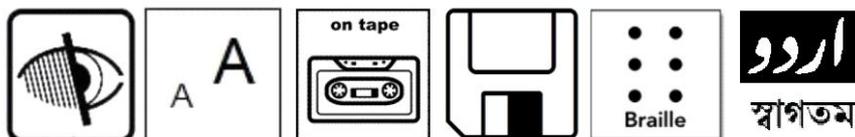


Monthly Financial Monitoring Report

2013/14 as at end of December 2013 – Quarter 3

Including a Glossary of terms on page 33



Monthly Financial Monitoring Report 2013/14 – end of December 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 are being produced each month and discussed with Budget Managers and Heads of Service.

General Fund Reserves	General Fund Reserve £000	Directorate Investment Reserve £000
Balance at 1st April 2013	1,000	353
Fav/(Adv) movement in 2013/14	139	
Planned transfers/utilisation		(5)
Contribution to Transitional Reserve	(139)	
50% transfer to Directorate Investment Reserve		
Place Directorate	-	-
Business Directorate	-	-
Corporate Directorate	-	-
Balance anticipated at 31st March 2012	1,000	348

The Qtr 3 monitoring report on the General Fund for 2013/14 is showing a £139k favourable variance compared to the original budget of £9,332k. This assumes that the planned use of £386k from the Transitional Budget Reserve is deferred to support future years as reported in Qtr 1.

In line with the MTFS it is also recommended that the remaining £139k favourable variance is transferred to the Transitional Reserve.

This will keep the General fund Reserve at the MTFS target of £1m.

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 Transitional Reserve now includes an expected net transfer in of £382k, including £139k of general underspend shown above.

A new Reserve has now been created for the Bacup Town Centre Heritage Initiative, bringing together funds from several resources and grants to provide the matched funding required.

The forecast closing balance at the 31st March 2013 is now predicted to be £6,347k, but this is forecast to drop to £5,007k by March 2017.

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 the GVH support to support works completed to date.

Homes and Communities Agency grant scheme is progressing, with £963k received to date. Of this £807k has so far been invested in homes across Rossendale and its neighbouring authorities.

The forecast balance at March 2014 is now revised to £334k, which is expected to reduce to £25k by March 2016.

Staff Monitoring – page 26

During the first nine months 21.5 FTEs have been removed from the establishment, a reduction of over 11% on the original budget position. Of the remaining 172.1 FTEs there were 2.4 vacant posts at the end of December. These changes have contributed to cash savings on staff costs during the first nine months of £162k.

Responsible Section/Team	Financial Services	Page	2
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Treasury & Cash Management - page 27 to 29

Bank balances have ended the quarter at £9.3m, marginally down from £9.7m at the end of September. Though this balance looks to be lower than planned for this time, the original estimate anticipated a precept payment in the week-ended the 3rd January but this actually occurred on the 30th December. A like-for-like comparison would be balances of £12.2m against an estimate of £11.1m.

In an effort to keep investments short-term whilst maximising interest income officers deposited £4m in a NatWest 95-day notice account early in the year. However, this has meant that the balances with the NatWest have inadvertently gone above the Treasury Management Strategy single body limits of £5m or 50% of available funds. In the autumn the rates on that account fell sharply and so funds are being withdrawn in favour of Svenska Handelsbanken. This bank has developed a UK presence over recent years, has good high credit rating scores and is highly recommended by our treasury management advisors Capita Asset Services (formerly known as Sector). Officers have opened a 35-day notice account which is offering interest rates of 0.75% compared to 0.6% with the NatWest 95-day account.

The value of outstanding sundry invoices has dropped from £758k at Q2 to £537k at the end of December, 40% of which is under 30 days old. The value of invoices raised to date is £2,122k which is 13% above the same time last year due to the creation of some large invoices for S106 agreements over the summer. The debtor days performance has improved to 59 days (55 at Q3 in 2012/13) compared to the target of 80 days. The doubtful debt figure is now £117k, against which the Council has a £123k provision so there are no plans to make further provision at this time.

Capital Receipts – page 30

There have been three asset sales during the year to date totalling £158k, added to useable capital receipts at the beginning of the year of £1,280k. Additional resources of £393k from reserves, section 106 agreements and revenue operations, mean that the total resources available during the year are expected to be £1,831k.

The new projects in Q3 are all funded from external resources so the revised capital programme will require £1,222k from the above resources. Therefore, the unapplied capital receipts at the end of the year are expected to be £227k for general fund activity and £382k for housing projects.

Capital Programme and Funding – page 31 to 32

The original capital programme for 2013/14 was £1,201k with a further £825k being rolled over from 2012/13. Projects added during the year now total £511k, including the Stacksteads Cycleway and Veterans in Communities projects funded by external grants.

This gives a revised capital programme of £2,537k, against which £1,108k has been spent or committed to date (44%). Activity in qtr 3 has focussed on DFG grants, the tendering and commencement of works at Snig Hole play area and the Stacksteads Cycleway and support for Veterans in Communities.

Collection Fund 2012/13 – page 33

The Council Tax Support scheme is currently experiencing a drop in the numbers of people claiming support and this is projected to generate a surplus for Rossendale Borough Council up to around £112k.

Non-domestic rates are also showing a potential surplus of up to £93k for the Council.

Responsible Section/Team	Financial Services	Page	3
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

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 Qtr 3 (Adv)/Fav £000
Place Directorate					
Communities	1,355.6	1,280.7	74.8	67.4	7.4
Customer Services and E-Government	1,324.7	1,278.5	46.2	47.6	(1.4)
Place Operations	2,075.4	1,954.0	121.4	89.7	31.7
Business Directorate					
Building Control Services	128.3	109.6	18.6	19.5	(0.9)
Legal & Democratic Services	749.5	653.9	95.5	63.4	32.1
Planning Services	27.1	(11.5)	38.6	61.8	(23.2)
Local Land Charges	22.0	11.7	10.3	9.2	1.1
Licensing & Enforcement	145.7	138.9	6.8	15.5	(8.7)
Health, Housing & Regeneration	895.6	815.4	80.6	55.4	25.2
Corporate Support Services					
Corporate Management	337.5	342.4	(4.9)	(18.2)	13.3
Finance & Property Services	1,394.6	1,411.9	(17.2)	(6.6)	(10.6)
People and Policy	372.8	299.4	73.4	39.9	33.5
Non Distributed Costs	390.7	402.8	(12.1)	(7.7)	(4.4)
Capital Financing and Interest	213.5	215.4	(1.9)	2.3	(4.2)
Leisure	381.0	386.2	(5.2)	(5.2)	-
Use of Earmarked Reserves	(482.3)	(96.3)	(386.0)	(386.0)	-
Favourable impact on General Fund	9,331.7	9,193.0	139.1	48.0	91.1

The revenue position at the end of Quarter 3 takes account of various favourable and adverse variances, including the reversal of the planned £386k usage of the Transitional Reserve as reported in quarter 1, coming to a net favourable £139k.

Total anticipated favourable variance in relation to staff is £508k favourable. The table on page 26 shows a current reduction of 14.5 FTEs against the original establishment of 193.6 FTEs at the start of the year. The cash effect during the first 9 months of the year has been £162k.

The other main areas of non-staff movements in quarter 3 can be seen in the table opposite.

- Recovery of overpaid benefits looks to be resulting in £20k additional income, but IT software costs have risen by £13k. To save costs in the future officers are investing £10k to remove the servers from Hardmans Mill.
- Income in the business directorate continues to be above the original budget.
 - The licencing income forecast has risen by a further £67k for the year and this is being transferred to the Transitional Reserve.
 - Planning applications has slowed somewhat, resulting in a reduction of £22k in the forecast favourable variance to £13k.
 - The costs of elections in prior years has been partly recovered, resulted in a favourable variance of £20k.
- New trade waste contracts have increase the income projection by £11k
- Officers are currently providing maternity cover for the Whitworth Town Clerk and will be recovering £12k of costs as a result.
- There is expected to be a £39k underspend in costs for consultation and publicity.

