	R A G
Cash recovery of Housing Benefit over-payments		5.0	5.0	
Car Allowances & Other staff travel related expenditure		6.0	6.0	
Purchase of Computer Equipment		3.0	3.0	
Web Development		10.0	10.0	
Debit Card Collection Costs		6.5	6.5	
ICT Officer Vacancy		9.0	9.0	
Implementation Costs - Unified Intelligent Desktop		(5.5)	(5.5)	
Software Licenses		(4.0)	(4.0)	
Government Connect		(7.0)	(7.0)	
Other various minor variances		4.2	4.2	
TOTAL	-	27.2	27.2	

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Customer Service & E-Government Highlight Report – Period 3 (June)

Historic Issues

- Nothing has been reported.

Current Month Issues

- The headline figure is a projected under spend of £27.2k, a favourable movement from the previous month of £18.5k The key movements are discussed below:
- Following the previous disestablishment of the Web Development post, a sum of £20k was set aside for future web developments. It is anticipated that only £10k will be utilised in the current financial year, resulting on an under spend of £10k.
- Based upon payments processed in the current financial year, debit / credit card expenditure relating to payments to the Council for council tax, is forecast to under spend by £6.5k
- The cash recovery of Housing Benefit overpayments has improved by £7k in month, with a predicted surplus for 2013/14 of £5k.
- The Council is obliged to transmit sensitive data via the Government Connect network, the prices charged for this service have increased, resulting in a projected over spend of £7k.

Future Issues

- Nothing to be reported.

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Place Operations - Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Strategic Functions					
Operations Admin / Vehicle Maintenance	407.3	381.1	26.2	-	26.2
Operational Functions					
Refuse Collection	981.5	955.3	26.2	-	26.2
Street Sweeping	669.4	624.2	45.2	-	45.2
Total	2,058.2	1,960.5	97.6	-	97.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Fuel		63.0	63.0	
Recycling Income		25.5	25.5	
Tipping off Charges - Glass, Cans & Plastics		20.3	20.3	
Recharge Officer Time to represent support provide to Taxi Licensing		19.0	19.0	
Part Time Recycling Officer vacancy		11.0	11.0	
Street Cleansing - vacancies / flexi retirements & Agency usage		32.0	32.0	
Uplift of Refuse Modern Apprentices onto Council Pay Scale 2		(30.0)	(30.0)	
Bin Deliveries		7.0	7.0	
Trade Waste Income		(7.0)	(7.0)	
Misc Staffing related budgets - Overtime, Excess Mileage		11.8	11.8	
Vehicle Maintenance		(55.0)	(55.0)	
Protective Clothing		(5.0)	(5.0)	
Purchase of Tools & Equipment		8.8	8.8	
Income from the sale of Green Bins		(5.0)	(5.0)	
Miscellaneous Variances		1.2	1.2	
TOTAL		-	97.6	97.6

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Operations Highlight Report – Period 3 (Operations)

Historic Issues

- Nothing has been reported.

Current Month Issues

- The Operations budget is forecast to under spend by £97.6k, an adverse movement in month of £44.6k. The key movements are discussed below:
- The Council has incurred significant breakdowns in relation to its frontline refuse fleet, most of which are now outside their initial 3-year warranty period. By the end of May the annual variance was estimated as £25k, but based upon a simple straight line forecast of costs to the end of June, that adverse variance has risen £30k to a projected total overspend for 2013/14 of £55.5k.
- Agency expenditure within Street Cleansing has moved adversely by £10k arising from increased sickness levels within the service.

Futures Issues

- The Vehicles required to undertake the functions of Refuse and Street Cleansing are currently being reviewed. The current forecast assumes that all the budgets set aside for the purchasing of vehicles will be fully utilised. If the decision is made to operate for the remainder of the financial year with the existing fleet; then a further saving of circa £85k will accrue.

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Business Services - Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Planning					
Development Control	(128.5)	(200.0)	71.5	-	71.5
Forward Planning	155.6	157.9	(2.3)	-	(2.3)
Land Charges	22.0	18.8	3.2	-	3.2
Building Control					
Building Control - Fee Earning Account	15.5	(5.4)	20.8	-	20.8
Building Control - Statutory Function	104.8	101.1	3.7	-	3.7
Building Control - Street Signs	8.0	8.0	-	-	-
Legal Services	164.9	148.2	16.7	-	16.7
Democratic Services					
Electoral Registration	57.6	57.6	-	-	-
Elections	72.4	74.1	(1.7)	-	(1.7)
Democratic Representation	392.0	354.1	37.9	-	37.9
Mayoralty	59.1	52.0	7.1	-	7.1
Town Twinning	3.5	3.5	-	-	-
Licensing & Enforcement	145.7	131.4	14.3	-	14.3
Total	1,072.5	901.3	171.2	-	171.2

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Planning Income		64.6	64.6	
Planning Misc variances		3.0	3.0	
Land Charges Income		2.8	2.8	
Building Control Car Allowances		4.0	4.0	
Building Control Fee Income		14.5	14.5	
Building Control Restructre - net of redundancy costs		8.4	8.4	
Legal Staffing Vacancy		6.0	6.0	
Legal - Court Costs & associated fees		6.3	6.3	
Legal Income		3.0	3.0	
Mayor's Attendants		5.0	5.0	
Taxi Licensing Income & Associated Costs		151.0	151.0	
Transfer additional licencing income to Licencing Earmarked Reserve		(151.0)	(151.0)	
Licensing & Fraud Restructre		13.4	13.4	
Councillors Special Responsibility Payments / Pension payments		10.5	10.5	
Committee Services - reduced Officer Hours		6.2	6.2	
Committee Services - support to Taxi Licensing		17.5	17.5	
Other variances		6.0	6.0	
TOTAL		-	171.2	

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Business Highlight Report – Period 3 (June)

Historic Issues

- As reported to Members back in February, the original budget was set using a prudent view of income levels for planning and licensing activity.

