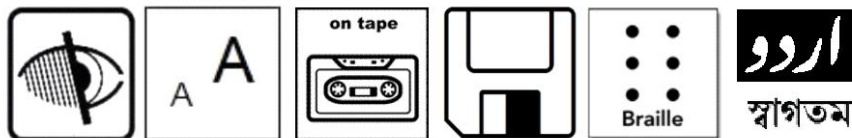


Monthly Financial Monitoring Report

2014/15 as at end of July 2014

Including a Glossary of terms on page 32



Monthly Financial Monitoring Report 2014/15 – July 2014

General Fund Revenue Operations – pages 4 to 21

During 2014/15 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.

The July monitoring report on the General Fund for 2014/15 is showing a £42.9k favourable variance compared to the original budget of £8,905k. This assumes that the planned use of £23k from the Transitional Budget Reserve is deferred to support revenue budgets in future years.

Although we are still in the early stages of the year, it is recommended that the £43k favourable variance is transferred to the Transitional Reserve, thereby keeping the General fund Reserve at the MTFS target of £1m.

Earmarked Revenue Reserves – page 22 to 23

The total cash-backed Earmarked Reserves brought forward at 1st April 2014 were £7,180k (excluding the Transport Reserve).

The Transitional Reserve now includes an expected net transfer in of £38k of general underspend shown above along with the £189k additional New Homes Bonus and £486k additional Licensing income as shown on pages 10/11. This brings the value at the end of year up to £1,938k but the MTFS report to Cabinet back in June showed a requirement for £1,992k to support the revenue budgets up to 2017/18. Therefore another £59k would be required in this Reserve to meet the MTFS needs over the next 3 years.

The Vehicle Reserve not only includes the budgeted contribution of £121k, but also the additional £100k contribution noted on pages 8/9.

The forecast closing balance at the 31st March 2015 is now predicted to be £7,943k, but this is forecast to drop to £5,569k by March 2019.

Government Grants Unapplied – page 24

The opening value of Government Grants Unapplied at the 1st April 2014 was £683k. This included £376k of Housing Capital Pot and £270k of Homes and Communities Agency (HCA) Grants.

The HCA scheme is progressing, with £1,039k received in the year to date and £1,228k having been invested in homes across Rossendale and its neighbouring authorities. This brings the total number of properties brought back into use up to 304, with 73 (24%) within Rossendale.

The forecast balance at March 2015 is now revised to £319k, which is expected to reduce to £25k by March 2017.

Staff Monitoring – page 24

During the first four months 0.8 FTEs have been removed from the establishment. Of the remaining 162.2 FTEs, there are 2 vacant post at the end of July. These changes have contributed to cash savings on staff costs of £61k, projected to rise to £133k for the full year.

Treasury & Cash Management - page 25 to 27

Interest rates have fallen further in the first four months of the year and instant access accounts are now only realising 0.25% (less than the Base Rate for the first time). To counteract this officers are in the process of opening an instant access account with Lloyds which will earn 0.4% at the moment.

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Given advice that rates are due to increase, officers are keeping investments shorter than usual and the £2m deposit which matured at the beginning of July has only been rolled over for 6 months, but this has impacted upon the rate achievable of only 0.7%. In an effort to maintain some of the interest income officers are maximising the use of the Handelsbanken 35-day notice account which is giving 0.6% for the £5m deposited. We have also placed £2m in a Lloyds 32-day notice deposit facility to earn 0.57%.

The impact is an adverse prediction of £30k on the interest income.

At almost £1.5m, the level of invoices issued since April is 25% up on last year and this has led the outstanding debt value to rise to £702k. Of this 51% is under a month old and so not strictly overdue yet, but this has impacted on both the debtor days (rising from 60 days at year-end to 88 days in the 12 months to the end of July) and in terms of the potential doubtful debts. Though the doubtful debts level looks to be above £196k, officers are in negotiations with a developer to resolve issues pertaining to one large invoice from August 2013. There may be a need to make further bad debt provision by the year-end.

Capital Receipts – page 28

Receipts from asset sales have been slow in the first four months, but officers are still optimistic about achieving the target of £100k, given the current work in progress within Property Services.

Capital Programme and Funding – page 29 to 30

The £896k of slippage on capital projects crossing the financial year-end has been added to the approved capital programme for the year of £910k. New projects have added a further £261k to date, mainly the GVH approval of up to £200k of DFG works to their properties and £60k of sports grants have been received to allow the renovation of Marl Pits pavillion to be expanded. This means that the revised capital programme for 2014/15 now totals £2,067k.

In terms of capital activity, the parks equipment was received in time for the summer season and the Marl Pits pavilion work is almost complete. Staff have begun to work on the vehicle replacement programme in order to ensure that the vehicles are operational in time for the beginning of 2015/16 financial year.

Collection Fund 2014/15 – page 31

Collection rates for both Council Tax and Business Rates are marginally down on this time last year, but both are predicting a year-end surplus at this stage.

Council Tax has seen policy changes and a slow-down in rating appeals which look set to return a surplus of £198k for the Council.

Business Rates variances include changes to the S31 Grant which compensates the Council for loss of income from national decisions to extend reliefs for business and these could lead to a surplus of £342k for the Council against budget.

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General Fund Revenue Operations

General Fund Summary - Period 4 (July)

Service Area	2014/15 Original Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Place Directorate					
Customer Services and E-Government Operations	1,415.1	1,385.6	29.5		29.5
	2,614.2	2,592.7	21.3		21.3
Business Directorate					
Building Control Services	6.1	2.3	3.7		3.7
Legal & Democratic Services	703.5	665.0	38.5		38.5
Planning Services	(81.5)	(151.5)	70.0		70.0
Local Land Charges	13.5	1.1	12.4		12.4
Licensing & Enforcement	64.8	63.6	1.2		1.2
Health, Housing & Regeneration	821.5	798.6	22.9		22.9
Corporate Support Services					
Corporate Management	326.7	260.8	65.8		65.8
Finance & Property Services	1,424.9	1,462.9	(38.0)		(38.0)
People and Policy	311.3	270.8	40.6		40.6
Non Distributed Costs	880.3	1,023.6	(143.2)		(143.2)
Capital Financing and Interest	185.9	214.0	(28.0)		(28.0)
Leisure	241.6	277.3	(35.7)		(35.7)
Use of Earmarked Reserves	(23.0)	-	(23.0)		(23.0)
Favourable impact on General Fund	8,905.0	8,866.7	38.1	-	38.1

The revenue position at the end of July 2014 takes account of various favourable and adverse variances, including the net transfer of £775k to earmarked reserves and not using £23k from reserves as originally planned, coming to a net favourable £38.1k.

Total anticipated favourable variance in relation to staff is £134k favourable. The table on page 24 shows a current reduction of 0.8 FTEs against the original establishment of 163.0 FTEs at the start of the year. The cash effect during the first 4 months of the year has been savings of £61k.

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

- Fuel and vehicle maintenance are both forecasting favourable variances of £66.4k of £34.8k respectively
- Additional New Homes Bonus grant of £189k, being transferred to the Transitional Reserve.
- Income in the Business Directorate continues to be above budget, the taxi licensing income forecast has risen by £486k for the year and this is being transferred to the Transitional Reserve.
- The Chief Executive Officer is providing support for LCC in its joint working efforts and will be recovering £61k of costs as a result.
- Although property rental income is expected to reduce by £27.3k, running costs are also expected to fall by around £25.9k.
- VAT shelter income fell at the end of 2013/14 and this is predicted to continue into 2014/15, resulting in a loss of £150k for the year.
- Interest rates on the Council's bank accounts have been falling during Q1, resulting in a projected adverse variance for the year of £31k.

