

Financial Monitoring Report (abridged version)

2015/16 as at end December 2015

Including a Glossary of terms on page 24



Monthly Financial Monitoring Report 2015/16 – as at end December 2015

General Fund Revenue Operations – pages 4 to 13

This quarter 4 monitoring report on the General Fund for 2015/16 is showing a £400k favourable variance compared to the original budget of £8,901k. Funding for the original budget included the planned use of £182k from the Transitional Budget Reserve and £78k from the Business Rates Retention Reserve.

The General Fund Reserve Given remains at its £1m target, and the Transitional Reserve already has enough resources to meet the demands of the MTFs up until 2020/21 (£2,369k) as reported to Cabinet in October. Therefore, officers recommend that any favourable General Fund variance in 2015/16 is transferred to the Empty Homes Reserve.

Earmarked Revenue Reserves – page 14 to 15

The total cash-backed Earmarked Reserves brought forward at 1st April 2015 were £9,847k (excluding the Transport Reserve).

As noted above, the Transitional Reserve already has enough funds to support the MTFs requirements up to March 2021 (see Cabinet report October 2015). The Empty Homes Reserve is expected to receive around £338k in recycled HCA grant during the year and officers propose to transfer the General Fund favourable variance of £400k as noted above into this reserve. Members will also notice the transfer of £2,027k from other reserves to support the annual MRP charge for the capital renovation costs anticipated in Q4. Hence, total resources currently anticipated to support costs of the scheme in 2015/16 onwards are £3.2m.

The Business Rates Retention Reserve now reflects the in-year variances discussed in detail on page 32, including receipt of £655k Section 31 grants, less payment of the levy to central government of £423k.

Use of the Bacup THI Reserve has begun with physical works now under way on the scheme.

Requirements to support leisure services will now take £58k from the Leisure Reserve and £50k from the Business Directorate Reserve, as noted on pages 20 & 21, though the closing balance on the Leisure Reserve will need to be reviewed at the year-end.

The forecast closing balance at the 31st March 2016 is now £10,082k, but usage over the life of the MTFs, including the Transitional Reserve and the Empty Homes Reserve, will reduce this to £4,497k.

Government Grants Unapplied – page 16

The opening value of Government Grants Unapplied at the 1st April 2015 was £363k, principally £338k of Housing Capital Pot which will be used to support DFG works in 2015/16 and future years. The DFG grant for 2015/16 has been received in full at £424k and contributions from Green Vale Homes are claimed quarterly based on actual usage.

The forecast balance at March 2016 is now revised to £138k, which is expected to reduce to £25k by March 2018.

Staff Monitoring – page 16

At the end of December there were 12 vacant posts contributing to a net favourable variance of £6k for the year to date. This figure is net of £169k in additional staffing costs to date for two areas, namely planning (see page 8) and the housing Empty Homes team (see page 9).

The table on page 16 shows the impact of the restructure of the People and Policy Team, adding 1 FTE post, but bringing back in-house the Health & Safety role and now including the Empty Homes team. The Senior Management team restructure is still under review.

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Treasury & Cash Management - page 17 to 19

At the end of December the bank balances had returned to £16.1m from £16.3m at the end of September following the normal annual cash flow patterns. This is above the expected balances, thanks in part to the revenue savings on the General Fund and the level of capital project slippage from 2014/15 into the current year. Despite the low interest rates, the higher balances are contributing to an expected favourable variance on the interest income for the year of £21.3k, though this will depend upon the profile of capital spend over the next few months.

To date £3,236k of new invoices have been raised and the total outstanding debts are £656k. Collection of the rent on Empty Homes Scheme properties continues to be a concern where these are not covered by benefits and this is contributing to rise in the doubtful debt figure to £281k

Of the £656k debt outstanding 30% was under 30 days old. Where specific concerns have been raised, provision for doubtful debt has already been charged into the General Fund, and the current doubtful debt provision balance is £188k to meet the doubtful debts value of £281k. Officers will be carefully considering any need to make additional doubtful debt contributions as we approach the year-end.

Capital Receipts – page 20

Receipts from land & property sales in the first 9 months total £69k against the original target of £75k, with a further £10k being received in repaid Equity Release loans which are ring-fenced for future housing needs.