Current Month Issues

- The Business directorate is currently forecast to under spend by £322k, a favourable movement in month of £33.5k. The key variances are discussed below:
- Projected income for planning applications has decreased by £23.4k from May's projections. However, the overall forecast for planning income against budget remains at a favourable £64.6k for the current financial year.
- Taxi licensing continues to receive record numbers applications; the current projected surplus against budget is £151k, an increase of £12k during June alone. Officers from other council departments continue to be utilised to support the increased volumes.
- Given the volatile nature of licensing income and the potential future impacts of the current local scheme review, the favourable variance above has been transferred to a separate, ringfenced Licensing Earmarked Reserve.
- Like Planning, Building Control income is difficult to predict with irregular income from month to month. However based upon income received in the first three months of the current financial year, suggest an over achievement on income against budget of £14k, up from £10k at the end of May.
- The Council has entered into an arrangement with Hyndburn Council for a shared Building Control service. The savings arising in 2013/14 are estimated at £8.4k, with recurrent on-going savings of £84k.
- A review of previous years' expenditure and current expenditure patterns would indicate a saving of £6.3k relating to legal fees.

Futures Issues

- The Planning Manager is currently reviewing future requirements for the production of various core planning strategy documents.
- The Council, in conjunction with the Local Government Association, is currently defending claims from personal search companies in relation to Land Charge Search fees. In a similar vein, the Council is now beginning to receive enquiries under Freedom of Information regulations regarding taxi licensing pricing structures.

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Health, Housing & Regeneration - Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Strategic Functions					
Regeneration Mangement & Admin	71.7	69.9	1.8	-	1.8
Tourism	-	(0.0)	0.0	-	0.0
Economic Regeneration					
Economic Regeneration	66.1	71.3	(5.2)	-	(5.2)
Whittaker Park Musuem	106.5	105.2	1.2	-	1.2
Regen Admin (LABGI funded)	28.0	26.9	1.1	-	1.1
Strategic Housing					
Housing Strategy	62.4	49.2	13.2	-	13.2
Homelessness	86.6	89.1	(2.5)	-	(2.5)
Private Sector Renewal	48.0	37.0	11.1	-	11.1
Environmental Health					
Environmental Health	426.0	419.8	6.2	-	6.2
Total	895.6	868.5	27.1	-	27.1

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Housing Strategy Salary - additional purchase of annual leave		6.5	6.5	
Housing Strategy - non pay budgets		7.3	7.3	
Private Sector Renewal Flexible Retirement		7.0	7.0	
Private Sector Renewal - non pay budgets		3.0	3.0	
Changes to Officer Car Allowance Scheme		2.3	2.3	
Subscriptions		3.0	3.0	
Other Misc Variances		(2.0)	(2.0)	
TOTAL	-	27.1	27.1	

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Business - Health, Housing & Regeneration Highlight Report – Period 3 (June 2013)

Historic Issues

- Nothing has been reported

Current Month Issues

- Health, Housing and Regeneration are forecast to under spend by £27.1k, there are no significant variances in month.

Future Issues

- The running of Whittaker Park Museum has been transferred to a Community Group; previously the Council paid Lancashire County Council a management fee for operating the Museum on its behalf. The funding arrangements going forward have not yet been fully finalised and as such no under spend is currently projected against the budget previously set aside for the LCC's management fee. However, the current commitments total £30k.

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Corporate Management - Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Corporate Management					
Executive Office	286.5	282.3	4.2	-	4.2
Corporate Contingency	-	1.0	(1.0)	-	(1.0)
Executive Support & Corporate Subscriptions	47.0	47.3	(0.3)	-	(0.3)
Concessionary Fares	4.0	3.2	0.8	-	0.8
Total	337.5	333.8	3.7	-	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
Changes to Car Allowance Scheme		0.8	0.8	
Concessionary Fares		0.8	0.8	
Various Misc non pay budgets		2.1	2.1	
TOTAL	-	3.7	3.7	

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Corporate Management Highlight Report – Period 3 (June)

Historic Issues

- Nothing has been reported

Current Month Issues

- The Corporate Management budget is forecast to under-spend by £3.7k, there are no significant variances.

Futures Issues

- Nothing to report.

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Finance and Property Services - Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Financial Services Team	395.9	407.0	(11.1)	-	(11.1)
Internal Audit	68.0	68.0	-	-	-
Corporate Costs					
External Audit Fee	64.0	64.0	-	-	-
Bank Charges (net of fees)	17.2	16.7	0.5	-	0.5
Treasury Management	6.6	6.5	0.1	-	0.1
Property Services					
Property Services Team	250.5	265.9	(15.4)	-	(15.4)
Corporate Estates	(29.2)	(29.1)	(0.0)	-	(0.1)
Non Domestic Estates	(98.7)	(98.6)	(0.1)	-	(0.1)
Office Accommodation	239.9	195.9	44.0	-	44.0
Operational Properties	360.1	354.8	5.2	-	5.2
Leisure Properties	60.8	66.0	(5.2)	-	(5.2)
Bus Shelters	(9.7)	(8.7)	(1.0)	-	(1.0)
Business Centre	69.3	80.6	(11.3)	-	(11.3)
Total	1,394.6	1,389.0	5.6	-	5.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Admin Charges - Credit Card Collection of Council Tax		1.0	1.0	
Finance Team - Restructure		(9.6)	(9.6)	
Insurance		(4.6)	(4.6)	
Miscellaneous - non pay Finance Budgets		2.7	2.7	
Water		5.5	5.5	
NNDR		(1.2)	(1.2)	
R&M		(0.9)	(0.9)	
Electricity		(6.4)	(6.4)	
Gas		3.7	3.7	
Estates income		(3.2)	(3.2)	
Property Team - Restructure		23.4	23.4	
Asbestos - Marl Pits Boiler		(6.0)	(6.0)	
Markets - Refuse in-house		5.3	5.3	
Business Centre - Rental income		(6.7)	(6.7)	
Business Centre - Miscellaneous Expenses		(0.6)	(0.6)	
Property - Miscellaneous Expenses		3.2	3.2	
TOTAL	-	5.6	5.6	

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Finance & Property Services - Monitoring Highlight Report – Period 3 (June)

Financial Services

Historic Issues

- The original budget included £30k savings anticipated from restructure.