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Major Variances to Period 4	Favourable /(Adverse)	Net
Customer Services and e Government		
Staff costs	5.6	
Recovery of Housing Benefit over payments	(17.2)	
Court Costs	25.0	
Web development	8.0	
Dog Warden Service	6.5	
Other minor variances	1.6	29.5
Place Operations		
Staff costs (including overtime and savings target)	15.9	
Fuel	66.4	
Vehicle maintenance	34.8	
Recycling income + reduction in tipping off fees	(22.8)	
Contribution to Vehicle Replacement Reserve	(100.0)	
Other minor variances	27.0	21.3
Business Directorate		
Staff costs	66.0	
Election Costs	16.5	
Local Land Charges Income	12.8	
Planning Applications	11.1	
Members expenses - following committee structure review	8.6	
Other minor variances	10.9	125.9
Business - Health, Housing & Regeneration		
Staff costs	29.7	
Markets Income	(6.9)	
Other minor variances	0.1	22.9
Corporate Management		
Recharge of Chief Executive Salary to LCC - Joint Working	61.0	
Director of Communities Vacancy	15.0	
Contribution to Rossendale Together Partnership	(20.0)	
Other minor variances	9.8	65.8
Finance & Property Services		
Staff costs	16.5	
Building running costs (gas, electricity, water, NNDR)	25.9	
Emergency Planning/ CCTV	15.3	
Property rental income	(27.3)	
Mount Pleasant	(77.4)	
Other minor variances	9.0	(38.0)
People & Policy (incl P&P & Comm)		
Training	18.0	
New Health and Safety Contract	17.2	
Other minor variances	5.4	40.6
Non-Distributed Costs & Capital Financing		
Vat Shelter Monies - Greenvale Homes	(150.0)	
Interest receivable	(30.8)	
Restructure Costs - RLT	(35.6)	
Not funding revenue budgets from Reserves	(23.0)	
Other minor variances	9.2	(230.2)
Favourable/(adverse) variance on the General Fund		37.8

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

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Strategic Functions					
Management and Support	69.5	69.5	(0.0)	-	(0.0)
Service Assurance Team	111.9	104.7	7.2	-	7.2
Revenues, Benefits and Customer Services					
Local Tax Collection	(337.8)	(364.8)	27.0	-	27.0
Benefits Admin	1,020.5	1,014.3	6.1	-	6.1
Net - Housing Benefit Payments made & Subsidy received	(38.5)	(21.7)	(16.8)	-	(16.8)
Information and Communications Technology					
Technology	561.4	565.2	(3.9)	-	(3.9)
Pest Control					
Pest Control	-	(4.0)	4.0	-	4.0
Dog Warden					
Dog Warden	28.2	22.3	5.9	-	5.9
Total	1,415.1	1,385.6	29.5	-	29.5

Key changes made during the period to the full year forecast	Variance	Variance	Full-Yr Forecast	R
	Bfwd £000	this Pd £000	£000	A G
Bailffis fees for Housing Benefit over payments recovered	-	(2.5)	(2.5)	
Cash recovery of Housing Benefit over payments	-	(14.7)	(14.7)	
Court Costs Awarded		25.0	25.0	
Vacant post within the Service Assurance Team	-	8.6	8.6	
Projected Inflationary uplift - Outsourced contract with Capita for provision of revenue collection and housing benefit processing	-	5.4	5.4	
Employee joining pension scheme	-	(3.0)	(3.0)	
External Computer Centre / Disaster Recovery / PSN Testing	-	(1.0)	(1.0)	
Web Development & Maintenance	-	8.0	8.0	
Dog Warden Service	-	6.3	6.3	
Other variances	-	(2.6)	(2.6)	
TOTAL	-	29.5	29.5	

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Customer Service & E-Government Highlight Report – (July 2014)

Historic Issues

- Nothing has been reported previously.

Current Quarter Issues

- The headline figure is a projected under spend of £29.5k against the approved budget, the key variances are discussed below.
- The Council recovers housing benefit over payments via cash repayments or deductions from on-going Housing Benefit entitlement. Applying a straight line forecast to the cash receipts to-date gives a projected shortfall against budget of £14.7k. Predicting the cash receipts of Housing benefit overpayments is difficult as one-off large repayments are ad-hoc in their nature.
- There is currently a vacancy within the Service Assurance Team, consequently there is a projected under spend of £8.6k, the under spend may alter depending upon when an appointment is made to this post.
- The Council is awarded court costs where it seeks to recover unpaid council tax, current activity levels are significantly in excess of the previous financial year; consequently a favourable variance of £25k is projected. At the year-end a detail analysis will be undertaken to assess the likely future recovery of these costs in order to determine if the current bad debt provision is still valid.
- The Capita contract for the outsourced revenue collection and housing benefit processing contract is uplifted by inflation based upon September's RPI. Based on the current RPI rate this would generate savings against budget of £5.4k.
- The Council is relocating its data centre from its location within Hardman's Mill to Wakefield. The one off relocation costs are being met from provisions. Assuming the move adheres to its current timetable revenue savings of £13k will accrue in the current financial year. Offsetting this projected under spend is additional investment of circa £9k in PSN testing in order to comply with Central Government policy.
- The Council has a contract for the maintenance of and minor development to its' website. Assuming there is no major re-design of the website, saving of £8k will accrue in 2014/15.
- Based on activity to-date (reports of stray and kennelling) the Dog Warden Service is projected to under spend by £6.3k

Future Issues

- Nothing to be reported.

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Place Operations - Period 4 (July)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Strategic Functions					
Operations Admin / Vehicle Maintenance	444.5	438.3	6.3	-	6.3
Operational Functions					
Refuse Collection	958.4	948.5	9.9	-	9.9
Street Sweeping	345.8	375.1	(29.2)	-	(29.2)
Parks & Open Spaces	1,008.8	962.0	46.8	-	46.8
Cemeteries	(143.5)	(131.1)	(12.4)	-	(12.4)
Total	2,614.0	2,592.7	21.3	-	21.3

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Fuel	-	66.4	66.4	
Vehicle Maintenance	-	34.8	34.8	
Parks Salary Variances (Officer Vacancy)	-	26.8	26.8	
Overtime Budgets	-	17.8	17.8	
Parks Summer Agency	-	17.5	17.5	
Purchase of Tools and Equipment	-	14.3	14.3	
Refuse Bin Deliveries	-	10.0	10.0	
Reduced Contribution to Healey Dell Park	-	8.3	8.3	
Car Allowances	-	4.9	4.9	
Sale of Obsolete Equipment	-	4.1	4.1	
Refuse Vacancies and Agency	-	(2.2)	(2.2)	
Reduced LCC public realm funding	-	(3.6)	(3.6)	
Street sweeping Salaries and Agency use	-	(8.9)	(8.9)	
Cemeteries Income	-	(12.4)	(12.4)	
Recycling Income	-	(22.8)	(22.8)	
Parks Efficiency Savings Target	-	(35.0)	(35.0)	
Transfer to Vehicle Replacement Reserve	-	(100.0)	(100.0)	
Other Variances	-	1.4	1.4	
TOTAL	-	21.4	21.3	

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Operations Highlight Report – Period 4 (July)

Historic Issues

- None

Current Quarter Issues

- At the end of July the Operations budget is forecast to under spend by £21.3k. The key movements are discussed below:
- Operations fuel budgets are currently forecast to underspend by £66.4k, this has been identified as a potential budgetary saving in future years, to contribute towards the challenges faced in the medium term financial strategy of the council. The Fuel has been over resourced as predicted inflationary pressures on fuel have not materialised.
- The Vehicle Maintenance budget is currently underspending by £34.8k; the projection is a simple straight line forecast based on the first three months data. The Council is currently out to tender for its new frontline fleet, if the new vehicle fleet is delivered promptly then one would expect the vehicle maintenance under spend to increase. Conversely additional expenditure would be anticipated on an ageing vehicle fleet (if delivery is delayed).
- The 2014/15 the parks team were set a savings target of £35k, £78k by 2015/16. The £35k saving target for 2014/15 will be met from an existing parks vacancy, and two retirements, which will occur later in the year.
- Refuse bin deliveries were formerly undertaken by an external contractor however recently a member of the refuse team has been performing this function. This has resulted in the £10k underspend from the bin delivery budget. This underspent is somewhat offset by the need to occasionally backfill the refuse role with agency staff.
- £100k has been moved into the Vehicle Replacement Reserve in anticipation of potential funding gaps resulting from the current tender of new frontline refuse vehicles.
- Recycling income is currently underachieving by £22.8k; this is due to falling market prices (-£10 per tonne from the February prices used to set the budget) for our paper and card recycling and a drop in the tonnages of waste being recycled.