Responsible Section/Team	Financial Services	Page	4
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Major movements during Q3	Favourable /(Adverse)	Net
Communities		
Staff costs	2.0	
Cemeteries income	(11.0)	
Section 106 funding for Parks Tools and Equipment	10.0	
Other minor variances	6.5	7.5
Customer Services and e Government		
Relocation of servers from Hardmans Mill	(10.0)	
Recover of Benefits overpayments	20.0	
Software Licences & Government Connect	(13.0)	
Other minor variances	1.6	(1.4)
Place Operations		
Staff costs	7.3	
Trade Waste income	11.4	
Recycling income	2.0	
Fuel	4.8	
Protective clothing & tools & equipment	5.8	
Other minor variances	0.4	31.7
Business Directorate		
Staff costs, net of support from Burnley Council	4.7	
Planning income	(21.8)	
Elections - recovery of previous costs from LCC and PCC	19.9	
Elections - net Register 2013/14 and no by-elections	4.3	
Licencing income (net of associated additional costs)	66.9	
Transfer to Licencing Reserves	(67.0)	
Committee Servicing costs re Licencing Committee	(9.4)	
Legal income	7.6	
Other minor variances	(4.7)	0.5
Business - Health, Housing & Regeneration		
Staff costs	6.7	
Whittaker Park Management Fee	3.1	
Environmental Health permitted processes monitoring fees	4.4	
Other minor variances	11.0	25.2
Corporate Management		
Staff costs	6.0	
Strategic Review of Pennine Lancashire	(5.0)	
Recharge of support for Whitworth Town Council	12.2	
Other minor variances	0.1	13.3
Finance & Property Services		
Staff costs	(3.3)	
Building running costs (gas, electricity, water, NNDR)	2.4	
Property rental income	(1.9)	
Other minor variances	(7.9)	(10.7)
People & Policy (incl P&P & Comm)		
Consultation & Publicity	39.0	
Electronic production of payslips - implementation costs	(2.0)	
Other minor variances	(3.0)	34.0
Non-Distributed Costs & Capital Financing		
Interest receivable	2.5	
Transfer to Pension Reserve	(46.0)	
Other minor variances	(4.3)	(47.8)
This month's favourable/(adverse) variance on the General Fund		52.3

Responsible Section/Team	Financial Services	Page	5
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Communities - Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
Strategic Functions					
Community Management & Admin	(1.4)	(3.0)	1.6	1.6	-
Community Safety	54.2	53.0	1.2	1.2	0.0
Area Forum Grant Budgets	70.0	70.1	(0.1)	0.0	(0.1)
Emergency Planning	5.7	5.1	0.6	0.6	-
Grants	115.7	115.7	-	0.0	-
Localities - Non Pay Budgets	55.8	50.7	5.0	8.0	(2.9)
Haslingden, Helmshore & Edenfield Locality	322.3	304.6	17.8	15.4	2.4
Rawtenstall Locality	399.8	317.3	82.5	82.6	(0.1)
Bacup & Whitworth Locality	289.3	289.9	(0.6)	(0.4)	(0.2)
Parks & Open Spaces	313.1	310.4	2.6	(18.8)	21.4
Cemeteries	(145.1)	(127.3)	(17.8)	(6.7)	(11.1)
Markets	(123.7)	(105.8)	(17.9)	(16.0)	(1.9)
Total	1,355.6	1,280.7	74.8	67.4	7.5

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Parks Vacancy	26.0	-	26.0	
Communities Officer Vacancies	67.5	(0.7)	66.8	
Disestablished Parks post - net of redundancy and Pension Strain	(6.0)	2.7	(3.3)	
Parks Related Overtime	6.5	-	6.5	
Communitiy Management - Car Allowance	1.7	(0.1)	1.6	
Cemeteries Income	(6.7)	(11.1)	(17.8)	
Protective clothing	(2.0)	(1.4)	(3.4)	
Emergency Planning and Professional Fees	6.0	(1.8)	4.3	
Reduced Contribution to Lancashire Sports Foundation	3.2	-	3.2	
Works at Whittaker Park Bowls	(6.0)	0.3	(5.7)	
Revenue Budget to fund new Tools and Equipment	(20.0)	-	(20.0)	
Section 106 Funding for Parks Tools and Equipment	-	10.0	10.0	
Parks Related Non Pay Expenditure	(3.8)	9.1	5.3	
Maintenance of Parks Vehicles	(4.0)	(0.2)	(4.2)	
Summer Agency	15.5	0.6	16.1	
Playing Fields and Bowls Income	-	(0.3)	(0.3)	
Disposal of Obsolete Equipment	3.6	-	3.6	
Markets Income	(16.0)	(1.9)	(17.9)	
Miscellaneous parks related budgets	1.9	2.2	4.1	
TOTAL	67.4	7.5	74.9	

Responsible Section/Team	Financial Services	Page	6
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Communities Highlight Report – Quarter 3 (December)

Historic Issues

- Vacant stalls on the Council's market sites are contributing to reduced income projections, the current budgetary pressure from markets income is £17.9k.
- The summer agency season has ended now; the budget available for hiring staff to carry out the increased services has been underspent by £16.1k.

Current Quarter Issues

- The current forecast has a projected under spend of £74.8k, a favourable movement in quarter 3 so far of £7.5k.
- It was previously reported that the combined saving arising from the departure of three locality officers was estimated at £73.4k. A re-evaluation of the savings with more accurate departure dates has led to a reduction in the saving of £6.6k, resulting in a total saving in 2013/14 of £66.8k.
- The £20k set aside for a new JCB digger is now going to be incorporated into funding a large scale overhaul of the parks team's vehicles and equipment.
- Projected Cemeteries Income has declined in quarter 3 by £11.1k. Cemeteries income does not follow a regular pattern and experiences fluctuations in activity from month to month. Projecting a straight line forecast for cemeteries income currently indicates an underachievement against the budget of £17.8k.
- Previous projections for the financial implications of a parks officer taking voluntary redundancy was reported as a £6k favourable variance, however receipt of final notification of pension strain figures the in-year favourable variance has reduced to £3.3k. The officer's duties will be shared amongst other Parks staff.
- £10k of funding has been released from Section 106 monies for the provision of parks tools and equipment specifically in relation to the Douglas Road development area.
- Parks Non Pay Expenditure has moved favourably by £9.1k, partially due to recalculation of travel expenses and phone charges with the new reduced staff numbers.

Future Issues

- Plans are currently being formulated to purchase in a significant amount of new vehicle and equipment for the parks team, should these plans be approved then the revenue under spend currently being reported will reduced by £45k.

Responsible Section/Team	Financial Services	Page	7
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Customer Services & E-Government - Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
Strategic Functions					
Management and Support	78.0	77.3	0.8	0.8	(0.1)
Service Assurance Team	131.0	132.9	(1.9)	2.2	(4.1)
Revenues, Benefits and Customer Services					
Local Tax Collection	(332.8)	(340.4)	7.7	6.0	1.7
Benefits Admin	950.8	944.0	6.9	3.2	3.7
Net - Housing Benefit Payments made & Subsidy received	(98.5)	(132.6)	34.1	13.7	20.5
Information and Communications Technology					
Technology	568.0	581.4	(13.5)	10.1	(23.6)
Pest Control					
Pest Control	-	(1.7)	1.7	2.2	(0.5)
Dog Warden					
Dog Warden	28.2	17.8	10.4	9.5	0.9
Total	1,324.7	1,278.5	46.2	47.6	(1.4)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Cash recovery of Housing Benefit over-payments	16.5	20.1	36.6	
Car Allowances & Other staff travel related expenditure	6.0		6.0	
Purchase of Computer Equipment	3.3	2.5	5.8	
Web Development	10.0		10.0	
Debit Card Collection Costs	6.0		6.0	
ICT Officer Vacancy	14.0		14.0	
Dog Warden Service / Pest Control	9.0	4.1	13.1	
Implementation Costs - Unified Intelligent Desktop	(8.5)		(8.5)	
Implementation costs - Intregation of Leisure Trust ICT		(2.0)	(2.0)	
Relocation of Council Servers from Hardman's Mill		(10.0)	(10.0)	
Software Licenses	(6.0)	(10.0)	(16.0)	
Government Connect / ICT Penetration Testing	(3.7)	(3.0)	(6.7)	
Other various minor variances	1.0	(3.1)	(2.1)	
TOTAL	47.6	(1.4)	46.2	

Responsible Section/Team	Financial Services	Page	8
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Customer Service & E-Government Highlight Report – Quarter 3 (December)

Historic Issues

- 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.

Current Quarter Issues

- The headline figure is a projected under spend of £46.2k, an adverse movement from September of (£1.4k) The key movements are detailed below.
- A large recovery of a Housing Benefit over payment resulted in a favourable budget movement of £20.1k.
- There has been an adverse movement on software license expenditure of £10k within the quarter. The most significant issue being the financial settlement of a long standing dispute at a cost of £7.5k.
- The council intends to relocate it's computer server in order to save recurrent premises and other related costs. The relocation is anticipated to incur one off costs of £10k.

Future Issues

- Nothing to be reported.