Capital Programme and Funding – page 21 to 22

The capital programme started the year at £825k, to which £1,901k of slippage was added. New projects during 2015/16 now total £4,307k, with the quarter 3 addition of a £102k community-led project at Fallbarn play area being funded predominantly by external grants and the Empty Homes renovation works which are being funded from internal borrowing. This means that the revised capital programme for 2015/16 is £7,032k.

Capital activity on property maintenance projects has included car park resurfacing, Marl Pits wet changing rooms and Whitworth cemetery chapel steeple. Tenders have been prepared and are being let in 3 phases for work to begin on the Empty Homes renovations in Q4.

Collection Fund 2015/16

The Collection fund has not had a full review at the end of December, though details need to be produced at the end of January for statutory returns to County and Central Government partners. Therefore officers hope to have full monitoring information available by the time this report goes to the Cabinet in February.

Members are respectfully reminded that at the end of September the Council Tax Collection projected out-turn was showing an overall surplus of £325k of which RBC's share is a favourable £53k, which included a prudent view of future banding appeals.

The projected outturn for Business Rates Collection was a cash deficit of £738k of which RBC share is £285k. This is due to a national decision pertaining to the rating of Health Centres has adversely impacted on Business Rates collection at a cost of £450k. Further banding appeals had reduced the collection of business rates income by £400k. Council will receive an additional £644k in S31 grants but have to pay £305k of this back in extra Levy. This summarised to a net favourable £44k for business rates for this Council.

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General Fund Revenue Operations

Service Area (excluding internal recharges)	2015/16 Original Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Place Directorate					
Customer Services and E-Government Operations	1,503.6	1,460.0	43.6	69.4	(25.9)
	2,380.1	2,163.9	216.2	135.6	80.7
Business Directorate					
Building Control Services	9.1	41.2	(32.1)	(15.6)	(16.5)
Legal & Democratic Services	690.6	696.3	(5.7)	21.1	(26.8)
Planning Services	(176.5)	(575.9)	399.4	365.0	34.4
Local Land Charges	(34.3)	(110.8)	76.5	42.8	33.7
Licensing & Enforcement	24.5	(379.0)	403.4	416.3	(12.8)
Health, Housing & Regeneration	988.6	1,813.1	(824.5)	(660.9)	(163.6)
Corporate Support Services					
Corporate Management	354.1	303.7	50.3	40.0	10.3
Finance & Property Services	1,372.0	1,427.1	(55.1)	(37.1)	(18.0)
People and Policy	272.8	223.5	49.3	24.0	25.2
Non Distributed Costs	1,015.0	959.1	55.9	67.2	(11.3)
Capital Financing and Interest	210.1	187.0	23.1	27.9	(4.8)
Leisure	291.6	291.6	-	-	-
Favourable impact on General Fund	8,901.1	8,500.8	400.3	495.8	(95.5)
Check Total	8,901.1 ok	0.0			

This revenue position has moved a net adverse of £194k during quarter 3, though this takes account of various favourable and adverse variances. The original budget planned the use of £182k from the Transitional Reserve and £78k from the NNDR Reserve. In the updated MTFS considered by members at Cabinet in October, it was suggested that the requirement from the Transitional Reserve between 2016/17 and 2020/21 would be £2,369k in total. Given that the Transitional Reserve already holds this amount, officers recommend that the general favourable variance above is transferred into the Empty Homes Strategy Reserve.

Total annual variance in relation to current staff costs has decreased by £3.2k to £162.9k favourable. The table on page 16 shows that £6k of this has been realised in net cash terms to date and there were 12 vacancies against the revised establishment of 167.5 FTEs (now including the Empty Homes team).

The other main areas of movements can be seen in the table opposite.

- The set-up costs for the Capita contract extension have risen from £8k to £28k now, mainly the implementation of scanners to bring document management efficiencies.
- The favourable variance on fuel costs has increased by £23k to £72.4k for the year.
- Insurance premiums have fallen specifically for vehicles by £18.4k and property by £7.5k.
- Staff costs in the Business Directorate have increased by £45.8k, £21.8k relating to legal support and £10k for planning support funded from reserve contributions. Also included in this is £13.6k of potential modern apprentice grant which can now not be claimed - a similar £6.5k has been lost in relation to the modern apprentice in the Finance team.
- The Empty Homes Scheme operational costs have been revised, increasing the adverse variance by £179k to £925k for the year, the main cost drivers being the impact of voids and the pace of the renovations (for more detail see page 9)..
- Staff training costs are likely to drop by £25k for the year based on current cost patterns.