Current Month Issues

- One-off staff restructure costs have resulted in a £9.6k adverse variance compared to the original budget savings target. However, the full year impact will result in a further £24k of savings in 2014/15 onwards, bringing the total annual restructure savings up to £54k.
- Employee insurance recharges have been revised across the Council given the structural changes in recent years. Overall the cash costs have remained static.

Futures Issues

- Nothing to report.

Property Services

Historic Issues

- Nothing has been reported.

Current Month Issues

- The Property Services budget is forecast to under spend by £16.1k
- The restructure within the Property Services section has been concluded, with the former Courier taking up post as a Refuse Operative. This has helped to reduce the costs of implementing the restructure, leading to savings of £23.4k in 2013/14 and recurrent savings of £41.3k (including £4.7k for the courier van).
- The electricity forecast is showing a projected overspend of 6.4k. The contract for Electricity is due for renewal in October 2013 and RBC officers are expecting the unit rise to be around 30%, which would equate £14.5k for 2013/14.
- There will be additional costs to the Asbestos budget of c£5k. This is due to Asbestos being in the area where the replacement boiler at Marl Pits Pavilion is being installed.
- The water budgets are currently showing an under spend of £5.5k. This is in part due to staff vacating Stubbylee Hall and the OSS and a refund of £2.8k for James St Public conveniences.
- The refuse collection at the three markets has now been brought in-house, producing an on-going saving of £5.3k.

Futures Issues

- United Utilities are undergoing a national review to consolidate the new charges introduced in 2011/12 for cemeteries. The phased introduction is likely to result in further cost pressures though the total value is unknown.
- There are signs of increasing public demand regarding maintenance of public open space, which may cause pressure on reduced maintenance budgets in future months.

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People and Policy - Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
People & Organisational Development					
Human Resources	342.8	335.1	7.7	-	7.7
Total	342.8	335.1	7.7	-	7.7

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Printing of Pay Slips		7.8	7.8	
Other Miscellaneous variances		(0.1)	(0.1)	
TOTAL	-	7.7	7.7	

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People & Policy Highlight Report – Period 3 (June)

Historic Issues

- Nothing has been reported

Current Month Issues

- The People & Policy budget is forecast to under spend by £7.7k, the main favourable variance relating to the printing of payslips which are now sent electronically to employees.

Future Issues

- The budget forecast assumes that both the training budget of £58k, and the tourism & publicity budget of £40k, will both be fully spent. Actual expenditure at the end of May is £8.7k & £0.5k respectively.

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Non-distributed Costs, Corporate Resources & Leisure Services

Period 3 (June)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported £000	Change in June (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	360.3	335.9	24.4	-	24.4
Other Non-distributed Costs	30.5	61.2	(30.7)	-	(30.7)
Capital Financing					
Minimum Revenue Provision	114.5	114.5	-	-	-
Investment Interest	99.0	92.7	6.3	-	6.3
Leisure	403.0	408.2	(5.2)	-	(5.2)
Total	1,007.3	1,012.4	(5.2)	-	(5.2)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Pension element of dis-established posts		138.4	138.4	
Pension Auto Enrollment / Unpaid Leave		43.2	43.2	
Pension savings - previously added years		24.4	24.4	
Transfer to Pension Reserve for future liabilities		(206.0)	(206.0)	
Interest income		5.3	5.3	
ICT investment Lesiure intregation project		(5.2)	(5.2)	
Other minor variances		(5.3)	(5.3)	
TOTAL	-	(5.2)	(5.2)	

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Non-Distributed Costs & Capital Financing - Highlight Report – Period 3 (June)

Historic Issues

- Nothing has been reported.

Current Month Issues

- The projected under spend on Non Distributed budgets is £171k, the key variances are detailed below.
- Budgets connected with dis-established posts have been removed from the host department and transferred to the Distributed budget area. Under spends arising from disestablished posts are £138.4k
- The Council had previously set a £60k budget to meet the consequences of pension auto enrolment. The date of pension auto enrolment has moved and consequently there will be an under spend of £43.2 (after netting off the over estimation of the savings arising from the introduction of 5 days unpaid leave for council employees).
- The Council pension liability for previous awards for added years is forecast to under spend by £24.4k. This under spend will be transferred to the pension reserve, in anticipation of increased employers pension contributions arising from the next actuarial review of the Council's pension scheme.
- The three favourable variances being reported above relate to staff and pension costs. Whilst any ongoing savings impacts are being reflected in the draft future budgets, officers recommend transferring the 2013/14 savings into the Pension Fund Reserve. This Pension Fund Reserve is held specifically to finance increases in future contributions to meet the £29m deficit reported at the end of March 2013 and any impact from the next full triennial review which is due to present recommendations early in 2014 that will become effective from April 2015 onwards.
- The integration of Rossendale's Leisure Trust ICT environment with the Council's has resulted in additional costs of £5.5k
- Interest income is forecast to produce a favourable variance of £5.3k now that a second 364-day deposit has been made. At the same time interest payable is forecast down by £1k, producing a combined saving of £6.3k.

Future Issues

- Nothing to report.