Responsible Section/Team	Financial Services	Page	9
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Place Operations - Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
Strategic Functions					
Operations Admin / Vehicle Maintenance	424.5	373.6	50.9	40.5	10.4
Operational Functions					
Refuse Collection	981.5	955.0	26.5	(1.3)	27.8
Street Sweeping	669.4	625.4	44.0	50.6	(6.6)
Total	2,075.4	1,954.0	121.4	89.7	31.6

Key changes made during the quarter to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Recharge Officer Time to represent support provide to Taxi Licensing	30.5	4.6	35.1	
Vehicle Fleet Staffing underspend	7.8	1.4	9.2	
Refuse - Filling vacancies, Agency use	30.5	(10.8)	19.7	
Part Time Recycling Officer vacancy	11.0	-	11.0	
Staffing Restructure		6.5	6.5	
Refuse Efficiency Target	(25.0)	-	(25.0)	
Uplift of Refuse Modern Apprentices onto Council Pay Scale 2	(32.0)	10.0	(22.0)	
Fuel	62.7	4.8	67.5	
Recycling Income & associated costs	(11.2)	2.0	(9.2)	
Bin Deliveries	7.5	0.8	8.3	
Trade Waste Income	(5.4)	11.4	6.0	
Income from the sale of Green Bins	(4.0)	0.3	(3.7)	
Street Cleansing - vacancies / flexi retirements & Agency usage	49.8	(0.9)	48.9	
Misc Staffing related budgets - Overtime, Excess Mileage	11.8	(4.4)	7.4	
Day to Day Vehicle Maintenance & Consumables / MOT Tests	(26.0)	5.2	(20.8)	
Purchase of Lifting and Weighing Equipment	(15.0)	(4.2)	(19.2)	
Protective Clothing	(3.2)	2.5	(0.7)	
Purchase of Tools & Equipment	0.3	3.3	3.6	
Cancellation of Phone Line	1.4	0.1	1.5	
Miscellaneous Variances	(1.8)	(0.9)	(2.7)	
TOTAL	89.7	31.7	121.4	

Responsible Section/Team	Financial Services	Page	10
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Operations Highlight Report – Quarter 3 (December)

Historic Issues

- 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. At the end of Qtr 3 a straight line projection of expenditure incurred indicated an over spend of £20.8k; additionally £15.2k has been spent on new lifting equipment with a further £4k expected to be spent.
- Fuel prices dropped slightly over quarter 3, increasing the previous projection for an underspend by £4.8k. Assuming no further changes to fuel prices the budget for the Operations vehicle fleet is projected to under spend by £67.5k.

Current Quarter Issues

- The Operations budget is forecast to under spend by £121.4k, a favourable movement in the quarter of £31.6k. The key movements are discussed below:
- After close examination it appears that the part time recycling vacancy saving reported of £11k has been included in the Refuse Agency underspend reported of £30.5k. After removing this error and the quarters' fluctuations in agency use this underspend now stands at £19.7k.
- The operations team has undergone a staffing restructure affecting 7 active posts. The net in-year saving, after factoring in redundancy costs, resulting from this restructure is £6.5k. The recurrent on-going annual savings of the structure is circa £250k.
- The cost of bringing 9 modern apprentices into the councils pay role was previously reported as £32k, the cost associated with this move have been re-evaluated and the cost re-stated at £22k.
- Vacancies within the Street Cleansing budget will result in a saving of £48.9k, other miscellaneous staffing related costs such as travel, overtime etc are anticipated to deliver savings of £7.2k, this figure has reduced from the Quarter 2 report due to Refuse and Street Sweeping overtime being included in their staffing costs.
- The income projection for Trade waste income have moved favourably in the quarter £11.4k reflecting new contract gained during quarter 3.
- The Operations admin team continues to provide support to the licensing service to help deal with the increased volumes of taxi license applications. The salary savings resulting from this support are £35.1k, an increase of £4.6k from Quarter 2.
- Members of the operations team were offered the choice of taking 5 days unpaid leave or working these days at pay grade 2, as part of the Council's cost saving strategy. The cost of staff members who opted to work these 5 days was £1.7k.
- The decision has now been made to hold off on purchasing a new front line refuse fleet until 2014/15, realising a saving of £85k. This saving will be transferred into the vehicle replacement reserve in order to assist previously identified funding gaps.

Futures Issues

- Recycling tenders have been returned and the council is currently in the process of ranking the tenders. As such recycling income for the remainder of the year has been recalculated to reflect the 'expected' income based on a first look at the tenders. The total quarterly variance for recycling income has thus moved favourably by £2k.

Responsible Section/Team	Financial Services	Page	11
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Business Services - Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
Planning					
Development Control	(128.5)	(161.5)	33.0	60.9	(27.9)
Forward Planning	155.6	150.0	5.6	0.9	4.7
Land Charges	22.0	11.7	10.3	9.2	1.1
Building Control					
Building Control - Fee Earning Account	15.5	10.3	5.2	9.9	(4.8)
Building Control - Statutory Function	104.8	93.3	11.6	9.6	2.0
Building Control - Street Signs	8.0	6.1	1.9	-	1.9
Legal Services	164.9	137.0	27.9	13.9	14.1
Democratic Services					
Electoral Registration	57.6	59.8	(2.3)	1.9	(4.2)
Elections	72.4	46.7	25.7	(1.4)	27.1
Democratic Representation	392.0	360.2	31.8	38.1	(6.3)
Mayoralty	59.1	46.7	12.4	11.1	1.3
Town Twinning	3.5	3.5	(0.0)	(0.1)	0.1
Licensing & Enforcement	145.7	138.9	6.8	15.5	(8.6)
Total	1,072.5	902.6	169.9	169.4	0.5

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Planning Income	34.6	(21.8)	12.8	
New Homes Bonus Income above budget (includes return of top sliced monies)	20.3		20.3	
Planning - Restructure	6.5	(1.0)	5.5	
Planning Misc variances	5.0		5.0	
Planning - Legal Fees	(5.0)	0.3	(4.7)	
Planning - Compensation payments		(5.7)	(5.7)	
Land Charges Income	8.1	2.0	10.1	
Elections - No Bye elections anticipated before 1st April 2014		6.6	6.6	
Elections - Recovery of costs associated with hosting LCC Elections		10.7	10.7	
Elections - Recovery of costs associated with hosting PCC		9.2	9.2	
Elections - Miscellaneous variances Registrar of Electors		(2.3)	(2.3)	
Building Control Car Allowances	5.0		5.0	
Building Control Fee Income	(2.0)	(2.0)	(4.0)	
Building Control Restructre - net of redundancy costs	17.9		17.9	
Building Control - Street Signs		1.8	1.8	
Legal Staffing Vacancy	6.0	(6.0)	-	
Legal - Court Costs & associated fees	7.7	(2.4)	5.3	
Legal - Support from Burnley Council		11.7	11.7	
Legal Income	1.7	7.6	9.3	
Taxi Licensing Income & Associated Costs	298.0	66.9	364.9	
Transfer to Licensing Income to earmarked reserve	(298.0)	(67.0)	(365.0)	
Licensing & Fraud Restructure	13.4	(4.0)	9.4	
Councillors Special Responsibility Payments / Pension payments	10.5	1.0	11.5	
Committee Services - reduced Officer Hours	6.2	0.5	6.7	
Committee Services - support to Taxi Licensing	18.5	(9.4)	9.1	
Mayor's Attendants	6.4		6.4	
Mayoral Car, allowances & events		7.0	7.0	
Other minor variances	8.6	(3.2)	5.4	
TOTAL	169.4	0.5	169.9	

Responsible Section/Team	Financial Services	Page	12
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Business Highlight Report – Quarter 3 (December)

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 Quarter Issues

- The Business directorate is currently forecast to under spend by £169.4k, an adverse movement in quarter 3 of £0.5k. The key variances in month are discussed below:
- The projected income from Planning Applications has been revised downwards by £21.8 to reflect the current volume of applications.
- The Council hosts elections on behalf of other organisations such as Lancashire County Council and the Police & Crime Commissioner. Final settlement has been received with respect to these joint elections in 2012/13, resulting in a favourable movement of £19.9k. Assuming there are no local by-elections in the period January to March 2014 there will be a further £6.6k favourable movement on the elections budget.
- The Council disestablished a head of legal post and set aside £15k to purchase additional support primarily from Burnley Council. This budget of £15k is expected to under spend by £11.7k.
- A final and complete settlement of an outstanding legal charge awarded to the Council has resulted in a favourable movement on legal income of £7.6k.

Futures Issues

- The Council, in conjunction with the Local Government Association, is currently defending claims from personal search companies in relation to Land Charge Search fees. Central Government provided funding of £34k towards this liability, it is anticipated at this stage that these funds will be sufficient to meet the Council's liabilities in this matter.