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Major Variances in Quarter 3	Favourable /(Adverse)	Net
Customer Services and e-Government		
Recovery of Council Tax & Housing Benefit over payments	9.3	
Cash recovery of overpaid benefits	(8.0)	
Contract savings re inflation expectations	6.0	
Capita - new homes reward & extension set-up costs	(29.0)	
Other minor variances	(4.2)	(25.9)
Place Operations		
Staff costs (including overtime and savings target)	12.4	
Fuel	23.0	
Vehicle maintenance	7.2	
Purchase of Tools & Equipment (mainly in parks)	23.2	
Recycling income	6.1	
Markets income	6.0	
Cemeteries income	(18.4)	
Insurance related costs	18.4	
Other minor variances	2.8	80.7
Business Directorate		
Staff costs	(45.8)	
Planning Applications (net of professional support costs)	(9.2)	
Scout Moor Planning costs - Earmarked Reserve contribution	48.0	
Building Control fee income (net of costs)	(10.8)	
Taxi Licensing income	(5.6)	
Land charges S31 New Burdens grant	33.0	
Other minor variances	2.3	11.9
Business - Health, Housing & Regeneration		
Staff costs (excl Empty Homes Team)	11.6	
Empty Homes Scheme (including staffing)	(179.0)	
Other minor variances	3.8	(163.6)
Corporate Management		
Staff costs (assumed Apr-Nov only - £9.3k/mth thereafter)	16.5	
Other minor variances	(6.2)	10.3
Finance & Property Services		
Staff costs (incl Empty Homes support)	(1.9)	
Bank Charges	(6.2)	
Internal & external audit costs	(10.1)	
Building running costs (gas, electricity, water, NNDR)	(11.1)	
Estates rental income	4.8	
HMO income in 15/16 recovers 14/15 costs	3.2	
Insurance Premium saving	7.5	
Other minor variances	(4.2)	(18.0)
People & Policy (incl P&P & Comm)		
Staff costs	-	
External support from neighbouring authorities	9.0	
Staff recruitment costs	(7.7)	
External Training & other variances	23.9	25.2
Non-Distributed Costs & Capital Financing		
Added Yrs Pension	(11.3)	
Interest payable/receivable	(4.8)	(16.1)
Favourable/(adverse) variance on the General Fund		(95.5)

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Customer Services & E-Government - Period 9 (December)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Strategic Functions					
Management and Support	71.4	71.5	(0.1)	(0.3)	0.2
Service Assurance Team	150.6	151.8	(1.2)	(1.3)	0.1
Revenues, Benefits and Customer Services					
Local Tax Collection	(342.6)	(396.5)	54.0	44.7	9.3
Benefits Admin	1,107.8	1,115.6	(7.8)	10.3	(18.1)
Net - Housing Benefit Payments made & Subsidy received	(35.8)	(57.4)	21.6	29.3	(7.6)
Information and Communications Technology					
Technology	552.1	571.9	(19.8)	(12.0)	(7.8)
Pest Control					
Pest Control	-	3.1	(3.1)	(1.2)	(2.0)
Total	1,503.6	1,460.0	43.6	69.4	(25.9)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr Forecast £000	R A G
Recovery of previous year Council Tax Benefit o/payments	45.0	9.3	54.3	
Cash recovery of Housing Benefit overpayments	32.0	(8.0)	24.0	
Delayed movement of data centre from Hardman's Mill	(12.0)		(12.0)	
Government Connect / Peneration Testing	(6.7)		(6.7)	
Inflation saving on Capita Contract	25.0	6.0	31.0	
Software Licenses	(11.0)		(11.0)	
Capita Reward - New Homes Bonus		(9.0)	(9.0)	
Set-up costs re extension of Captia Contract	(8.0)	(20.0)	(28.0)	
Other IT related savings	5.1	(4.1)	1.0	
TOTAL	69.4	(25.8)	43.6	

The set-up costs of the Capita contract extension include £8k for the out of hours arrangements, £5k for the new Futures Park contact centre arrangements and £7k for scanners to deliver document management efficiencies.