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Change Manag't	Director Invest Reserve	Budget Volatility Reserve	Transitional Budgetary Support	Regen Reserve	Vehicle Reserve	Homeless' Reserve
	AN060103	AN060123	AN060110	AN060129	AN060109	AN060130	AN060127
Balance at 01/04/13	1,556.9	353.2	300.3	815.0	489.1	306.6	186.8
Funds Received 2013/14							
2013/14 grants	16.4						
Revenue income received						35.5	
Revenue income anticipated			151.0	415.0			
Total Funds Available	1,573.3	353.2	451.3	1,230.0	489.1	342.1	186.8
2012/13 Utilisation Deferred							
Bacup Town Centre Heritage Initiative		(4.9)					
Training - HGV / NVQ							
Alcohol Prevention							
ICT project costs							
Benefit Reform - Budget Advice							
Hen St Depot works							
Paths & Tree Related Works							
Funding of Pay Protection							
PRG Signage - capital project							
2013-14 Published Budget Utilisation							
General budget support				(368.0)			
Replacement Vehicles (Hako sweepers?)						(160.0)	
Admin Support to Regeneration							
Tourism Support							
Regeneration Officer							
Area Forum Grants							
Community Engagement Officer & Planning for Climate Change							
2013-14 Other Utilisation Plans							
Add'l Vehicle Maintenance spend year 4						(73.5)	
PRG - Environmental Studies - Futures Park							
PRG - Rolling Boar Trails / Cycle Rack							
Youth Homelessness funding							(30.0)
PRG Adrenalin Gateway Program							
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)							
Children Trust							
Additional pension payments							
East Railway Comuted Sum							
THI Contribution							
Pension fund contributions							
Reserve Estimates 31/3/14	1,573.3	348.3	451.3	862.0	489.1	108.6	156.8
Future Contributions/Utilisation Plans							
2013/14 Plans					(47.8)		
2014/15 Plans				(429.0)	(22.8)	(68.5)	(156.8)
2015/16 Plans				(386.0)		35.5	
2016/17 Plans						35.5	
Potential Reserve Balances	1,573.3	348.3	451.3	47.0	418.5	111.1	0.0

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

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Leisure Reserve	Licensing Reserve	Bacup N'hood Reserve	PRIDE Reserve	Perform Reward Grant	Pension Fund Reserve	Operational Reserves	Total
	AN060118/9	AN060141	AN060125	AN060126	AN060120	AN060117	AN060121	
Balance at 01/04/13	681.4	0.0	44.6	85.2	277.1	211.0	256.2	5,563.4
Funds Received 2013/14								
2013/14 grants							0.0	16.4
Revenue income received							14.0	49.5
Revenue income anticipated		151.0				241.6	0.0	807.6
Total Funds Available	681.4	151.0	44.6	85.2	277.1	452.6	270.2	6,436.9
2012/13 Utilisation Deferred								
Bacup Town Centre Heritage Initiative							0.0	(4.9)
Training - HGV / NVQ							(11.0)	(11.0)
Alcohol Prevention							(10.0)	(10.0)
ICT project costs							(9.5)	(9.5)
Benefit Reform - Budget Advice							(4.5)	(4.5)
Hen St Depot works							(5.0)	(5.0)
Paths & Tree Related Works							(23.0)	(23.0)
Funding of Pay Protection							0.0	0.0
PRG Signage - capital project					(31.0)		0.0	(31.0)
2013-14 Published Budget Utilisation								
General budget support							0.0	(368.0)
Replacement Vehicles (Hako sweepers?)							0.0	(160.0)
Admin Support to Regeneration							0.0	0.0
Tourism Support							0.0	0.0
Regeneration Officer							0.0	0.0
Area Forum Grants							0.0	0.0
Community Engagement Officer & Planning for Climate Change							0.0	0.0
2013-14 Other Utilisation Plans								
Core Strategy							0.0	(73.5)
PRG - Environmental Studies - Futures Park					(18.0)		(8.5)	(26.5)
PRG - Rolling Boar Trails / Cycle Rack					(24.4)		0.0	(24.4)
Youth Homelessness funding							0.0	(30.0)
PRG Adrenalin Gateway Program							0.0	0.0
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)							0.0	0.0
Childfren Trust							0.0	0.0
Additional pension payments							(10.0)	(10.0)
East Railway Comuted Sum							0.0	0.0
THI Contribution							0.0	0.0
Pension fund contributions							0.0	0.0
Reserve Estimates 31/3/14	681.4	151.0	44.6	85.2	203.7	452.6	188.7	5,645.6
Future Contributions/Utilisation Plans								
2013/14 Plans	(24.6)		12.8	(85.2)			0.0	(144.8)
2014/15 Plans	(18.6)					229.0	(8.0)	(474.7)
2015/16 Plans	(9.6)					229.0	0.0	(131.1)
						(28.0)	0.0	7.5
	628.6	151.0	57.4	0.0	203.7	882.6	180.7	4,902.5

Current issues

The expected usage of the earmarked reserves for 2013/14 and the coming years has been reflected above. This includes the use of operational reserves created at the end of 2012/13 to fund costs which did not meet the technical definition of provisions.

Since the General Fund Reserve has already reached the target of £1m set in the MTFs, any favourable variances generated during 2013/14 will be transferred to earmarked reserves, firstly to reduce the planned support requirement from the Transitional Budget Reserve and then to make further contributions into it.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Bacup Town Centre	Housing Capital Pot *	Disabled Facilities Grants *	Regen Grants (HMR)*	Commun' Spaces	DEFRA Grant	Total
Balance at 01/04/13	25.2	152.6	376.0	0.0	60.1	0.0	0.0	613.9
New Funds Received 2013/14								
Grant received				353.0			19.0	372.0
Other contributions				212.0				212.0
Total Funds Available	25.2	152.6	376.0	565.0	60.1	0.0	19.0	1,197.9
Planned Utilisation in 2013/14								
Planning Core Strategy work								0.0
Bacup THI		(152.6)						(152.6)
DFGs brought forward from 2012/13			(113.0)	(12.0)				(125.0)
DFGs original Capital Prog 2013/14			(170.0)	(353.0)				(523.0)
Additional Utilisation in 2013/14								0.0
DFGs additional GVH element				(200.0)				(200.0)
Released to fund capital works							(19.0)	(19.0)
Released to GF Revenue								0.0
Anticipated Balance 31/3/14	25.2	0.0	93.0	0.0	60.1	0.0	0.0	178.3
Future Utilisation Plans								
2014/15			(72.0)					(72.0)
2015/16								0.0
Potential Reserve Balances	25.2	0.0	21.0	0.0	60.1	0.0	0.0	106.3

The annual DFG grant has been received in quarter 1 and confirmation has been received that Green Vale Homes will support up to £200k of works to former council houses in 2013/14.

At the end of 2012/13 there was £12k of works still outstanding to be funded from GVH contribution which was carried forward. At the same time £113k of grants approved but not completed, were being funded from Housing Capital Pot monies.