Responsible Section/Team	Financial Services	Page	13
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Health, Housing & Regeneration - Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
Strategic Functions					
Regeneration Mangement & Admin	71.7	69.5	2.2	1.8	0.4
Tourism	-	0.0	(0.0)	0.0	(0.0)
Economic Regeneration					
Economic Regeneration	66.1	66.4	(0.3)	(5.7)	5.4
Whittaker Park Musuem	106.6	74.9	31.7	30.0	1.7
Regen Admin Support	28.0	27.3	0.7	0.8	(0.0)
Strategic Housing					
Housing Strategy	62.4	51.1	11.3	11.3	0.0
Homelessness	86.7	82.9	3.7	4.0	(0.2)
Private Sector Renewal	48.1	35.1	13.0	13.0	0.0
Environmental Health					
Environmental Health	426.0	408.1	17.9	-	17.9
Total	895.9	815.4	80.6	55.4	25.2

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Housing Strategy Salary - additional purchase of annual leave	4.5		4.5	
Housing Strategy - non pay budgets	7.3		7.3	
Whittaker Park Mgmt Fee	30.0	3.1	33.1	
Private Sector Renewal Flexible Retirement	7.0		7.0	
Private Sector Renewal - non pay budgets	3.0		3.0	
Parking Discs		2.3	2.3	
Environmental Health Restructure / Night Noise Service	2.7	4.7	7.4	
Environmental Health - employee joining pension scheme	(7.5)	3.3	(4.2)	
Environmental Health - changes to car allowance policy		5.1	5.1	
Environmental Health - recovery of cost from public burials		2.6	2.6	
Environmental Health - Professional fees Permitted Processes		4.4	4.4	
Homelessness - Staffing Restruture (Redundancy)		(6.4)	(6.4)	
Homelessness - revised forecast downwards temp accomodation	7.2	(2.0)	5.2	
Changes to Officer Car Allowance Scheme	2.3		2.3	
Subscriptions	3.0		3.0	
Other Misc Variances	(4.1)	8.1	4.0	
TOTAL	55.4	25.2	80.6	

Responsible Section/Team	Financial Services	Page	14
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Business - Health, Housing & Regeneration Highlight Report – Quarter 3 (December)

Historic Issues

- At the end of Qtr 2 the Health Housing & Regeneration budgets were forecast to underspend by £55.4k, the major contributing factors being Reduced Management Fee for the operation of Whittaker Park Museum £30k, salary savings arising from the purchase of additional annual leave £6.5k (Housing Strategy), Flexible Retirement £7k (Private Sector Renewals) and various other non-pay under spends.

Current Quarter Issues

- Health, Housing and Regeneration are forecast to under spend by £80.6k, a favourable movement from the previous quarter of £25.2k, the significant variances are:-
- Changes to the Council car allowance policy and an employee leaving the Council's pension scheme has resulted in a favourable movement in the quarter of £8.4k.
- The recovery of costs previously incurred in respect of a public funeral has resulted in a favourable movement budget of £2.6k.
- Professional fees associated with the inspection and regulations of permitted environmental processes are anticipated to under spend by £4.4k.
- The restructure of the Homelessness Team has resulted of non-recurrent costs of £6.4k in the current financial year. The restructure will generate recurrent annual savings of £32k.

Future Issues

- Nothing to report

Responsible Section/Team	Financial Services	Page	15
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Corporate Management - Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
Corporate Management					
Executive Office	286.5	271.6	14.9	8.8	6.1
Corporate Contingency	-	19.8	(19.8)	(27.0)	7.3
Executive Support & Corporate Subscriptions	47.0	47.0	(0.0)	(0.0)	(0.0)
Concessionary Fares	4.0	4.0	0.0	0.0	-
Total	337.5	342.4	(4.9)	(18.2)	13.3

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Changes to Car Allowance Scheme	0.8		0.8	
Concessionary Fares	0.8		0.8	
Zero percent uplift to Chief Officer salaries	4.5		4.5	
Director of Communities Vacancy		6.0	6.0	
Contribution towards - Strategic Review Pennine Lancashire		(5.0)	(5.0)	
Rosendale Together Partnership	(5.0)		(5.0)	
Compensation Payment - Culvert Related Works	(25.0)		(25.0)	
Support provided to Whitworth Town Council		12.2	12.2	
Various Misc non pay budgets	5.7	0.1	5.8	
TOTAL	(18.2)	13.3	(4.9)	

Responsible Section/Team	Financial Services	Page	16
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Corporate Management Highlight Report – Quarter 3 (December)

Historic Issues

- Nothing of significance had previously been reported.

Current Quarter Issues

- The Corporate Management budget is forecast to over-spend by £4.9k, a favourable movement in the quarter of £13.3k.
- There is favourable movement of £12.2k resulting from a recharge to Whitworth Town Council in recognition of the services provided by various Council employees in the absence of the Town Clerk.
- The Director of Communities leaves at the end of February, there is an anticipated vacancy saving of £6k.
- In conjunction with other neighbouring local authorities, the Council has made a financial contribution to a strategic review within Pennine Lancashire at a cost of £5k.

Futures Issues

- Nothing to report.

Responsible Section/Team	Financial Services	Page	17
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Finance and Property Services - Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
Financial Services Team	394.4	413.8	(19.4)	(20.2)	0.8
Internal Audit	69.5	71.4	(1.9)	(0.7)	(1.2)
Corporate Costs					
External Audit Fee	64.0	66.0	(2.0)	(1.9)	(0.1)
Bank Charges (net of fees)	17.2	18.5	(1.3)	(1.8)	0.5
Treasury Management	6.6	6.5	0.1	0.1	-
Property Services					
Property Services Team	250.5	257.4	(6.9)	5.5	(12.5)
Corporate Estates	(29.2)	(16.9)	(12.2)	(9.2)	(3.1)
Non Domestic Estates	(98.7)	(100.9)	2.2	1.4	0.8
Office Accommodation	234.8	182.3	52.4	46.5	5.9
Operational Properties	357.8	352.3	5.5	1.7	3.8
Leisure Properties	59.8	59.7	0.1	(1.2)	1.3
Bus Shelters	(9.7)	(6.0)	(3.7)	(3.3)	(0.5)
Business Centre	77.7	107.6	(30.0)	(23.6)	(6.4)
Total	1,394.6	1,411.9	(17.2)	(6.6)	(10.7)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Admin Charges - Credit Card Collection of Council Tax	1.0	-	1.0	
Bank Charges	(1.0)	-	(1.0)	
External Audit Fee - NFI Prior Year	(1.9)	-	(1.9)	
Finance Team - Restructure / Pension Strain	(13.6)	-	(13.6)	
Insurance	(4.6)	(3.1)	(7.7)	
Miscellaneous - non pay Finance Budgets	(4.4)	3.0	(1.4)	
Water	5.7	(1.7)	4.0	
NNDR	(1.3)	5.1	3.8	
R&M	(0.1)	(0.3)	(0.4)	
Electricity	2.5	(1.8)	0.7	
Gas	3.2	1.1	4.3	
Cancellation of BT lines	4.7	-	4.7	
Estates income (Daniel St unit, BEH)	(8.6)	(1.9)	(10.5)	
Property Team - Restructure	30.8	(3.3)	27.5	
Departure Charges	(2.0)	(0.5)	(2.5)	
Courier van rental for remainder of year	-	(1.2)	(1.2)	
Legionella Costs	(1.3)	1.0	(0.3)	
Cleaning at Kay St & Futures Park	(5.1)	-	(5.1)	
Asbestos - Marl Pits Boiler	(4.8)	-	(4.8)	
Markets - Refuse in-house	5.3	-	5.3	
Heys St Industrial Units insurance excess	-	(2.5)	(2.5)	
Business Centre - Rental income	(7.8)	(0.8)	(8.6)	
Business Centre - Miscellaneous Expenses	(2.1)	(1.6)	(3.7)	
Property - Miscellaneous Expenses	(1.2)	(2.2)	(3.4)	
TOTAL	(6.6)	(10.7)	(17.3)	

Responsible Section/Team	Financial Services	Page	18
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Finance & Property Services - Monitoring Highlight Report – Quarter 3 (December)

Financial Services

Historic Issues

- The original budget included £30k savings anticipated from restructure. Though one-off staff restructure costs have resulted in a £13.6k adverse variance for 2013/14, the full year savings have risen to £54k.

Current Quarter Issues

- Insurance costs have increased by £3.1k, mitigated by other operational savings.

Futures Issues

- Nothing to report.

Property Services

Historic Issues

- 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 £21.5k in 2013/14 and recurrent savings of £41.3k (including £4.7k for the courier van).
- The departure of the Business Centre Manager has resulted in a further saving of £9.3k

Current Quarter Issues

- The Property Services budget is forecast to under spend by £7.3k
- The water charge budgets are showing an under spend of £4k, an adverse movement of £1.7k within the month. United utilities have deferred the new charges for Surface Water & Highway Drainage until 2016/17 which should have been phased-in in 2013/14
- With the Rawtenstall OSS building now being empty, a Business Rates refund has been received for £5.1k
- The forecast for electricity is showing a projected under spend of £0.7k, an adverse movement of £1.8k within the month
- The gas budgets are showing an under spend of £4.3k, a favourable movement of £1.1k within the month
- The tenant at Bridge End House submitted a lease surrender notice and tenancy ceased at the end September 2013. The loss of income for the remainder of the year is £5.8k, mitigated by the increase of income for rent of land of 3.9k. Total movement within the month is a negative £1.9k
- Final costs for Property Services restructure are £3.3k bringing the overall saving to 27.5k.
- A fire which broke out in an industrial unit at Heys St at the beginning of November has affected 3 units. The cost to rebuild/loss of rent is covered by the insurance, RBC to pay the excess of £2.5k

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.