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Place Operations - Period 9 (December)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Strategic Functions					
Operations Admin / Vehicle Maintenance	421.4	390.3	31.1	18.9	12.2
Operational Functions					
Refuse Collection	905.2	782.7	122.5	78.7	43.8
Street Sweeping	345.1	332.8	12.3	8.0	4.3
Markets	(97.5)	(84.0)	(13.5)	(19.5)	6.0
Parks					
Parks & Open Spaces	931.0	855.3	75.7	43.1	32.6
Cemeteries	(125.0)	(113.2)	(11.8)	6.3	(18.2)
Total	2,380.1	2,163.9	216.2	135.6	80.7

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Fuel	49.4	23.0	72.4	
Trade Waste Income	44.2	0.5	44.7	
Parks Salary Variances (Vacancy & Retirement)	32.3	5.8	38.1	
Street Sweeping Salaries and Agency	19.0	(1.5)	17.5	
Cemeteries income	6.3	(18.4)	(12.1)	
Fleet Management Vacancy and Agency	8.2	0.7	8.9	
Overtime Budgets	6.5	7.4	13.9	
Vehicle Tracking Lease	5.4	0.1	5.4	
Shared Management with Hyndburn	5.0	-	5.0	
Underspend on new route calendars	4.5	1.7	6.2	
Sale of Green Bins	4.5	(0.1)	4.4	
Parks Equipment	5.8	19.2	25.0	
Purchase of Tools and Equipment	(3.0)	4.0	1.0	
Vehicle Maintenance	(6.3)	(0.0)	(6.3)	
Markets Income	(19.8)	6.0	(13.8)	
Insurance Related Costs	-	18.4	18.4	
Professional Fees in support of grant applications	-	7.5	7.5	
Recycling income	(26.5)	6.1	(20.4)	
Other Variances	0.2	0.3	0.4	
TOTAL	135.6	80.7	216.2	

Fuel prices continue to fall, improving the favourable forecast variance by a further £23k to £72.4k for the year.

Insurance premiums related to vehicles have fallen by £18,4k.

Cemeteries income projects in September were over optimistic because they were projecting the April income (relating to works in the old year but not accrued for in error) across the rest of the financial year. Current income levels look to be around a £12k adverse for the year (albeit excluding potential any seasonal fluctuations over the winter).

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Business Services - Period 9 (December)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Corporate Apprentices	-	13.6	(13.6)	(8.3)	(5.3)
Planning	-	-	-	-	-
Development Control	(320.1)	(695.7)	375.5	389.3	(13.7)
Forward Planning	143.6	119.8	23.9	(24.2)	48.1
Land Charges	(34.3)	(110.8)	76.5	42.8	33.7
Building Control	-	-	-	-	-
Building Control - Fee Earning Account	(42.7)	(14.1)	(28.5)	(18.6)	(10.0)
Building Control - Statutory Function	43.7	52.1	(8.4)	0.8	(9.2)
Building Control - Street Signs	8.0	3.2	4.8	2.1	2.7
Legal Services	156.7	168.6	(11.8)	8.0	(19.8)
Democratic Services	-	-	-	-	-
Electoral Registration	55.6	62.4	(6.8)	(2.8)	(4.1)
Elections	63.8	57.8	6.0	7.2	(1.2)
Democratic Representation	360.9	348.2	12.6	11.4	1.2
Mayoralty	51.2	45.5	5.7	5.5	0.2
Town Twinning	2.5	0.3	2.2	-	2.2
Licensing & Enforcement	24.5	(379.0)	403.4	416.3	(12.8)
Total	513.3	(328.2)	841.6	829.6	12.0

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Members Allowances	8.0	2.9	10.9	
Mayoral Attendants	1.4		1.4	
Corporate Apprentices		(13.6)	(13.6)	
European Elections recovery of costs already included in RBC budgets	7.0	(0.1)	6.9	
Legal - Additional Agency Costs		(21.8)	(21.8)	
Legal - Income		6.6	6.6	
New Homes Bonus Income	368.0		368.0	
Projected Planning Application Fee Income	35.0	(7.0)	28.0	
Additional Staffing resource in Planning	(28.0)	(10.0)	(38.0)	
Forward Planning - Extension of Temporary Contract	(10.0)	(0.4)	(10.4)	
Forward Planning - Professional Fees	(7.0)	(2.2)	(9.2)	
Forward Planning - Contribution to Scout Moor costs from Reserves		48.0	48.0	
Building Control Fee Income	(19.0)	(1.0)	(20.0)	
Buildign Control - Professional Fees securing unsafe premises		(9.8)	(9.8)	
Land Charges - Income from search fees	6.0	(1.5)	4.5	
Land Charges S31 - New Burden Funding - Property Searches (Tinker Case)	39.0	33.0	72.0	
Licensing - Staff vacancy	6.0		6.0	
Taxi Licensing Income & Expenditure	410.0	(5.6)	404.4	
Other Miscellaneous Variances	13.2	(5.6)	7.6	
TOTAL	829.6	11.9	841.5	

Support for the Legal team in relation to the Empty Homes recovery process is expected to cost £21.8k this year.