Futures Issues

- The current frontline refuse vehicles are at the end of their useful economic life. The tender for a new fleet has been sent out responses are due in during the first week of September. Once we know the cost of the new fleet we will be able to identify the budgetary pressure/saving arising from the purchase.

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Business Services - Period 4 (July)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Corporate Apprentices	-	(0.0)	0.0	-	0.0
Planning	-	-	-	-	-
Development Control	(221.4)	(291.8)	70.4	-	70.4
Forward Planning	139.9	140.2	(0.3)	-	(0.3)
Land Charges	13.5	1.1	12.4	-	12.4
Building Control	-	-	-	-	-
Building Control - Fee Earning Account	(46.5)	(49.2)	2.7	-	2.7
Building Control - Statutory Function	44.6	41.9	2.7	-	2.7
Building Control - Street Signs	8.0	9.7	(1.7)	-	(1.7)
Legal Services	154.6	146.8	7.7	-	7.7
Democratic Services	-	-	-	-	-
Electoral Registration	54.7	54.1	0.5	-	0.5
Elections	69.5	58.5	10.9	-	10.9
Democratic Representation	364.5	357.3	7.1	-	7.1
Mayoralty	57.8	45.6	12.2	-	12.2
Town Twinning	2.5	2.5	-	-	-
Licensing & Enforcement	64.8	63.6	1.2	-	1.2
Total	706.3	580.4	125.9	-	125.9

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Planning Re-structure salary related savings	-	45.9	45.9	
Income from Planning Applications	-	11.1	11.1	
Planning - use of external consultants	-	7.5	7.5	
New Homes Bonus Income	-	189.0	189.0	
Transfer New Homes Bonus Surplus to Earmarked reserve	-	(189.0)	(189.0)	
Forward Planning - Reduced Hours following Maternity Leave	-	4.5	4.5	
Land Charges Income / Search fees	-	12.8	12.8	
Building Control - Car Allowances	-	4.3	4.3	
Building Control - Income from Building Inspections	-	1.9	1.9	
Legal - Staff regrade following re-structure	-	(5.4)	(5.4)	
Legal Income & costs	-	4.2	4.2	
Legal - Professional Support	-	7.5	7.5	
Local Election costs - shared with European Elections	-	9.9	9.9	
Council Bye -Elections	-	6.6	6.6	
Members Allowances & other expenses /events	-	8.6	8.6	
Mayoral Attendants - Casual Staff	-	6.0	6.0	
Taxi Licensing Income	-	486.0	486.0	
Transfer Surplus Taxi Licensing Income to earmarked reserve	-	(486.0)	(486.0)	
Miscellaneous Licensing Income	-	1.7	1.7	
Various other under spends	-	(1.2)	(1.2)	
TOTAL	-	125.9	125.9	

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Business Highlight Report – (July 2014)

Historic Issues

- None

Current Quarter Issues

- The Business directorate is currently forecast to under spend by £125k, the key variances are discussed below.
- Salary related saving arising from the recent planning restructure will generate savings of £45.9k.
- The projected income from Planning Applications (based on the four months data) is £11.1k above target.
- The Council will receive New Homes Bonus monies in excess of budget to the tune of £189k, this surplus is to be transferred to Council's transitional reserve to be utilised in future years to support the Council's Medium Term Financial Strategy.
- Increased activity in the housing market has resulted in increased land charges search fees, based on the first four months of current financial year, income is anticipated to be in excess of budget by £12.8k. Allied to this Building Control inspection fee income is projected to be £1.9k above budget.
- The Council has traditionally retained budgets in the event that it is required to host a council bye election, it has been several years since this budget has been utilised, consequently a under spend of £6.6k is projected.
- Following the disestablishment of the Head of Legal post in 2013/14, a budget of £15k was set aside to purchase additional legal support from Burnley council. The majority of support provided has been connected with Taxi licensing applications to where legal costs have been directly recharged. General Legal support from Burnley Council is projected to under spend by £7.5k.
- Income from Taxi Licensing income is projected to be £486k above target; these surplus monies will be transferred to the Council's transitional reserve to support the Council's Medium Term Financial strategy in future years.
- 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 £9.9k.

Futures Issues

- Nothing to report

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Health, Housing & Regeneration - Period 4 (July)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Strategic Functions					
Regeneration Mangement & Admin	217.0	218.6	(1.5)	-	(1.5)
Tourism	-	(0.0)	0.0	-	0.0
Markets	(110.2)	(99.2)	(11.0)	-	(11.0)
Area Forums	20.0	20.0	-	-	-
Economic Regeneration	-	-			
Economic Regeneration	105.8	108.1	(2.4)	-	(2.4)
Whittaker Park Musuem	71.2	74.2	(3.0)	-	(3.0)
Strategic Housing	-	-			
Housing Strategy	52.5	47.4	5.2	-	5.2
Homelessness	36.5	34.2	2.3	-	2.3
Private Sector Renewal	39.6	29.7	9.9	-	9.9
Environmental Health	-	-			
Environmental Health	389.1	365.7	23.4	-	23.4
Total	821.5	798.6	22.9	-	22.9

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Markets Income	-	(6.9)	(6.9)	
Increased Market Caretaker Hours	-	(1.3)	(1.3)	
Council Tax on Complusary Purchased Properties	-	(2.3)	(2.3)	
Private Sector Renewals - Flexible Retirements	-	6.0	6.0	
Private Sector Renewals - various non pay budgets	-	4.9	4.9	
Housing Strategy - purchase of additional annual leave	-	1.4	1.4	
Environmental Health - Travel related costs	-	6.0	6.0	
Environmental Health - Use of external contractors	-	6.5	6.5	
Environmental Health - Employee not in pension scheme	-	5.6	5.6	
Environmental Health - Recharge of Officer time to Rogue Landlords Projects	-	5.5	5.5	
Other Miscellaneous variances	-	(2.5)	(2.5)	
TOTAL	-	22.9	22.9	

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Business - Health, Housing & Regeneration Highlight Report – (July 2014)

Historic Issues

- None

Current Quarter Issues

- Health, Housing and Regeneration are forecast to under spend by £22.9k, the significant variances are:-
- An officer is currently taking advantage of the Council's flexi retirement policy, the reduced hours resulting in projected salary saving of £6k.
- Income from renting Market stalls, is projected to be £6.9k below target.
- An officer leaving the Council's pension scheme allied to recharging officer time to the Rogue Landlords project (externally funded) plus reduced travel related expenditure is contributing towards under spend of £23.6k within the Environmental Health department.