Responsible Section/Team	Financial Services	Page	19
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

People and Policy - Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
People & Organisational Development Human Resources	372.8	299.4	73.4	39.9	33.6
Total	372.8	299.4	73.4	39.9	33.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
One off Costs associated with HR Admin Restructure	(3.3)		(3.3)	
Drug & Alcohol Screening Products		(2.6)	(2.6)	
Implementation costs associated with Electronic production of payslips		(2.0)	(2.0)	
Printing of Pay Slips	7.8	0.1	7.9	
Staff Training	34.0	(1.0)	33.0	
Consultation & Publicity Budget		39.0	39.0	
Other Miscellaneous variances	1.4		1.4	
TOTAL	39.9	33.5	73.4	

Responsible Section/Team	Financial Services	Page	20
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

People & Policy Highlight Report – Quarter 3 (December)

Historic Issues

- Nothing significant has been reported.

Current Quarter Issues

- The People & Policy budget is forecast to under spend by £73.4k, a favourable movement of £33.6k in the quarter.
- As previously alluded to, there has been minimal expenditure throughout the year against the Council's Consultation and Publicity budget, consequently it has been decided to release the unspent monies to revenue. This has resulted in a favourable variance of £39.5k.
- There was a £2k implementation cost associated with the introduction of electronic payslips. The introduction of electronic payslips generating recurrent annual saving of £8k.
- During the quarter the Council purchased drug and alcohol screening equipment at a cost of £2.6k.

Future Issues

- The budget forecast assumes that the Consultation & Publicity budget of £40k, will be fully spent, actual expenditure at the end of the quarter is only £0.5k.

Responsible Section/Team	Financial Services	Page	21
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Non-distributed Costs, Corporate Resources & Leisure Services

Quarter 3 (December)

Summary	2013/14 Org Budget £000	2013/14 Forecast £000	2013/14 Variance (Adv)/Fav £000	Variance last reported Quarter 2 £000	Change in Quarter 3 (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	221.8	110.6	111.2	66.8	44.5
Other Non-distributed Costs	168.9	292.2	(123.3)	(74.5)	(48.8)
Capital Financing					
Minimum Revenue Provision	114.5	122.1	(7.6)	-	(7.6)
Investment Interest	99.0	93.3	5.7	2.3	3.4
Leisure	381.0	386.2	(5.2)	(5.2)	-
Total	985.3	1,004.4	(19.1)	(10.6)	(8.5)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Dis-establishment of various posts	138.4	-	138.4	
Pension Auto Enrollment / Unpaid Leave	43.2	-	43.2	
Pension savings - previously added years	24.4	4.4	28.8	
Transfer to Pension Reserve for future liabilities	(206.0)	(4.0)	(210.0)	
Interest income	2.3	2.5	4.8	
ICT investment Leisure integration project	(5.2)	-	(5.2)	
Refund on previous insurance claim		39.0	39.0	
Contribution required to MMI insurance provision		(44.0)	(44.0)	
Other minor variances	(7.7)	(6.4)	(14.1)	
TOTAL	(10.6)	(8.5)	(19.1)	

Responsible Section/Team	Financial Services	Page	22
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Non-Distributed Costs & Capital Financing - Highlight Report – Qtr 3 (December)

Historic Issues

- 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 was forecast to under spend by £24.4k but during Q3 this has increased to £28.8k. 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 2014 onwards.
- The integration of Rossendale's Leisure Trust ICT environment with the Council's has resulted in additional costs of £5.5k.

Current Quarter Issues

- The projected adverse variance on the Non Distributed budgets is £19.1k.
- The capital programme has been revised and the impact of MRP has been re-assessed, confirming an additional £7.5k impact above the original budget.
- Interest income forecast has been reviewed following changes to interest rates, the November Cabinet decision to widen the Council's portfolio for investments and the current level of balances being held. Total interest income is now expected to be £4.8k above the original budget.
- Further information has been received regarding the values of historic insurance claims, some of which is due to be settled in this year (see below). This has led officers to recommend an increase of £44k in the provision being held. Much of this is being funded from a insurance claim receipt of £39k received recently.

Future Issues

The historical scheme of arrangement with the Councils previous insurer, Municipal Mutual Insurance (MMI) has now been triggered at a levy rate of 15%. The cost to Council is £112k which has previously been provided in full. Further consideration of the remaining provision will be made at the end of the year with a likely further increase in the provision of c.£20k (equivalent to 25% of claims).

Responsible Section/Team	Financial Services	Page	23
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Change Manag't	Director Invest Reserve	Budget Volatility Reserve	Transitional Budgetary Support	Regen Reserve & Planning	Vehicle Reserve	Homeless' Reserve	Leisure Reserve
	AN060103	AN060123	AN060110	AN060129	AN060109	AN060130	AN060127	AN060118/9
Balance at 01/04/13	1,556.9	353.2	300.3	815.0	489.1	306.6	186.8	681.4
Funds Received 2013/14								
2013/14 grants	16.4							
Revenue income received						35.5		
Revenue income anticipated				382.0		85.0		
Total Funds Available	1,573.3	353.2	300.3	1,197.0	489.1	427.1	186.8	681.4
2012/13 Utilisation Deferred								
Bacup Town Centre Heritage Initiative		(3.8)						
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?)						(140.0)		
Admin Support to Regeneration								
Tourism Support								
Regeneration Officer								
Area Forum Grants								
2013-14 Other Utilisation Plans								
General budget support not required now				368.0				
Add'l Vehicle Maintenance spend year 4						(73.5)		
Regeneration AdminSupport					(22.8)			
Regeneration Redundancy Payments					(24.3)			
PRG - Leisure Facilities (Marl Pits)								
PRG - Rolling Boar Trails / Cycle Rack								
Environmental Studies - Futures Park					(18.0)			
Strategic Housing Market Needs Assesment					(30.0)			
Youth Homelessness funding							(61.4)	
PRG Adrenalin Gateway Program								
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)								
Children Trust								
Additional pension payments								
East Railway Comuted Sum								
THI Contribution		(39.4)			(65.0)			
Pension fund contributions								
Reserve Estimates 31/3/14	1,573.3	310.0	300.3	1,197.0	329.0	213.6	125.4	681.4
Future Contributions/Utilisation Plans								
2013/14 Plans								(24.6)
2014/15 Plans				375.0	(88.2)	16.5	(125.4)	(18.6)
2015/16 Plans				(102.0)	(202.9)	35.5		(9.6)
2016/17 Plans				(898.0)		35.5		
Potential Reserve Balances	1,573.3	310.0	300.3	572.0	37.9	301.1	0.0	628.6

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.

Responsible Section/Team	Financial Services	Page	24
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Earmarked Reserves

Earmarked Reserves (backed items only)	(cash- backed)	Bacup N'hood Reserve	PRIDE Reserve	Perform Reward Grant	Bacup THI	Pension Fund Reserve	Operational Reserves	Total
		AN060125	AN060126	AN060120	AN060142	AN060117	AN060121	
Balance at 01/04/13		44.6	85.2	277.1	0.0	211.0	256.2	5,563.4
Funds Received 2013/14								
2013/14 grants							0.0	16.4
Revenue income received							27.0	62.5
Revenue income anticipated						501.0	0.0	968.0
Total Funds Available		44.6	85.2	277.1	0.0	712.0	283.2	6,610.3
2012/13 Utilisation Deferred								
Bacup Town Centre Heritage Initiative							0.0	(3.8)
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				(20.0)			0.0	(20.0)
2013-14 Published Budget Utilisation								
General budget support							0.0	(368.0)
Replacement Vehicles (Hako sweepers?)							0.0	(140.0)
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
2013-14 Other Utilisation Plans								
General budget support not required now							0.0	368.0
Add'l Vehicle Maintenance spend year 4							0.0	(73.5)
Regeneration AdminSupport							0.0	(22.8)
Regeneration Redundancy Payments							0.0	(24.3)
PRG - Leisure Facilities (Marl Pits)				(12.9)			0.0	(12.9)
PRG - Rolling Boar Trails / Cycle Rack				(25.7)			0.0	(25.7)
PRG - Environmental Studies - Futures Park							(8.5)	(26.5)
Strategic Housing Market Needs Assessment							0.0	(30.0)
Youth Homelessness funding							0.0	(61.4)
PRG Adrenalin Gateway Program							0.0	0.0
Alcohol Rig Monies (Bacup Action Plan / Family Intervention)							0.0	0.0
Childfren Trust							(10.0)	(10.0)
Additional pension payments							0.0	0.0
East Railway Comuted Sum							0.0	0.0
THI Contribution		(44.6)			400.0		0.0	251.0
Pension fund contributions							0.0	0.0
Reserve Estimates 31/3/14		0.0	85.2	218.5	400.0	712.0	201.7	6,347.5
Future Contributions/Utilisation Plans								
2013/14 Plans			(85.2)				0.0	(109.8)
2014/15 Plans					(80.0)		(8.0)	71.3
2015/16 Plans					(80.0)		0.0	(359.0)
					(80.0)		0.0	(942.5)
		0.0	0.0	218.5	160.0	712.0	193.7	5,007.4

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, principally to the Transitional Budget Reserve to support the Medium Term Financial Strategy.