Planning work in relation to the Scout Moor Wind Farm applications is being funded from an Earmarked Reserve contribution of £48k.

A further grant of £33k has been received from central government in relation to land charge searches following the Tinker legal case.

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Health, Housing & Regeneration - Period 9 (December)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Strategic Functions					
Regeneration Mangement & Admin	189.1	173.8	15.4	20.8	(5.4)
Tourism	-	-	-	-	-
Area Forums	20.0	14.9	5.1	7.0	(1.9)
Dog Warden	24.2	17.3	6.9	6.8	0.2
Economic Regeneration					
Economic Regeneration	107.1	102.8	4.3	4.6	(0.3)
Whittaker Park Musuem	70.8	84.2	(13.4)	(11.7)	(1.7)
Strategic Housing					
Housing Strategy	51.2	43.1	8.0	10.7	(2.7)
Homelessness	122.3	132.7	(10.3)	(6.7)	(3.7)
Private Sector Renewal	41.7	4.5	37.3	37.2	0.1
Environmental Health					
Environmental Health	362.2	314.3	47.9	17.0	30.9
Empty Homes Scheme					
HCA	-	925.7	(925.7)	(746.7)	(179.0)
Total	988.6	1,813.1	(824.5)	(660.9)	(163.6)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Housing related costs arising from the demise of AAW	(746.0)	(179.0)	(925.0)	
Housing Strategy staffing	10.0	(4.0)	6.0	
Regeneration Officer Vacancies (net of agency support)	25.9	(10.9)	15.0	
Private Sector Renewal vacancy	34.0		34.0	
Reduced grant allocation - area forums	7.0	(2.0)	5.0	
Projected under spend - Dog Warden	6.8	0.1	6.9	
Whittaker Park Museum Utilities Costs	(11.3)		(11.3)	
Whittaker Park Museum - 60s Weekend		(2.4)	(2.4)	
Environmental Health Staff Vacancies	6.0	26.5	32.5	
Environmental Health - Professional Fees	7.0	1.8	8.8	
Environmental Health - Miscellaneous budgets	8.0	2.0	10.0	
Housing Options Team - additonal staffing	(26.0)		(26.0)	
Reduced contribution to St Vincent's Handymam service	10.0		10.0	
Other Miscellaneous Variances	7.7	4.3	12.0	
TOTAL	(660.9)	(163.6)	(824.5)	

The changes in the projected costs of the Empty Homes scheme recovery can be broken down as follows:-

- Staffing costs have risen £22k to £162.6k
- Repairs cost forecasts have risen £59k to £275k for the year
- Council Tax payments are forecast to drop by £20k to £238k based on bringing properties back into use in Q4
- Expected income from rentals has been revised downwards by c£200k, but at the same time the start of lease payments to owners has been delayed, reducing costs by £85k

Staff vacancies are likely to contribute a further £26.5k savings above the £6k anticipated back in September, but almost £11k of this has been required to bring in additional agency support.

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Corporate Management - Period 9 (December)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Corporate Management					
Executive Office	246.6	197.8	48.8	37.4	11.4
Corporate Contingency	-	1.6	(1.6)	(1.6)	(0.0)
Executive Support & Corporate Subscriptions	70.4	67.7	2.8	2.8	(0.0)
Concessionary Fares	4.0	3.7	0.3	1.4	(1.1)
	-	-			
Community Safety	33.0	33.0	-	-	-
Total	354.1	303.7	50.3	40.0	10.3

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Director of Business vacancy	62.9	31.1	94.0	
Agency & Professional Support Pending Senior Mgmt Restructure	(26.4)	(14.6)	(41.0)	
Recruitment Advertising	-	(3.0)	(3.0)	
Other Misc under / (over) spends	3.5	(3.4)	0.1	
TOTAL	40.0	10.1	50.1	

While the management restructure is still ongoing the Director of Business post remains vacant, but agency cover continues to support the remaining Management Team.