Future Issues

- Nothing to report

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Corporate Management - Period 4 (July)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Corporate Management					
Executive Office	237.9	157.9	80.0	-	80.0
Corporate Contingency	-	19.7	(19.7)	-	(19.7)
Executive Support & Corporate Subscriptions	44.3	44.3	0.0	-	0.0
Concessionary Fares	4.0	6.0	(2.0)	-	(2.0)
Strategic Functions					
Community Safety	40.5	33.0	7.5	-	7.5
Total	326.7	260.8	65.8	-	65.8

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Recharge of Chief Executive Salary to LCC - Joint Working	-	61.0	61.0	
Director of Communities Vacancy	-	15.0	15.0	
Contributions from Whitworth Town Council for providing Town Clerk Function	-	4.0	4.0	
Contribution to Rossendale Together Partnership	-	(20.0)	(20.0)	
Residual Community Safety budget - no longer required	-	6.6	6.6	
Other Misc under / (over) spends	-	(0.8)	(0.8)	
TOTAL	-	65.8	65.8	

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Corporate Management Highlight Report – (July 2014)

Historic Issues

- None

Current Quarter Issues

- The Corporate Management budget is forecast to under-spend by £65.8k, the key variances being:.
- The Council is currently engaged in a joint working project with Lancashire County Council, consequently LCC are funding a proportion of the Chief Executive's salary and associated costs, resulting in a favourable variance of £61k
- The Director of Communities left the Council in February 2014, no appointment has been made to this post. The majority of the budget pertaining to this post has now been transferred to Operations to meet the cost of the new Head of Operations post. The residual budget will result in a saving of £15k
- Council officers have been fulfilling the function of the Town Clerk for Whitworth Town Council; whilst the post holder was on adoption leave. Contributions from Whitworth Town Council for the service provided will generate savings of £4k.
- A residual Community Safety budget, previously utilised to purchase locks and general household security is no longer required resulting in a projected under spend of £6.6k
- The Council has made a contribution to the Rossendale Together Partnership of £20k, this joint venture with Barnfield Construction and Together Housing seeks to undertake economic regeneration throughout Rossendale and to maximise income from the development of the Council's surplus assets.

Futures Issues

- Nothing to report.

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Finance and Property Services - Period 4 (July)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Financial Services Team	328.1	319.1	8.9		8.9
Internal Audit	70.7	65.5	5.2		5.2
Corporate Costs	-	-	-		-
External Audit Fee	66.0	66.0	-		-
Bank Charges (net of fees)	17.2	16.4	0.8		0.8
Treasury Management	6.6	6.6	-		-
Property Services					
Property Services Team	363.3	335.2	28.1		28.1
Corporate Estates	(11.1)	67.1	(78.2)		(78.2)
Non Domestic Estates	(103.2)	(108.4)	5.2		5.2
Office Accommodation	126.7	137.3	(10.6)		(10.6)
Operational Properties	370.9	333.3	37.5		37.5
Leisure Properties	79.2	79.5	(0.3)		(0.3)
Bus Shelters	8.8	10.1	(1.2)		(1.2)
Business Centre	101.9	135.3	(33.4)		(33.4)
Total	1,424.9	1,462.9	(38.0)	-	(38.0)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Internal Audit Contract with LCC	-	5.2	5.2	
Miscellaneous Finance savings	-	9.7	9.7	
R&M	-	3.3	3.3	
Electricity	-	0.6	0.6	
Gas	-	8.7	8.7	
NNDR	-	1.5	1.5	
Water	-	13.7	13.7	
Estates Income	-	(6.0)	(6.0)	
Emergency Planning / CCTV	-	15.3	15.3	
Cancellation of BT lines	-	1.4	1.4	
Mount Pleasant - house of multiple occupancy	-	(77.4)	(77.4)	
Delayed Departure from Hardman's Mill (relocation of servers)	-	(11.2)	(11.2)	
Legionella	-	(1.9)	(1.9)	
Boilers / Alarms etc	-	1.5	1.5	
Business Centre Manager	-	18.7	18.7	
Business Centre Income - reduce number of tenants	-	(27.3)	(27.3)	
Business Centre Cleaners	-	(2.2)	(2.2)	
Business Centre Misc Expenses	-	3.7	3.7	
Property Misc Expenses	-	4.7	4.7	
TOTAL	-	(38.0)	(38.0)	

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Finance & Property Services - Monitoring Highlight Report – Quarter 1 (June)

Financial Services

Historic Issues

- None

Current Quarter Issues

- The Council contract with Lancashire County Council for the provision of internal audit services is anticipated to generate saving of £4.5k in 2014/15.

Futures Issues

- None

Property Services

Historic Issues

- None

Current Quarter Issues

- The Property Services budget is forecast to over spend by £50.5k
- The Repairs & Maintenance budget is showing an under spend of 2.5k
- The Electricity and Gas budgets are showing underspend of £1.6k and 7.6k respectively
- The water charge budgets are showing an under spend of £12.8k. The new charges for Surface Water & Highway Drainage applied by United Utilities have not been implemented again this year, these should have been phased-in in 2013/14
- Emergency Planning and CCTV Maintenance budgets are forecast to underspend by £12.9k and £2.4k respectively
- The Estates income is under achieving by £6k. This is, in the main, due to garage sites and Heys St industrial units.
- The Business Centre has lost 4 tenants during the start of the financial year. The room rental income is predicting a shortfall of £27.3k
- The disestablishment of the Business Centre Manager post has made a saving of £18.7k within the Service Area
- The relocation of the Servers has been delayed for 12 months. Causing an over spend of £11.2k rental and £6.4k for utilities and NNDR (captured in Utility and NNDR figures)
- The Council undertook legal proceeding to obtain an IMO (Interim Management Order) to directly manage a HMO (House of Multiple Occupancy). Upon receipt of the IMO the Council has invested in bringing the property up-to acceptable standards. Some of these costs will be recovered via Housing Benefit rental income. It is currently projected that £72k will be outstanding at the end of the current financial year.

Futures Issues

- The forecast for the rental income for Heys St Industrial units is based upon the insurance company paying for loss of rental income whilst the units are unfit for commercial use

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People and Policy - Period 4 (July)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
People & Organisational Development					
Human Resources	311.3	270.8	40.6		40.6
Total	311.3	270.8	40.6	-	40.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Recharge of Officer Time to Rogue Landlords Projects	-	4.5	4.5	
Training	-	18.0	18.0	
New Health & Safety Contract	-	17.2	17.2	
Miscellaneous variances	-	0.9	0.9	
TOTAL	-	0.9	40.6	

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People & Policy Highlight Report – (July 2014)

Historic Issues

- None

Current Quarter Issues

- The People & Policy budget is forecast to under spend by £40.6k, the key variances are shown below:
- Based on expenditure to-date, prior year's expenditure and the declining headcount of the Council, training expenditure is projected to under spend by £18k.
- The Council had previously entered into a new Health & safety contract with Greenvale Homes this agreement is due to end in September 2014. At which point the Council will employ a part time health safety officer. Savings arising from these revised arrangements are estimated at £17.2k

Future Issues

- None

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Non-distributed Costs, Corporate Resources & Leisure Services

Period 4 (July)