During Q3 funding available has been collated into one new reserve for the Bacup Town Centre Heritage Initiative. This has £400k in funds for Rossendale Borough Council projects, with a further £100k matched funding being supplied by LCC for highways projects, bringing the total matched funding for the scheme up to the required £500k..

Responsible Section/Team	Financial Services	Page	25
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Bacup Town Centre	Housing Capital Pot *	Disabled Facilities Grants *	Regen Grants (HMR)*	HCA Empty Homes	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				357.7		963.3	22.0	1,343.0
Other contributions				212.0				212.0
Total Funds Available	25.2	152.6	376.0	569.7	60.1	963.3	22.0	2,168.9
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)	(357.7)				(527.7)
Additional Utilisation in 2013/14								0.0
DFGs additional GVH element				(200.0)				(200.0)
Released to fund capital works						(807.0)	(22.0)	(829.0)
Released to GF Revenue								0.0
Anticipated Balance 31/3/14	25.2	0.0	93.0	0.0	60.1	156.3	0.0	334.6
Future Utilisation Plans								
2014/15 Empty Homes						(156.3)		(156.3)
2014/15 DFGs			(84.0)					(84.0)
2015/16 DFGs			(9.0)		(60.1)			(69.1)
Potential Reserve Balances	25.2	0.0	0.0	0.0	0.0	0.0	0.0	25.2

During quarter 3 the plans for Bacup Town Heritage initiative have been developed and the grant available here is being pooled with other Reserves on the previous sheet to create the £500k matched funding required from the Council for the scheme.

By the end of Quarter 3 £963k has been received from the HCA for Empty Homes Initiative. Officers across East Lancashire have identified 107 properties to bring back into use this year, with 27 (25%) of those being within Rossendale at a current cost of £807k so far.

Staff Costs, including agency

The table below reflects the changes to the opening operational structures approved within quarter 3, removing a further 7 FTEs to give a revised establishment of 172.1 FTEs. The total favourable variance in cash costs have now risen to £162k.

Employment Costs Quarter 3 - Dec 2013	YTD Budget £000	YTD Actual £000	Variance this Qtr (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	Original Budget Staff FTEs	FTE Changes during 2013/14	Current Vacant Posts
Place Directorate								
Communities Service	793	711	82	35	47	45.0	-4.0	0.0
Customer Services	276	264	12	10	2	9.8	-1.0	0.0
Operations Service	1,250	1,147	103	84	19	50.8	-0.4	0.4
Business Directorate								
Corporate Support Team	-	-	-	(1)	1	0.0	0.0	0.0
Building Control Services	168	131	37	10	27	5.0	-2.0	0.0
Legal & Democratic Services	293	278	15	18	(2)	12.7	-1.2	0.0
Planning Services	310	303	7	1	6	10.8	-1.0	1.0
Local Land Charges	60	60	(0)	(0)	(0)	2.0	0.0	0.0
Public Protection	178	186	(8)	(3)	(5)	8.8	-2.2	0.0
Health, Housing & Regen	601	601	0	(6)	6	19.6	-2.2	0.0
Corporate Services								
Corporate Management	257	254	3	3	0	5.0	-1.0	0.0
Finance & Property Services	453	411	42	27	15	18.1	-5.0	1.0
People & Org. Performance	161	159	2	(14)	16	6.0	-1.5	0.0
Total	4,800	4,503	297	162	134	193.6	-21.5	2.4

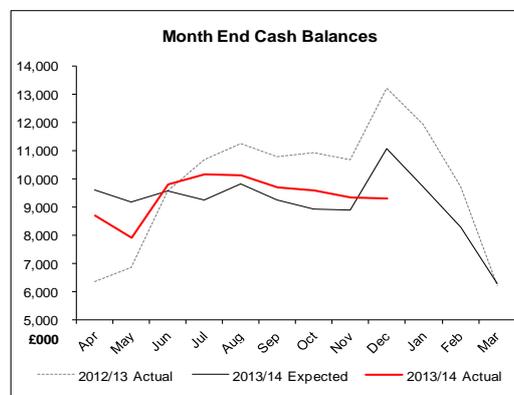
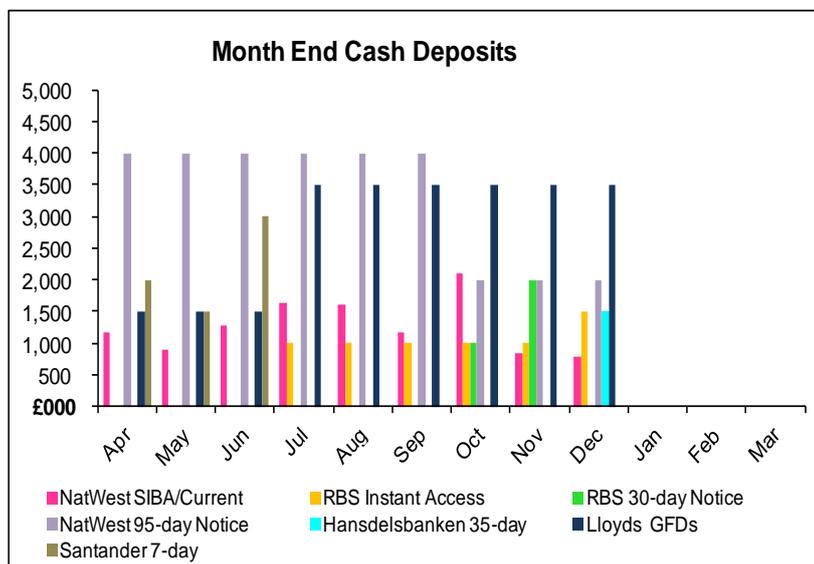
Responsible Section/Team	Financial Services	Page	26
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Treasury Management & Cash Flow Monitoring

Cash Flow Management

The bank balances have fallen slightly from £9.6m at Q2 to £9.3m at Q3. However, the original estimate of £11.1m anticipated the £2.5m precept payments going out of the account in early January, not on the 30th December. Prior to this the balance was a more comparative £11.8m.



The interest rates on the some bank accounts were reduced again in the autumn, prompting staff to look elsewhere for investment options. It also came to light that the use of the 95-day notice account had been pushing the total Natwest investments over the £5m or 50% of funds available operating limit set by the Treasury Management Strategy, the maximum being c £9m for 4 days in August and one day in September.

	Current Balance	Effective Interest Rate %
as at 31 Dec 2013	£k	
NatWest SIBA	779	0.50
Santander 7-day notice	-	0.40
RBS Instant Access	1,500	0.60
RBS 30-day notice	-	0.65
NatWest 95-day notice	2,000	0.60
Handelbanken 35-day	1,500	0.75
Lloyds for 364 days	1,500	1.10
Lloyds for 364 days	2,000	1.01
Total Bal & Avg interest	9,279	0.79

Following approval from Cabinet in November an account was opened with Svenska which will pay 0.75%. At the end of Q3 this account held £1.5m, with the intention to increase that amount in February when the notice period runs out on the final £2m of funds within the NatWest 95-day account. Until then officers will use the RBS instant access account to keep the total amount with the NatWest within the operating limits, but given the government backing for this organisation the risks are minimal.

The latest Capita Asset Services (formerly Sector) model portfolio return was 0.83% in October. Though the Council's effective interest rate at the end of December has dropped to 0.79% the table opposite compares current benchmark rates. For every deposit terms the Council is obtaining preferential rates.

Terms	Benchmark Return	Council Performance
7 day	0.35%	0.56%
1 month	0.36%	0.75%
3 month	0.40%	0.60%
6 month	0.47%	n/a
12 month	0.76%	1.05%

Interest Earned

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	6.5	3.5	3.5
Bank Interest income	79.0	80.3	1.3	(0.0)
Net Interest	(103.0)	(98.2)	4.8	3.5

The changes of account noted above are expected to compensate for the drop in interest rates, resulting in minimal change to the current forecast interest income.