Staff Costs, including agency

The table below now reflects the changes to the opening operational structures approved within quarter 1, removing a further 6.5 FTEs in February to give a revised establishment of 187.1 FTEs. The total favourable variance on cash costs in quarter is £85k.

Employment Costs Period 03 - June 2013	YTD Budget £000	YTD Actual £000	Variance this mth (Adv)/Fav £000	Variance last mth (Adv)/Fav £000	Change this mth (Adv)/Fav £000	Original Budget Staff FTEs	FTE Changes during 2012/13	Current Vacant Posts
Place Directorate								
Communities Service	269	255	14	-	14	45.0	-1.0	3.0
Customer Services	92	89	3	-	3	9.8	0.0	1.0
Operations Service	419	360	59	-	59	50.8	0.0	1.4
Business Directorate								
Building Control Services	56	55	1	-	1	5.0	0.0	0.0
Legal & Democratic Services	98	84	14	-	14	12.7	-1.0	0.0
Planning Services	103	102	1	-	1	10.8	0.0	0.0
Local Land Charges	20	20	0	-	0	2.0	0.0	0.0
Public Protection	59	62	(3)	-	(3)	8.8	0.0	0.0
Health, Housing & Regen	200	205	(5)	-	(5)	19.6	0.0	0.0
Corporate Services								
Corporate Management	86	84	2	-	2	5.0	-1.0	0.0
Finance & Property Services	159	155	4	-	4	18.1	-2.5	1.0
People & Org. Performance	48	53	(5)	-	(5)	6.0	-1.0	0.0
Total	1,609	1,524	85	-	85	193.6	-6.5	6.4

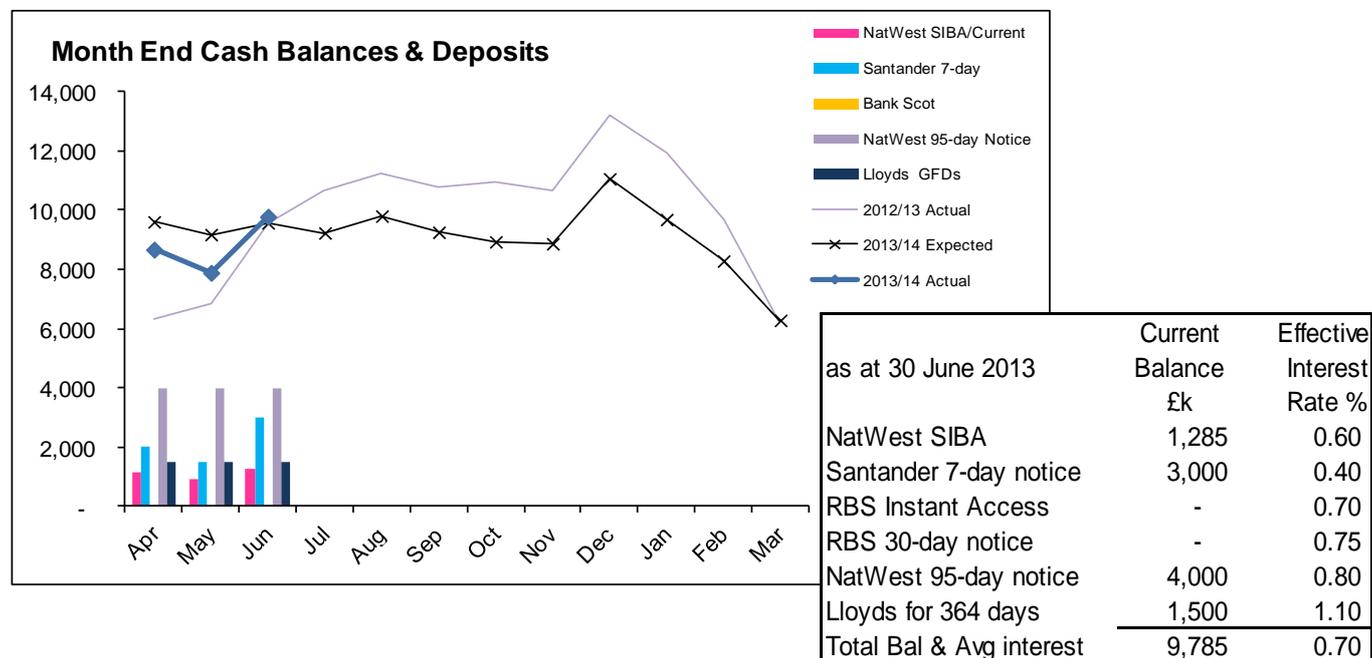
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Treasury Management & Cash Flow Monitoring

Cash Flow Management

The bank balances had risen from £6.2m at the start of the year to £9.8m at the end of June, very close to the original forecast and the end of June 2012. At the moment balances are still predicted to end the year just above £6m.



In May interest rates on the council's bank accounts were reduced, and officers have been informed that a further reduction will occur in September/October. The rates in the table above are those operating as at the end of June but by the autumn the SIBA rate will be reduced again to base rate and the 95-day notice rate will go down to 0.6%. The Santander account rate has already dropped to 0.4% but we have received no information yet about the Royal Bank of Scotland accounts.

As a result of these changes, officers have taken the decision in early July move the instant access and 30-day notice monies away from Santander to the Royal Bank of Scotland accounts whilst their rates are better. It has also become apparent that holding deposits short-term in the hope that interest rates might rise is not the best policy, hence officers have placed a further £2m with Lloyds for 364-days on the 2nd July to earn 1.01% interest.

The effective interest rate is now below that of the Sector model portfolio of 0.79%, but the 364-day deposit above will improve the position for quarter 2.

Deposits and Interest Earned

The forecast for interest includes the revenue payment of the PWLB loan interest for the first time. Now that the Marl Pits investment project is operational the full interest is chargeable to revenue.

Interest Forecast	Budget 2013/14	Forecast 2013/14	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(185.0)	(185.0)	0.0	0.0
Misc Interest income	3.0	3.0	0.0	0.0
Bank Interest income	79.0	84.3	5.3	5.3
Net Interest	(103.0)	(97.7)	5.3	5.3

The forecast for interest income opposite shows a favourable £5.3k. This includes that attributable to the second 364-day deposit on the 2nd July as noted above. Without that decision the investment income would have been marginally adverse.