Summary	2014/15 Org Budget £000	2014/15 Forecast £000	2014/15 Variance (Adv)/Fav £000	Variance last reported £000	Change in July (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	882.6	1,020.6	(138.0)		(138.0)
Other Non-distributed Costs	(2.2)	3.0	(5.2)		(5.2)
Capital Financing	-	-	-		-
Minimum Revenue Provision	114.5	114.5	-		-
Investment Interest	71.4	99.5	(28.0)		(28.0)
Use of Earmarked Reserves	(23.0)	-	(23.0)		(23.0)
Leisure	241.6	277.3	(35.7)		(35.7)
Total	1,284.9	1,514.8	(229.9)	-	(229.9)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Restructure costs - Rossendale Leisure Trust	-	(35.6)	(35.6)	Red
Superannuation added years	-	11.0	11.0	Green
Vat Shelter monies - Greenvale Homes	-	(150.0)	(150.0)	Red
Interest income	-	(30.5)	(30.5)	Red
Not funding revenue budgets from reserves	-	(23.0)	(23.0)	Red
Other minor variances	-	(1.8)	(1.8)	Yellow
TOTAL	-	(229.9)	(229.9)	Red

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Non-Distributed Costs & Capital Financing - Highlight Report – (July 2014)

Historic Issues

- None

Current Quarter Issues

- The projected adverse variance on the Non Distributed budgets is £202k, the key variances are detailed below.
- The Council is to bear the restructure costs of Rossendale Leisure Trust, at a cost of £35.8k, which has released £90k of recurrent annual savings within Rossendale Leisure Trust.
- The Council continues to bear the legacy costs of former employees who left its employment with added pension years' entitlement. The Council has not funded the costs of added pension years for over 9 years. Consequently as the number of former employees receiving added years declines due to deaths, the Council's financial burden has started to reduce. There is a projected saving of £11k in 2014/15.
- Investment income from the Council's cash reserve is down significantly as a result of the current low interest rate environment. The projected shortfall against target is £30.8k
- When the Council transferred its housing stock to Greenvale Homes, it entered into a VAT shelter agreement. Essentially RBC would be reimbursed the VAT incurred as Greenvale Homes invested in improving the Housing Stock transferred to it. As the scale of this investment reduces the value of the VAT Shelter to the Council reduces. VAT shelter receipts in 2014/15 are predicted to be £150k less than budget and the original 2006 plan.

Future Issues

- VAT shelter receipts continue to be below original expectations in their final year of 2015/16

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Change Manag't	Director Invest Reserve	Budget Volatility Reserve	Business Rates Retention	Transitional Budgetary Support	Regen Reserve & Planning AN060109 / AN060145	Homeless' Reserve	Vehicle Reserve
	AN060103	AN060123	AN060110	AN060144	AN060129	AN060145	AN060127	AN060130
Balance at 01/04/2014	1,577.7	169.5	267.1	311.8	1,219.6	265.8	134.9	411.8
Funds Received 2014/15								
2014/15 grants								
Revenue income received								
Revenue income anticipated				578.8	713.0		18.0	221.3
Total Funds Available	1,577.7	169.5	267.1	890.6	1,932.6	265.8	152.9	633.1
2014-15 Published Budget Utilisation								
General budget support								
Admin Support to Regeneration						(22.8)		
2014-15 Other Utilisation Plans								
Warm Homes Healthy people Packs								
Bacup Cemetery Pathways								
Purchase of Pavement Sweepers								(138.5)
Support to Tourism								
Strategic Housing Market Assessment						(39.0)		
Insurance Tender								
Add'l Vehicle Maintenance spend year 5								(104.0)
Bacup THI Support								
Youth Homelessness funding							(40.0)	
Childrens Trust								
2013/14 NNDR Deficit				(151.2)				
2014/15 NNDR Surplus				267.0				
2014/15 projected NNDR surplus to Central Gov't/LCC				(160.0)				
2014/15 DGLC levy 50%				(343.0)				
Additional pension payments								
Transfer to /(from) Tourism Reserve								
Corporate Support Apprentices		(10.0)						
Valuation of former Valley Centre Development		(10.0)						
Credit Union - Financial Inclusion								
Reserve Estimates 31/3/2015	1,577.7	149.5	267.1	503.4	1,932.6	204.0	112.9	390.6
Future Contributions/Utilisation Plans								
2015/16 Plans					(284.0)	(202.9)		35.5
2016/17 Plans					(1,024.0)			35.5
2017/18 Plans					(684.0)			
2018/19 Plans								
Potential Reserve Balances	1,577.7	149.5	267.1	503.4	(59.4)	1.1	112.9	461.6

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Leisure Reserve	PRIDE Reserve	Perform Reward Grant	Bacup THI	Pension Fund Reserve	Operational Reserves	Total
	AN060118/9	AN060126	AN060120	AN060142	AN060117	AN060121	
Balance at 01/04/2014	750.0	7.6	238.9	400.6	721.5	703.1	7,179.9
Funds Received 2014/15							
2014/15 grants						16.4	16.4
Revenue income received						29.7	29.7
Revenue income anticipated					63.3	0.0	1,594.4
Total Funds Available	750.0	7.6	238.9	400.6	784.8	749.2	8,820.4
2014-15 Published Budget Utilisation							
General budget support							0.0
Admin Support to Regeneration						0.0	(22.8)
2014-15 Other Utilisation Plans							
Warm Homes Healthy People Packs						(19.5)	(19.5)
Bacup Cemetery Pathways						(13.6)	(13.6)
Purchase of Pavement Sweepers						0.0	(138.5)
Support to Tourism						(8.0)	(8.0)
Strategic Housing Market Assessment						0.0	(39.0)
Insurance Tender						(5.0)	(5.0)
Add'l Vehicle Maintenance spend year 4						0.0	(104.0)
Bacup THI				(80.0)		0.0	(80.0)
Youth Homelessness funding						0.0	(40.0)
Childrens Trust						0.0	0.0
2013/14 NNDR Deficit						0.0	(151.2)
2014/15 NNDR Surplus						0.0	267.0
2014/15 projected NNDR surplus to Central Gov't						0.0	(160.0)
2014/15 DGLC levy 50%						0.0	(343.0)
Additional pension payments						0.0	0.0
Transfer to Tourism Reserve						0.0	0.0
Corporate Support Apprentices						0.0	(10.0)
Valuation of former Valley Centre Development						0.0	(10.0)
Credit Union - Financial Inclusion						0.0	0.0
Reserve Estimates 31/3/2015	750.0	7.6	238.9	320.6	784.8	703.1	7,942.8
Future Contributions/Utilisation Plans							
2015/16 Plans	(9.6)			(80.0)	66.0	(21.7)	(496.7)
2016/17 Plans				(80.0)	69.0	(33.5)	(1,033.0)
2017/18 Plans				(80.0)		0.0	(764.0)
2018/19 Plans				(80.0)		0.0	(80.0)
	740.4	7.6	238.9	0.6	919.8	647.9	5,569.1

Current issues

The expected usage of the earmarked reserves for 2014/15 and the coming years has been reflected above.

Since the General Fund Reserve has already reached the target of £1m set in the MTFs, any favourable variances generated during 2014/15 will be transferred to earmarked reserves, principally to the Transitional Budget Reserve to support the Medium Term Financial Strategy.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Housing Capital Pot *	Disabled Facilities Grants *	Regen Grants (HMR)*	HCA Empty Homes	DEFRA Grant	Total
Balance at 01/04/2014	25.2	376.0	0.0	11.6	270.4	0.0	683.2
New Funds Received 2014/15							
Grant received			366.0		1,039.0	22.0	1,427.0
Other contributions			200.0				200.0
Total Funds Available	25.2	376.0	566.0	11.6	1,309.4	22.0	2,310.2
Planned Utilisation in 2014/15							
Bacup THI							0.0
DFGs brought forward from 2013/14		(91.1)	(18.0)				(109.1)
DFGs original Capital Prog 2014/15		(72.4)	(366.0)	(11.6)			(450.0)
Additional Utilisation in 2014/15							0.0
DFGs additional GVH element			(182.0)				(182.0)
Released to fund capital works					(1,228.0)	(22.0)	(1,250.0)
Released to GF Revenue							0.0
Anticipated Balance 31/3/15	25.2	212.5	0.0	0.0	81.4	0.0	319.1
Future Utilisation Plans							
2015/16 DFGs		(64.7)			(81.4)		(146.1)
2016/17 DFGs		(147.8)					(147.8)
Potential Reserve Balances	25.2	0.0	0.0	0.0	0.0	0.0	25.2

During 2014/15 confirmation has been received that GVH will continue their contributions towards disabled facilities grants for their tenants. With the £109k of ongoing works b/fwd, this gives a total potential spend on disabled adaptations in 2014/15 of £741.1k.