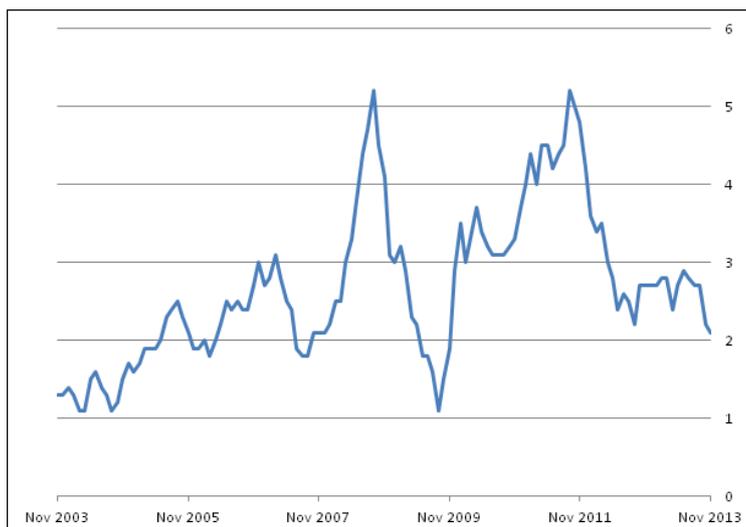
Responsible Section/Team	Financial Services	Page	27
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Economic Outlook (issued 17th Dec)

The Consumer Prices Index (CPI) grew by 2.1% in the year to November 2013, down from 2.2% in October.

The largest contributions to the fall in the rate came from food and the utilities (gas and electricity). These were partially offset by upward contributions from the transport sector and from some aspects of recreation & culture.



Interest rate forward predictions

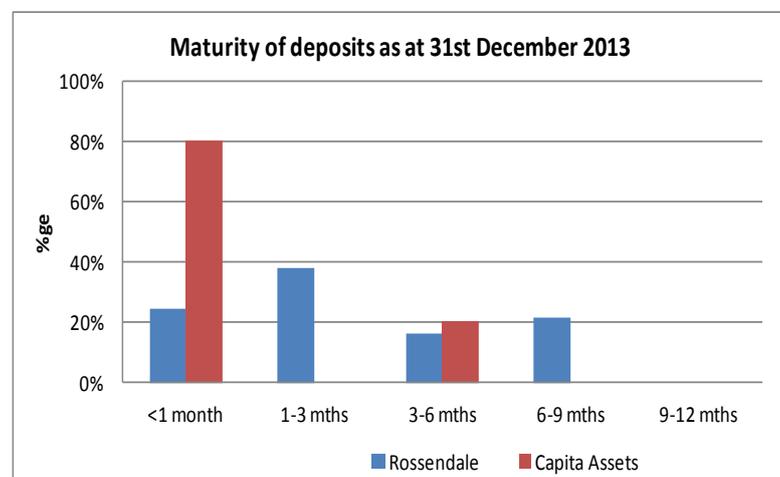
Capita Asset Services (formerly Sector) undertook a review of its interest rate forecasts in late November, after the Bank of England's latest quarterly Inflation Report. This latest forecast now includes a first increase in Bank Rate in quarter 2 of 2016 (previously quarter 3) and reflects greater caution as to the speed with which the MPC will start increasing Bank Rate than the current expectations of financial markets.

as at	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Dec 2013	2014	2014	2014	2014	2015	2015	2015	2015	2016	2016
Base Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%
25yr PWLB	4.40%	4.50%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%

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). This includes the approval by Cabinet in November of the opening of an account with Svenska Handelsbanken.

The Council's Treasury Management Practices provide operational limits for the maximum investment with any single institution as the greater of £5m or 50% of total funds available at the time of the deposit, and £10m across a single group. Back in April officers followed Capita advice to keep investments short-term by depositing £4m in a 95-day notice account with the Natwest. However, this has led to deposits with the NatWest exceeding these limits on a regular basis during the year (on 135 days up to a maximum of £9m for 4 days in August and 1 day in September). To rectify this officers

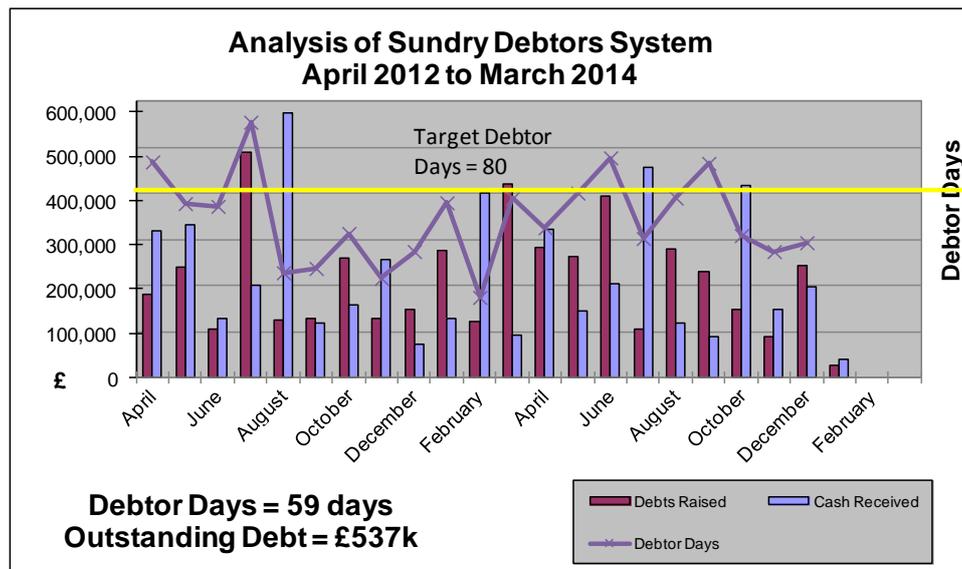


have begun to use the Handelsbanken 35-day notice account as noted on the previous page.

Responsible Section/Team	Financial Services	Page	28
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Sundry Debts Monitoring



During Q3 £498k of new invoices were raised, bringing the total value of invoices raised in 2013/14 to £2,122k (13% more than in the previous year).

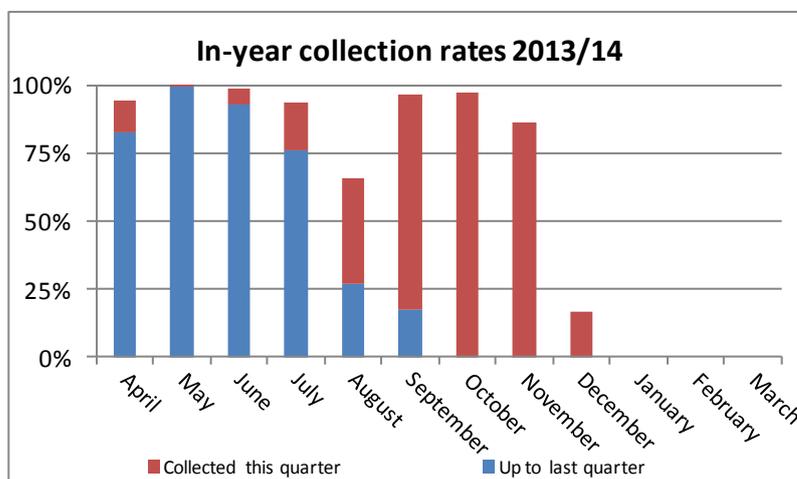
Quarter 3 has also seen the collection of many of those additional invoices (mainly for S106 agreements), resulting in a drop in debts outstanding from the £757k at Q2 to £536k at the end of Q3.

Of the £526k outstanding, now 40% is under 30 days old and one S106 agreement of £96k remains outstanding from August.

Debtor days performance has reduced from 93 days to 59 in Q3 compared to the target of 80 days and 55 days in December 2012.

Doubtful debts

With the decrease in overall debt during Q3, the level of doubtful debts have fallen to £129k. Against which the current value on the bad debt provision is £122k.



Debts Outstanding	Mar 2012	Mar 2013	30 Sept 2013		31 Dec 2013		Doubtful Debt Prov'n	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	450.9	72.2		66.3		66.0	100%	66.0
2012/13 Debt		483.6		173.0		50.8	various	40.2
2013/14 Debt								
Q1 Apr			51.1		17.6		10%	1.8
Q1 May			2.1		1.6		10%	0.2
Q1 Jun			27.7	80.9	4.5	23.7	10%	0.5
Q2 Jul			26.1		7.1		10%	0.7
Q2 Aug			212.3		100.1		10%	10.0
Q2 Sept			195.7	434.1	8.5	115.7	10%	0.9
Q3 Oct			3.5		4.4		10%	0.4
Q3 Nov					12.4		10%	1.2
Q3 Dec				3.5	210.7	227.5	10%	6.7
Q4 Jan					2.3		10%	0.2
Q4 Feb							10%	0.0
Q4 Mar				0.0		2.3	10%	0.0
Total Debt o/s	450.9	555.8		757.8		536.8		128.8

Secured Debts

In Q3 officers collected a major default work debt, leaving one debt of £11.4k secured on the premises to which the costs relate. This is not included in the table opposite.