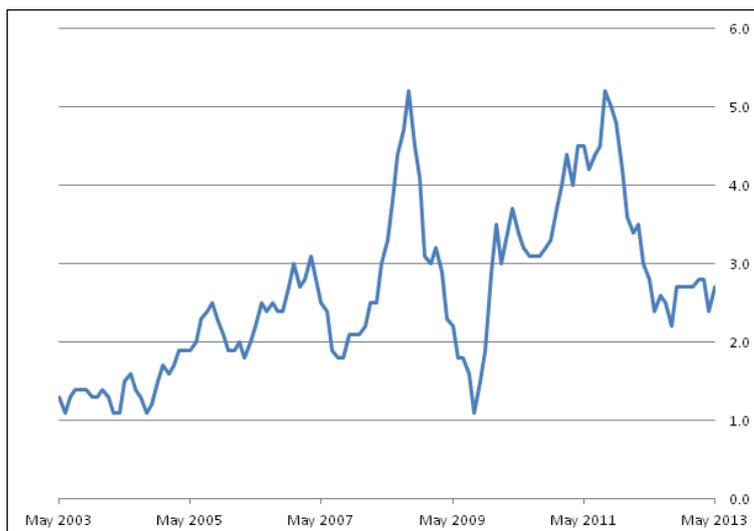
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Economic Outlook (issued 18th June)

The headline rate of inflation rose in May. The Consumer Prices Index (CPI) opposite showed that prices grew by 2.7% in the year to May 2013, up from 2.4% in the year to April. The inflation rate has returned to the levels seen between October 2012 and March 2013 after the slowing in the rate in April.

The largest upward contributions to the change in the rate came from transport (notably air transport and motor fuels) and clothing. The largest downward contribution came from food.



The Retail Prices Index has been assessed by the Office for National Statistics and found not to meet the required standard for designation as National Statistics. In May 2013, the 12-month rate for RPIJ (an experimental improved variant of RPI) stood at 2.5%, up from 2.3% in April 2013. The RPI 12-month rate for May stood at 3.1%, meaning that it was 0.6 percentage points higher than it would have been had it used formulae that meet international standards.

Interest rate forward predictions

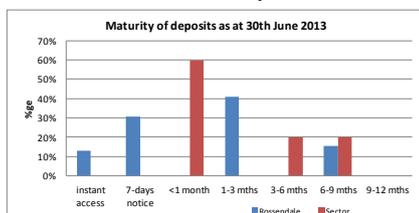
Sector analysts have maintained their prediction that interest rates will not rise until at least Q1 of 2015.

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

Treasury Management Practices and Prudential Indicators

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

The Council's Treasury Management Practices limit the maximum investment with any single institution to the greater of £5m or 50% of total funds available, and £10m across a single group. During quarter 1 all bank accounts operated within these limits.



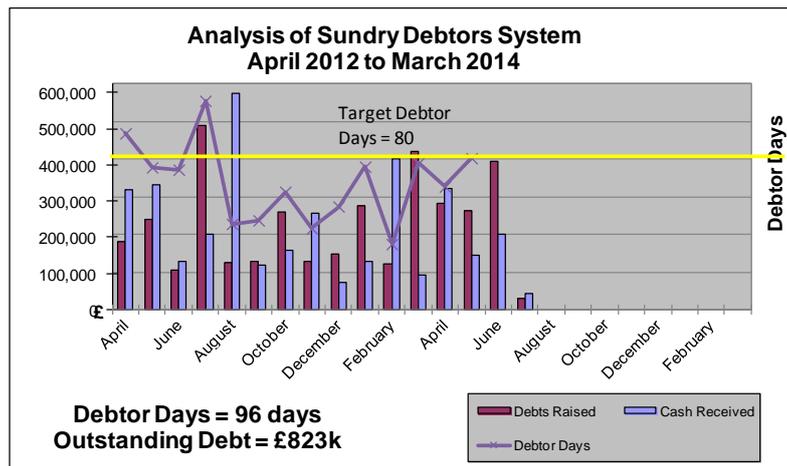
Sector's current portfolio has an effective interest rate of 0.79% and an average duration of 87 days.

As at the 30th June, the Council's average duration had dropped to 76 days. The table opposite compares the Sector model portfolio to the Council's ahead of the second 364-day deposit with Lloyds.

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Sundry Debts Monitoring



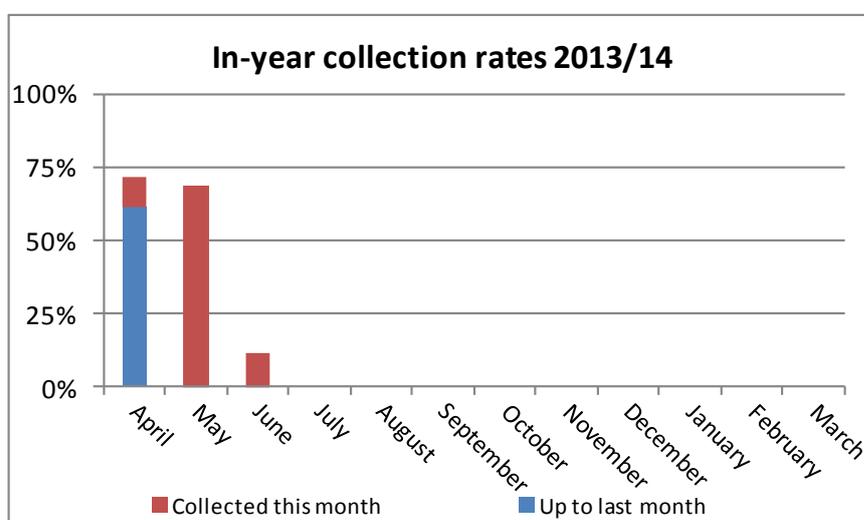
During Q1 £977k of new invoices were raised. These included £61k to the Environment Agency for the recovery of flood defence works and £237k of quarterly recycling bills.