There was £270k of grant from the HCA for Empty Homes Initiatives in hand at the end of 2014/15. Added to this, a further £1,039k has been received to date. In terms of properties being brought back into use the scheme is 304 of which 73 were in Rossendale. HCA will also be granting a further £1.85m for the sole benefit of Rossendale from 2015/16.

Staff Costs, including agency

Between April and July, one part-time post has been disestablished and one post has been transferred from Corporate Management to Operations. The total favourable variance in cash to date is £61k.

Employment Costs Period 4 - July 2014	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 2014/15	Current Vacant Posts
Place Directorate								
Customer Services	110	103	7	-	7	8.8	0.0	1.0
Operations Service	729	710	20	-	20	78.3	1.0	1.0
Business Directorate								
Building Control Services	34	34	1	-	1	3.0	0.0	0.0
Legal & Democratic Services	94	96	(2)	-	(2)	11.5	0.0	0.0
Planning Services	150	133	17	-	17	10.8	0.0	0.0
Local Land Charges	19	20	(0)	-	(0)	2.0	0.0	0.0
Public Protection	53	57	(4)	-	(4)	5.6	0.0	0.0
Health, Housing & Regen	268	262	6	-	6	21.3	0.0	0.0
Corporate Services								
Corporate Management	83	79	4	-	4	4.0	-1.0	0.0
Finance & Property Services	150	143	7	-	7	12.2	-0.8	0.0
People & Org. Performance	62	56	6	-	6	5.5	0.0	0.0
Total	1,754	1,693	61	-	61	163.0	-0.8	2.0

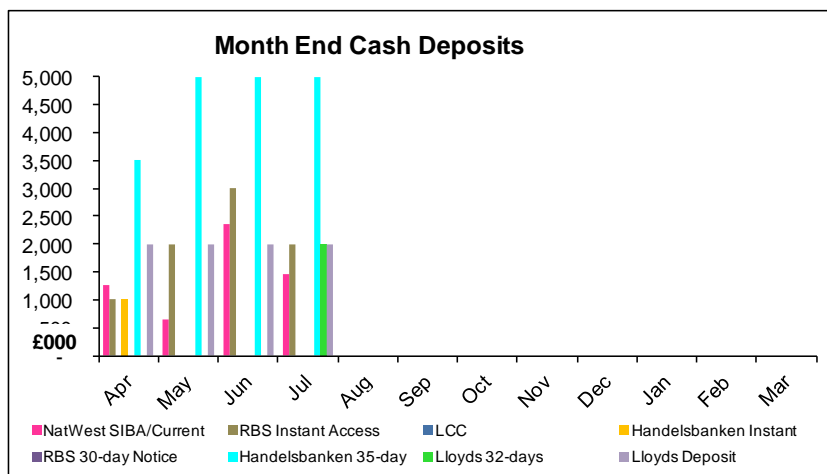
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Treasury Management & Cash Flow Monitoring

Cash Flow Management

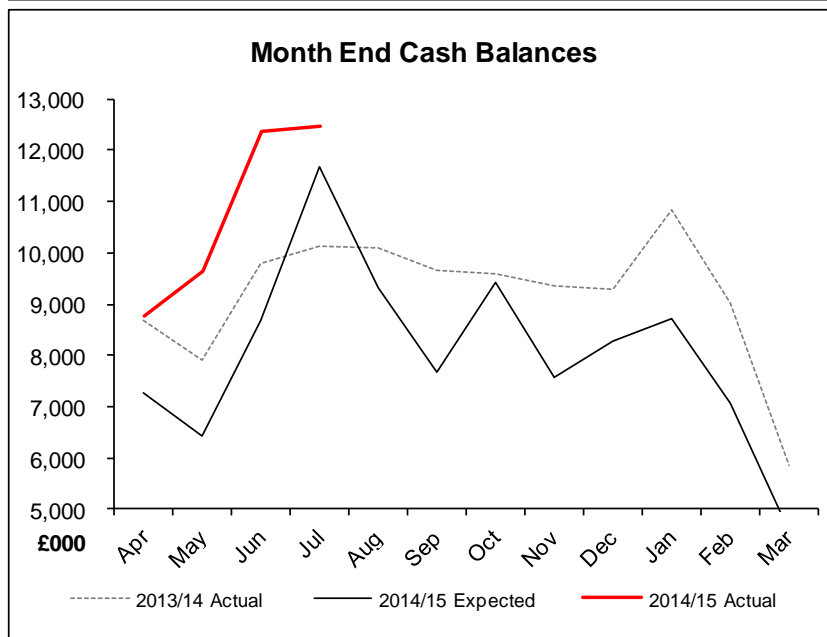
By the end of July the bank balances have risen to £12.4m from £6.5m at the end of March. This is above the £11.7m expected balances, mainly thanks to the out-turn for 2013/14 financial year returning a £2.5m favourable variance on the original budget.



as at 31 July 2014	Current Balance £k	Effective Interest Rate %
NatWest SIBA	1,473	0.25
RBS Instant Access	2,000	0.25
RBS 30-day notice	-	0.25
Handelsbanken instant	-	0.50
Handelsbanken 35-day	5,000	0.60
Lloyds 32-day notice	2,000	0.57
Lloyds Deposit 6mths	2,000	0.70
Total Bal & Avg interest	12,473	0.51

The interest rates on the bank accounts above have been reduced even further in July, the best short-term rates being with Handelsbanken. The Council has now opened a 32-day deposit account with the Lloyds bank and is in the process of opening an instant access account at 0.4%.

The Lloyds deposit which matured on the 1st July has been rolled over for 6 months at 0.7%. Keeping deposits short-term is in line with the Capita Asset Management recommendations, but this has resulted in the reduction of the effective interest rate to 0.51%, below the Capital model portfolio of 0.66%. The profile of the Council's bank balances as at 31st July are shown overleaf.



Interest Earned

Though the bank balances are higher than originally predicted following the 2013/14 favourable out-turn, the repetitive drops in interest rates in the first half of 2014 are expected to have a £30k adverse impact on the interest income for the year.

Interest Forecast	Budget 2014/15	Forecast 2014/15	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(162.4)	(162.4)	0.0	0.0
Misc Interest income	3.0	0.0	(3.0)	(3.0)
Bank Interest income	89.0	58.5	(30.5)	(30.5)
Net Interest	(70.4)	(103.9)	(33.5)	(33.5)

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Economic Outlook (issued 15th July)

The Consumer Prices Index (CPI) rose to 1.9% in the year to June 2014, down from 1.5% in the year to May.

Price rises for various clothing and food items and increases in air fares were the main reasons behind the increase in the rate. Prices of food & non-alcoholic drinks also rose on the month so that they are now little changed on the year to June.

Air fares rose as usual between May and June 2014 but in 2013 they fell overall.

The movements were driven by changes in fares on European routes.