Responsible Section/Team	Financial Services	Page	29
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

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	163	163	63
Cost of sales		5	(5)	(5)
Net receipts to table 2	100	168	158	58

Table 2 - Useable Capital Receipts

Useable Capital Receipts Forecast	£ 000
Balance at April 2013	1,280
Capital Receipts in 2013/14	158
	1,438
Revenue Contributions (RCCO)	
from Earmarked Reserves	131
from S106 agreements	191
from Revenue Operations	71
Total Capital Resources 2013/14	1,831
Capital Programme spend	(1,222)
Useable Capital Receipts Mar 2014	609
Reserved for housing	(382)
Unreserved balance	227

Current issues

Q3 saw three property receipts, totalling £155k and the return of one Equity Release Loan of £10k which will be ring-fenced for future housing services.

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.

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 earlier reports.

With the addition of £393k from reserves (Section 106 agreements, revenue operations and earmarked reserves as shown above) the total capital resources available are predicted to be £1,831k.

Following the use of £1,222k as shown above and on the following page, the estimate of unreserved general fund capital receipts at March 2014 is £609k. Of this £382k is ring-fenced for future housing projects, such as CPO projects or DFGs, leaving £227k to fund the capital programme in future years.

Future issues

The DFG grant allowance for 2014/15 has been confirmed at the level anticipated. However, DFG grant beyond 2015/16 remains uncertain and for prudence the future capital programme proposals assume no DFG grants beyond March 2016. Similarly the GVH support of £200k for DFG works to ex-council house properties is only confirmed annually. This potential drop in DFG grant funding is being reflected in the proposed capital programme for 2014/15 to 2016/17 in February.

Members should also note that the level of property sales income being reported above is not sustainable in the future. The potential drop in both of these capital funding streams is being reflected in the resources available for the proposed capital programme for 2014/15 to 2016/17 in February.

Responsible Section/Team	Financial Services	Page	30
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Capital Programme Spending

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

SERVICE AREA	2013/14 Original Capital Programme	2013/14 Revised Capital Programme	Quarter 3 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	1,085	143	198	1,085	208	383	331	163	0
Customer Services & e Govt	0	64	43	23	64	0	0	0	64	12
Regeneration	0	19	0	0	19	19	0	0	0	0
Corporate Support Services										
Finance & Property Services	157	477	222	9	477	0	472	5	0	0
Leisure Facilities	0	13	10	3	13	0	0	0	13	0
Other PRG Projects	0	31	12	7	31	0	0	31	0	0
Housing	653	848	438	0	848	848	0	0	0	0
	1,201	2,537	868	240	2,537	1,075	855	367	240	12

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 previous reports.

A further £179k of additional capital works were identified in quarter 3, as detailed below, bringing the revised programme up to £2,573k.

Current Issues

There were four changes to the 2013/14 capital programme during quarter 3:-

- As part of the Community Covenant Partnership the Council is assisting the Veterans in Communities group to convert premises at Haslingden into training and support facilities. The total capital cost of £26k is being funded by a grant awarded by the MoD.
- The planned cycleway through Stacksteads to link up with Lee Quarry facilities, was awarded funding from Natural England and the Lancashire Environmental Fund. Total costs of £143k will be met from the grant, including third-party project management costs.
- Implementation of the IDOX software has been extended to include specialist data transfer support at a cost of £26k which is being funded from future Minimum Revenue Provision charges.
- Whilst regeneration staff have identified several properties potentially requiring CPO, it is expected that the lengthy legal and consultation procedures involved will mean that planned costs of up to £130k are now likely to be deferred into 2014/15.

Progress on the capital programme during quarter 3 included

- Design and tendering of the Snig Hole play area project.
- Tendering and commencement of works on the Stacksteads cycleway project.
- a further £159k of DFG works have been paid for and approved grants now total £648k (76% of the resources available for the year).

Against the revised programme of £2,537k costs paid or committed to date are £1,108k (44%).

Responsible Section/Team	Financial Services	Page	31
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Minimum Revenue Provision

In the capital programme on the previous page there are plans to finance £240k 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	14	0	24	4	28
Facilities	14	14	0	14		14
Leisure Investment	87	87	0	87		87
Non-distributed Costs	115	122	-7	115	2	117
	675	683	-8	685	6	691

Members will note that the adverse variance in MRP required above has now been reflected in the Non-Distributed Costs section on page 22/23.

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 2013	294.6	261.4	258.4	814.4
Deposits received in 2013/14	136.4	-	98.5	234.9
Deposits applied in 2013/14	(26.4)	(125.6)	(218.2)	(370.1)
Current Balance	404.7	135.9	138.7	679.2

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	124,846
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	none stated	10,000
2008/587	Borough	PCT, Bacup Rd, Rawtenstall	Irwell Sculpture Trail	none stated	977
					135,823
RBC Capital:-					
2007/737	Edenfield	Market St	Edenfield Community Centre	Exp May 2018	549
2011/0046	Helmshore	Holmefield House	Open Space	Exp Aug 2017	6,084
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	90,567
					138,700

Responsible Section/Team	Financial Services	Page	32
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Council Tax & NNDR Collection Rates

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	29.55	30.87	31.44	30.5
July	39.01	39.10	39.01	38.89	40.33	39.43
August	49.88	48.60	48.13	52.11	53.3	51.6
September	57.92	57.76	57.47	60.92	61.76	60.92
October	67.39	67.41	66.98	69.39	68.6	67.88
November	76.88	76.91	76.37	77.12	78.39	76.23
December	86.19	86.30	85.57	86.27	86.4	84.92
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 – December 2013 collection rate was 87.57%, down on the same quarter in 2012/13. We have anticipated that the final in-year collection rate will be marginally down on previous years and factored this into our Collection Fund forecast (see below).

Business Rates (NNDR) – December collection rate was also down on the same quarter in 2012/13 at 84.92%. We are experiencing some collection difficulties with one major

commercial property owner in particular. The final year end may require a more prudent approach to bad debt provisions.

Localisation of Council Tax Support and the Collection Fund

	£000s
Discount granted as at Dec 2013	5,432
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

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 (the table currently forecasts a surplus). In addition we have seen a material reduction in the value of banding appeals compared to previous years. This together with the continued collection of previous years debt and the points noted above, currently indicate a total year end Council Tax surplus of £670k of which the Council's share will be £112k.

Local retention of Local Business Rates (NNDR)

	Budget Forecast	
	2013/14 £000	2013/14 £000
Gross	12,649	13,115
Business Rates Baseline	5,060	5,246
Tarrif	3,156	3,156
Baseline Funding Level	1,904	2,090
<i>Gain on Baseline Funding</i>		186
Less DCLG Levy 50%		93
Gain to RBC		93

At the time of writing here is still uncertainty as to how Central Government will compensate councils for the 2013/14 extension of Small Business Rate Relief. The table opposite has therefore taken the most prudent view. This together with a robust approach to both valuation appeals and bad debts indicates a potential gain to Council of £93k. Certainty regarding compensation is not likely to be made clear until the publication of the year end return to Government.

This, together with the forecast Council Tax surplus, is not included in the general revenue favourable variance.

Responsible Section/Team	Financial Services	Page	33
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Glossary

Capita Asset Services (formerly Sector)

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

Capital expenditure

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

Capital Receipts

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

Cash & Cash Equivalents

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

Consumer Price Index (CPI)

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

Compulsory Purchase Order (CPO)

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

Earmarked Reserves

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

Full Time Equivalent (FTE)

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

General Fund

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

Government Grants Unapplied

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

Housing Market Renewal (HMR)

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

Responsible Section/Team	Financial Services	Page	34
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

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

Investments

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

Local Authority Business Growth Incentive Scheme (LABGIS)

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

Local Strategic Partnership (LSP)

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

Medium Term Financial Strategy (MTFS)

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

Minimum Revenue Provision (MRP)

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

National non-domestic rates (NDR)

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

Provision

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

Provisional

Best forecast given current knowledge.

Reserve

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

Revenue account

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

Retail Price index (RPI) and (RPIX)

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

RPIX is the RPI excluding mortgage interest payments.

Section 106 Agreement

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

Responsible Section/Team	Financial Services	Page	35
Responsible Author	Finance Manager	Version	1
Date last amended	December 2013	Due for review	March 2014