Of the £823k debt outstanding, 45% is under 30 days old.

The high value of invoices raised in quarter 1 has pushed the debtor days performance figure to 96 days compared to the target of 80 days and 74 days in June 2012.

In contrast, collection of the April 2013 bills is up to 72% by the end of June compared to 51% of April 2012 invoices collected by the end of quarter 1 last year. Many of the April bills are under installment arrangements and are collected throughout the year by direct debit, so this collection rate will continue to improve.

During quarter 1 £266k of 2012/13 debt has been collected, increasing the overall collection rate for 2012/13 to 92%.



Debts Outstanding	Mar 2012	Mar 2013	31 May 2013		30 June 2013		Doubtful Debt Prov'n	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	450.9	72.2		71.9		71.4	100%	71.4
2012/13 Debt		483.6		217.1		210.3		
Q1		3.7	3.2		3.0		100%	3.0
Q2		7.5	6.8		6.4		75%	4.8
Q3		8.7	7.6		7.1		50%	3.6
Q4 Jan		463.7	199.5		193.8		10%	19.4
2013/14 Debt								
Q1 Apr			113.1		82.9		10%	8.3
Q1 May			223.1		86.1		10%	8.6
Q1 Jun			4.9	341.1	363.1	532.1	10%	6.5
Q2 Jul					9.7		10%	1.0
Q2 Aug							10%	0.0
Q2 Sept				0.0		9.7	10%	0.0
Total Debt o/s	450.9	555.8	630.1		823.5			126.5

Doubtful debts

With the increase in overall debt since the end of March, the level of doubtful debts has risen to £127k.

Following an additional bad debt provision contribution of £20k in March the current value on the provision is £123k.

Secured Debts

The Council also has £28.7k of default works invoices outstanding in two cases of debts secured on the premises to which the costs relate. These are not included above.

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Capital Resources

Table 1 - 2013/14 receipts

Major Receipts:	Original Expect'ns £000	YTD Actual £000	Total Forecast £000	Surplus / (Deficit) £000
Capital Receipts				
Land & Property Sales	100	-	100	-
Cost of sales		2	(2)	(2)
	100	2	98	(2)

Table 2 - Useable Capital Receipts

Useable Capital Receipts Forecast	£ 000
Balance at April 2013	1,280
Capital Receipts in 2013/14	98
	1,378
Revenue Contributions (RCCO)	
from Earmarked Reserves	131
from S106 agreements	59
from Revenue Operations	40
Total Capital Resources 2013/14	1,608
Capital Programme spend	(1,178)
Useable Capital Receipts Mar 2014	430
Reserved for housing	(235)
Unreserved balance	195

Current issues

There have been no capital receipts from asset sales in quarter 1.

The cost of sales in table 1 above relate to CPO properties at the end of 2012/13, one of which is yet to be sold. Any sale proceeds will be netted off against these costs as and when they materialise, with the balance being ring-fenced for future CPO projects.

Green Vale Homes VAT Shelter entitlement is included in the original revenue budget now. Any additional receipts will be transferred to the Pension Fund Earmarked Reserve.

Financing the Capital Programme

The opening balance of Useable Capital Receipts was £1,280k, though £593k of this was required to finance continuing projects, as shown in the slippage table on the following page.

With the addition of £230k from reserves, Section 106 agreements and revenue operations, the total capital resources available are predicted to be £1,608k. Following the use of £1,178k as shown above and on the following page, the estimate of unreserved general fund capital receipts at March 2014 is £430k. Of this £235k is ring-fenced for future housing projects, such as CPO projects or DFGs, leaving £195k for capital programmes in future years.

Future issues

The DFG grant allowance for 2013/14 has been received at the level anticipated and Green Vale Homes (GVH) has confirmed that they will again support a further £200k of DFG works to ex-council house properties. However, DFG grant beyond 2014/15 remains uncertain and for prudence the future capital programme proposals assume no DFG grants beyond March 2015. Similarly the GVH support is only confirmed annually.

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Capital Programme Spending

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

SERVICE AREA	2013/14 Original Capital Programme	2013/14 Revised Capital Programme	Period 03 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										
Communities & Operations	391	717	27	0	717	9	346	199	163	0
Customer Services & e Govt	0	21	5	16	21	0	0	0	21	4
Regeneration	0	19	0	0	19	19	0	0	0	0
Corporate Support Services										
Finance & Property Services	157	472	106	0	472	0	472	0	0	0
Leisure Facilities	0	11	11	0	11	0	0	0	11	0
Other PRG Projects	0	31	5	15	31	0	0	31	0	0
Housing	653	978	147	0	978	848	130	0	0	0
	1,201	2,249	301	31	2,249	876	948	230	195	5

Capital Programme

The original capital programme for 2013/14 approved in February was £1,201k, to which £825k of ongoing projects has been added, as per the table on the right.

To date a further £223k of additional capital works have been identified, as detailed below, bringing the revised programme up to £2,249k.

Slippage items from 2012/13	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	Reserves	RBC Int Borrow
Sharneyford Play Area	9	9			
Cutler Play Area	3		3		
Stacksteads Riverside Park	18	18			
Cemeteries	83		83		
Sports playing fields	192		192		
Whitworth land remediation	19	19			
Car Park upgrading	13		13		
IDOX software implement	20				20
Emergency Works	150		150		
Building Maintenance	18		18		
Accommodation Project	134		134		
Signage	31			31	
Leisure Facilities (retention)	10				10
DFGs	125	125			
	825	171	593	31	30

Current Issues

There have been two additions to the 2013/14 capital programme during quarter 1

- Green Vale Homes have confirmed that they will support up to a further £200k of disabled adaptations to their properties in 2013/13.
- Works at Edgeside play area have been agreed, using Section 106 agreement funds.

Progress on the capital programme to date has included

- commencement of works at Edgeside play area and the conclusion of work at Stacksteads Riverside Park.
- continuation of the works to create a new One Stop Shop at the Business Centre, which is due to open on the 19th August.
- final costs at some of the 2012/13 projects, including the loading bay at Henrietta Street depot and resurfacing at Waterfoot car park.
- DFG spend to date is £147k, most of which relates to grants agreed before the end of 2012/13, for which the grant funds were brought forward.
- Officers are about to tender for the main building repairs and maintenance contract.