Interest rate forward predictions

Capita Asset Services (formerly Sector) undertook a review of its interest rate forecasts in June, after the Bank of England's latest quarterly Inflation Report, slowing down the pace at which increases occur in line with the 'slow and gradual' forward guidance which has been emphasised recently.

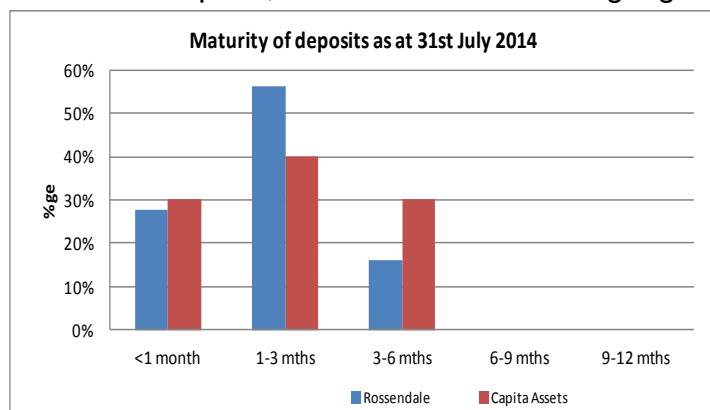
This latest forecast has moved the first increase in Bank Rates forward to Q1 of 2015 but reflects greater caution as to the speed with which the MPC will start increasing Bank Rate.

as at	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar
July 2014	2014	2014	2015	2015	2015	2015	2016	2016	2016	2016	2017
Base Rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	2.00%
25yr PWLB	4.40%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	4.90%

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.

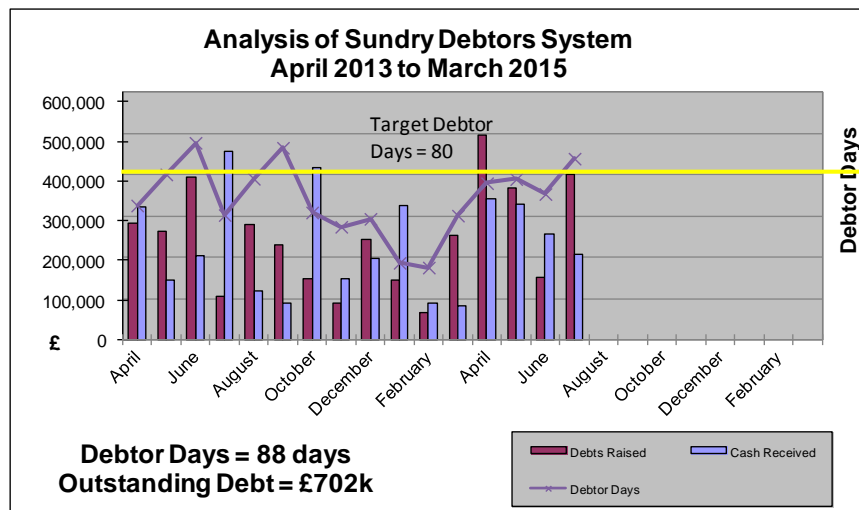


The Council's Natwest accounts exceeded this limit for 2 days in May and 2 days in June, between the receipt of £2.6m for Housing benefit subsidy grants and the mid-month direct debits and the payment of the monthly £1m business rate precepts and £1.5m benefits to claimants.

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Sundry Debts Monitoring

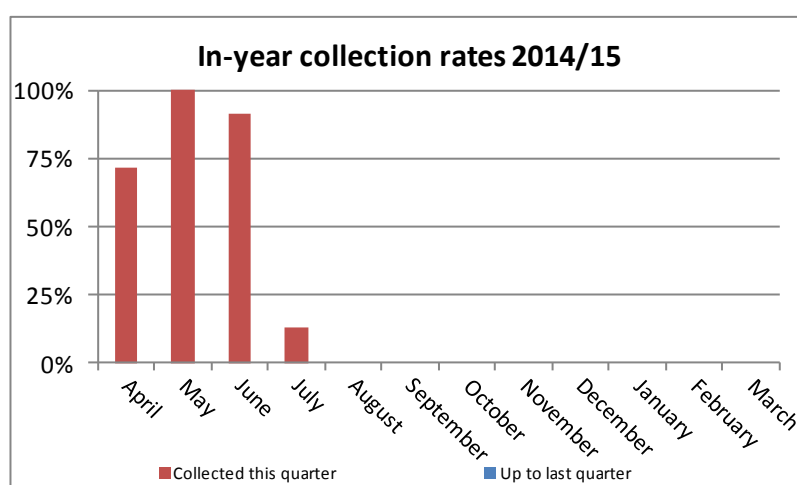


To the end of July £1,471k of new invoices were raised, (almost 35% more than in Period 4 last year).

Collections of 2013/14 debits to the end of period 4 have been £233k, which brings the collection rate for 2013/14 up to 95.5%. Of the remaining £117k outstanding for 2013/14 one S106 agreement debt is for £96k and Council officers are in negotiations with the developer concerned to resolve the issues.

Of the £702k outstanding, now 51% is under 30 days old and so not strictly in arrears yet.

The volume of debts raised in July has increased the Debtor days performance from 60 days at the end of Q4 to 88 days in July. This is compared to the target of 80 days and 60 days at the end of July in 2013.



Doubtful debts

With the increase in overall debt during 2014/15 to date, the level of doubtful debts have risen to £196k. Against which the current value on the bad debt provision is £88k. Officers will continue to chase outstanding debts during the year, but there may be a requirement to make further provisions to meet these requirements.

Debts Outstanding	Mar 2012	Mar 2013	31 Mar 2014		31 July 2014		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	450.9	555.8		70.2		66.4	100%	58.4
2013/14 Debt								
Q1				8.2		7.4	100%	7.4
Q2				99.6		98.8	75%	74.1
Q3				18.1		7.7	50%	3.9
Q4 Jan			21.4		1.7		10%	0.2
Q4 Feb			2.2		0.0		10%	0.0
Q4 Mar			200.5	224.1	0.6	2.3	10%	0.1
2014/15 Debt								
Q1 Apr					144.6		10%	14.5
Q1 May					0.8		10%	0.1
Q1 Jun				0.0	14.1	159.5	10%	1.4
Q2 Jul					360.4		10%	36.0
Q2 Aug							10%	0.0
Q2 Sept				0.0		360.4	10%	0.0
Total Debt o/s	450.9	555.8		420.2		702.5		196.1

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.

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Capital Resources

Table 1 - 2014/15 receipts

Major Receipts:	Original Expect'ns £000	YTD Actual £000	Total Forecast £000	Surplus / (Deficit) £000
Capital Receipts				
Land & Property Sales	100	129	129	29
Cost of sales		-	-	-
Net receipts to table 2	100	129	129	29

Current issues

The income from asset sales is anticipated to meet the original budget.

Financing the Capital Programme

The opening balance of Useable Capital Receipts was £1,589k, though £517k of this was required to finance continuing projects, as shown in earlier reports.

With the addition of £319k from reserves during the year (Section 106 agreements, revenue operations and earmarked reserves as shown above) the total capital resources available are predicted to be £2,037k.

Following the use of £1,767k as shown above and on the following page, the estimate of unreserved general fund capital receipts at March 2015 is £241k, all of which is ring-fenced for future housing projects, such as DFGs.

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 has been 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 was reflected in the resources available for the proposed capital programme for 2014/15 to 2016/17 back in February.

Table 2 - Useable Capital Receipts

Useable Capital Receipts Forecast	£ 000
Balance at April 2014	1,589
Capital Receipts in 2014/15	129
	1,718
Revenue Contributions (RCCO)	
from Earmarked Reserves	220
from S106 agreements	20
from Revenue Operations	79
Total Capital Resources 2014/15	2,037
Capital Programme spend	(1,767)
Useable Capital Receipts Mar 2015	270
Reserved for housing	(241)
Unreserved balance	29

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Capital Programme Spending

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

SERVICE AREA	2014/15 Original Capital Programme	2014/15 Revised Capital Programme	July 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	30	557	179	23	557	19	277	261	0	0
Customer Services & e Govt	0	0	17	6	0	0	0	0	0	0
Regeneration	0	21	0	0	21	21	0	0	0	0
Corporate Support Services										
Finance & Property Services	300	600	87	0	600	60	500	40	0	0
Other PRG Projects	0	18	0	0	18	0	0	18	0	0
Housing	580	871	132	2	871	200	671	0	0	0
	910	2,067	415	31	2,067	300	1,448	319	0	0

Capital Programme

The original capital programme for 2014/15 approved in February was £910k, to which £896k of ongoing projects has been added, as per previous reports and detailed in the table opposite.

Slippage items bfwd at end 2013/14	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	Reserves	RBC Int Borrow
Vehicle replacement programme	139			139	
Parks Equipment	63			63	
Playgrounds	9			9	
Sunnyside play area (S106)	20			20	
Cemeteries	80		80		
Sports Playing Fields	197		197		
Whitworth land remediation	21	21			
Car Park upgrading	20		20		
Emergency Works	70		70		
Building Maint (ongoing projects)	150		150		
Signage (funded from PRG Reserve)	18			18	
DFGs	109	109			
	896	130	517	249	0

Current Issues

The changes to the 2014/15 programme up to July are as follows:-

- As part of the Community Covenant Partnership the Council is assisting the Veterans in Communities group. In Q1 grant funds of £19k have been awarded by the MoD for a creative hub project.
- The renovation of Marl Pits pavilion has increased by £60k to £120k, the balance being funded by grants from the Sports Council, Rossendale Harriers and Rossendale Ruby Club.
- Once again Green Vale Homes have confirmed their willingness to fund up to £200k in 2014/15 for adaptations for their tenants. When the works in progress of £18k are removed, this gives an additional £182 of works are possible.

Progress on the capital programme during April to July included

- Purchase of the 2 hako sweepers and the parks equipment.
- Works to Marl pits pavilion are almost complete.
- £132k of DFG works have been completed and paid for.

Against the revised programme of £2,067k costs paid or committed to date are £446k (22%).

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Minimum Revenue Provision

In the capital programme on the previous page there are no plans to finance costs from internal borrowing in 2014/15. 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 budget for this in 2014/15 is £685k, of which £445k related specifically to operational vehicles and equipment and £24k was for IT projects.

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	58	22	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	664	11	685	6	691

Section 106 Receipts Monitoring

Section 106 Agreements	Third Party Projects £000	RBC Revenue Projects £000	RBC Capital projects £000	Total Held £000
Balance b fwd at 1st April 2014	382.4	147.7	136	666.1
Deposits received in 2014/15			50	50.0
Deposits applied in 2014/15	(74.9)	(20.0)	(1.2)	(96.1)
Current Balance	307.5	127.7	184.8	620.0

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	114,846
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	none stated	10,000
2006/696	Whitewell Bottom	Whitewell Bottom open space	Edgeside Park / Millenium Steps		1,968
2008/587	Borough	PCT, Bacup Rd, Rawtenstall	Irwell Sculpture Trail	none stated	977
					127,791
RBC Capital:-					
2007/737	Edenfield	Market St	Edenfield Community Centre	Exp May 2018	549
2010/433	Whitworth	Eastgate	Open Spaces/ Affordable housing	Exp Jul 2017	87,875
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces / Youth	Exp May 2017	41,500
2011/0030	Whitworth	Crook Hill Wind Farm	St John & St Michael P "School" / Residents of Shawforth "body" - Renewable Energy		50,000
2011/0046	Helmshore	Holmeffield House	Open Space	Exp Aug 2017	4,864
					184,788

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Council Tax & NNDR Collection Rates

Cumulative collection rates	LI 9 Council Tax			LI 10 NNDR		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
April	11.16	11.15	10.16	14.31	12.25	10.97
May	20.51	20.40	20.16	23.33	20.47	21.66
June	29.62	29.55	29.02	31.44	30.5	31.1
July	39.10	39.01	38.43	40.33	39.43	38.83
August	48.60	48.13		53.3	51.6	
September	57.76	57.47		61.76	60.92	
October	67.41	66.98		68.6	67.88	
November	76.91	76.37		78.39	76.23	
December	86.30	85.57		86.4	84.92	
January	95.48	94.97		94.61	95.64	
February	96.75	96.61		95.63	96.38	
March	97.50	97.10		96.70	97.2	

The Council Tax collection rate at July was 38.43%, slightly below that at the same time last year. This is mainly due to reduced collection rates for Local Council Tax Support.

Business Rates (NNDR) collection rate at 38.83% is also slightly down on the same period in 2013/14. Given that officers are experiencing some collection difficulties with one major commercial property owner in particular, a more prudent approach to bad debt provisions may be required at the year-end.

Council Tax Collection Fund

	£'000
Council Tax Collectable after Discounts & Exemptions	31,064
less Bad Debt Provision	(290)
less Precepts	
Lancashire County	(20,667)
Police	(2,910)
Fire	(1,188)
Rossendale Council	(4,784)
Subtotal	(29,548)
Surplus	1,226
RBC Share	198

The Council Tax Collection fund is projecting a surplus of £1,226k of which RBC's share is £198k. The three main factors contributing to this surplus are:

- In order to reduce empty property numbers the exemptions offered were scaled back. The change in policy resulted in an additional £500k being collectable. Due to timing issues it was not included in the Collection Fund Budget, and has also exceeded original expectations.
- Projected costs arising from banding appeals are £275k below target, however these are difficult to predict both in terms of volume and timing.
- Conversely there was an error in setting the tax base for the 2014/15 Collection Fund with regards

to Local Council Tax Support. The tax base setting exercise did not incorporate the reduction in support offered from 92.5 to 80%.

Local retention of Local Business Rates (NNDR)

	Budget 2014/15 £'000	Forecast 2014/15 £'000
Gross	12,895	13,663
Business Rates Baseline	5,158	5,465
Tarrif	(3,217)	(3,217)
Baseline Funding Level	1,941	2,248
Gain/ (loss) on Baseline Funding	0	685
Less DCLG Levy -50%	0	(343)
Gain to RBC	0	342

Current gross billing, after discounts, bad debt provisions, provision for rating appeals and Section 31 Grant, is £13.7m. This could result in a surplus for the Council of £342k against budget. However, given the potential volatility over the medium term, it is recommended that any surplus is ring-fenced for future adverse movements.

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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.

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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.

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اگر آپ کو ان معلومات کا خلاصہ یا مزید سے تروف میں، ایجیکٹس پر، یا انگریزی کے علاوہ کسی اور زبان میں اور کارہے ہے، ہمارے
میریانی ہمیں بتائیں، ہم کوئی آپ کے لئے اس کا انتظام کریں گے۔
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آپنی যদি اسب تھوہر سار سٹفےپ بڈ ہر فہر ھاپای، اڈیو کاسےٹے اٹھا یا ینگریجی ھڈا
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انڈرھ ھرے 01706 217777 ای ڈاٹھارے اٹھا یا کڈیڈیکشن سیکشن، ڈاڈن سڈٹار
اڈیس، رڈےڈٹل ڈی. ڈی. 8 ۹ اڈل. ڈےڈ. ای ڈیکانای ڈوڈاڈوڈ کڈڈ۔

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