Against the revised programme of £2,249k costs paid or committed to date are £332k (15%).

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Minimum Revenue Provision

In the capital programme on the previous page there are plans to finance £195k of costs from internal borrowing in 2013/14. 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 2013/14 was £675k, of which £445k related specifically to operational vehicles and equipment and £11k was for the new desktop virtualisation project.

Minimum Revenue Provision (MRP)	Original MRP Budget 2013/14	Revised Budget 2013/14	Variance (Adv)/Fav 2013/14	Current MRP Forecast 2014/15	Impact of 2013/14 additions	Revised MRP forecast 2014/15
Refuse Collection	288	292	-4	288		288
Street Sweeping	80	77	3	80		80
Parks	77	77	0	77		77
IT	14	11	3	24	4	28
Facilities	14	14	0	14		14
Leisure Investment	87	87	0	87		87
Non-distributed Costs	115	122	-7	115		115
	675	680	-5	685	4	689

MRP in 2013/14 also includes a full year repayment of the Leisure and Regeneration investment projects and the solar panels project. The cost of works in 2013/14 will increase the MRP requirement in 2014/15 by £4k to £689k.

Section 106 Receipts Monitoring

Section 106 Agreements	Third Party Projects £000	RBC Revenue Projects £000	RBC Capital projects £000	Total Held £000
Balance b/wd at 1st April 2013	293.1	261.4	258.4	812.9
Deposits received in 2013/14	10.5	-	98.5	109.0
Deposits applied in 2013/14	(25.4)	(64.7)	-	(90.1)
Current Balance	278.2	196.7	356.9	831.8

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

Planning Ref	Area	Site	Purpose	Time Period	Current Balance
RBC Maintenance:-					
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	none stated	134,846
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	none stated	10,000
2001/003	Haslingden	Clough End Rd	Park upgrade	none stated	10,000
2010/428	Helmshore	Free lane	Helmshore Park - project in progress	Exp May 2015	37,000
2008/587	Borough	PCT, Bacup Rd, Rawtenstall	Irwell Sculpture Trail	none stated	4,827
					196,673
RBC Capital:-					
2007/737	Edenfield	Market St	Edenfield Community Centre	Exp May 2018	10,000
2011/0046	Helmshore	Holmefield House	Open Space	Exp Aug 2017	101,084
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces / Youth	Exp May 2017	41,500
2010/433	Whitworth	Eastgate	Open Spaces/ Affordable housing	Exp Jul 2017	105,835
210/692	Bacup	Lee St (Morrisons)	Transport, Heritage & Improvements	Exp June 2018	98,500
					356,919

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Collection Fund

Cumulative collection rates	LI 9 Council Tax			LI 10 NNDR		
	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
April	11.02	11.16	11.15	16.08	14.31	12.25
May	20.52	20.51	20.40	21.79	23.33	20.47
June	29.81	29.62	29.50	30.87	31.44	30.5
July	39.01	39.10		38.89	40.33	
August	49.88	48.60		52.11	53.3	
September	57.92	57.76		60.92	61.76	
October	67.39	67.41		69.39	68.6	
November	76.88	76.91		77.12	78.39	
December	86.19	86.30		86.27	86.4	
January	95.47	95.48		94.1	94.61	
February	96.70	96.75		95.38	95.63	
March	97.60	97.50		97.8	96.70	

Council Tax – June 2013 collection rate was down 0.12% on the same 2012 quarter. It is difficult at this early stage to make any full year projections. However, one significant change that may impact on collection rates is the liability to a proportion of Council Tax by those previously on full Council Tax Benefits.

NNDR – June 2013 collection rate was down 0.94% on the same 2012 quarter. There has

been no significant change to individual liabilities and it is difficult to make any robust full year forecasts at this early stage.

Localisation of Council Tax Support

In addition to reviewing Council Tax collection rates, it is now essential that we monitor the value of net billing for Council Tax given the introduction of Local Council Tax support and the impact on the Collection Fund from successful claims to revalue downwards banding on domestic properties.

	£000s
Discount granted as at June 2013	5,431
RBC Share	886
2013/14 Council Tax Discount Budget	
Initial Grant	848
Transitional Grant	23
Budget Cost to Council	31
Budget Expected Growth	17
	919
Current Surplus	33

We can see from this table that currently we are within our budget expectations, however, given that the scheme is in its infancy and the early part of the year it is too early to predict a continued full year surplus.

Local retention of Local Business Rates (NNDR)

	Budget Forecast	
	2013/14 £000	2013/14 £000
Gross	12,649	12,901
Business Rates Baseline	5,060	5,160
Tarrift	3,156	3,156
Baseline Funding Level	1,904	2,005
<i>Gain on Baseline Funding</i>		101
DCLG Levy 50%		50
Gain to RBC		50

Current gross billing, after discounts, is £13.6m. However, if past years' experience is to be repeated, the current level of revaluation appeals is likely to increase. Our current forecast is therefore £12.9m with a potential benefit to Council, depending on the level of bad debt provision, of a further £50k.

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Glossary

Capital expenditure

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

Capital Receipts

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

Cash & Cash Equivalents

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

Consumer Price Index (CPI)

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

Compulsory Purchase Order (CPO)

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

Earmarked Reserves

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

Full Time Equivalent (FTE)

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

General Fund

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

Government Grants Unapplied

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

Housing Market Renewal (HMR)

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

Investments

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

Local Authority Business Growth Incentive Scheme (LABGIS)

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

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Local Strategic Partnership (LSP)

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

Medium Term Financial Strategy (MTFS)

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

Minimum Revenue Provision (MRP)

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

National non-domestic rates (NDR)

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

Provision

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

Provisional

Best forecast given current knowledge.

Reserve

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

Revenue account

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

Retail Price index (RPI) and (RPIX)

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

RPIX is the RPI excluding mortgage interest payments.

Section 106 Agreement

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

Sector

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

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