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Finance and Property Services - Period 9 (December)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Financial Services Team	337.2	357.4	(20.2)	(16.7)	(3.5)
Internal Audit	70.7	79.1	(8.4)	(5.6)	(2.8)
Corporate Costs	-	-			
External Audit Fee	68.0	47.5	20.5	21.4	(0.9)
Bank Charges (net of fees)	17.2	36.6	(19.4)	(13.2)	(6.3)
Treasury Management	6.6	2.3	4.3	7.3	(3.1)
Property Services					
Property Services Team	345.6	331.6	14.0	11.2	2.8
Corporate Estates	(35.1)	(52.9)	17.8	12.7	5.1
Non Domestic Estates	(109.4)	(110.6)	1.1	2.6	(1.5)
Office Accommodation	83.5	129.9	(46.4)	(46.7)	0.3
Operational Properties	378.5	373.5	4.9	13.4	(8.5)
Leisure Properties	56.8	53.3	3.5	0.2	3.2
Bus Shelters	9.0	11.0	(2.1)	(1.6)	(0.5)
Business Centre	143.7	168.3	(24.7)	(22.1)	(2.6)
Total	1,372.0	1,427.1	(55.1)	(37.1)	(18.0)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Financial Services Team - HCA recovery project	(8.1)		(8.1)	
Financial Services Team - trainee post (for modern apprentice)	(6.5)		(6.5)	
External Audit - national reduction in fees chargeable	22.2		22.2	
Bank Charges - EU ruling on change to debit card collection charges	(10.2)	(6.2)	(16.4)	
Internal Audit - 2014/15 savings & prov' bfw but HCA audit costs	(5.6)	(10.1)	(15.7)	
Finance Misc Expenses	1.4	(0.1)	1.3	
Repairs & Maintenance	1.5	(1.6)	(0.1)	
Electricity	1.3	(13.3)	(12.0)	
Gas	8.6	2.2	10.8	
NNDR - Rawtenstall bus station delay	(41.9)	(1.0)	(42.9)	
Water	10.8	1.0	11.8	
Estates Income	5.2	4.8	10.0	
Property Services disestablished post	3.2		3.2	
Marl Pits Pavilion - cleaning	(8.8)		(8.8)	
Allotments	(4.8)	(1.3)	(6.1)	
Delayed Departure from Hardman's Mill (relocation of servers)	(11.2)		(11.2)	
Departure Charges	(2.2)		(2.2)	
Emergency Planning	5.5		5.5	
Legionella	(0.8)		(0.8)	
Mount Pleasant - house of multiple occupancy	20.8	3.2	24.0	
Insurance Premium		7.5	7.5	
Business Centre - new IT connectivity for tenants	(8.0)		(8.0)	
Business Centre Cleaners	(3.7)	(0.5)	(4.2)	
Business Centre recharges	(2.0)		(2.0)	
Property Misc Expenses	(3.8)	(2.6)	(6.4)	
TOTAL	(37.1)	(18.0)	(55.1)	

Officers have received electricity bills relating to an additional smart meter at Henrietta Street depot/garages which is going back 5 years. Whilst we are still disputing this charge the costs have been included here as a precaution.

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People and Policy - Period 9 (December)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
People & Organisational Development Human Resources	272.8	223.5	49.3	24.0	25.2
Total	272.8	223.5	49.3	24.0	25.2

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Staff Vacancies (per approved restructure vacancies filled from Nov)	26.0		26.0	
Temporary HR support (until new structure is filled)	(4.0)	4.0	-	
Recruitment expenses		(7.7)	(7.7)	
Health & Safety Support (to end c Oct 2015 - see restructure)	5.0	5.0	10.0	
External Training		25.0	25.0	
Rawtenstall Gateway improvements - re tourism activity	(2.5)		(2.5)	
Miscellaneous variances	(0.5)	(1.0)	(1.5)	
TOTAL	24.0	25.3	49.3	

The favourable estimate on staff training costs above is based on current spending patterns, but these could change over the final quarter of the year. There has not been time for a full review of training plans and costs at present.

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Non-distributed Costs, Corporate Resources & Leisure Services

Period 9 (December)

Summary	2015/16 Org Budget £000	2015/16 Forecast £000	2015/16 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	1,268.4	1,248.3	20.1	31.4	(11.3)
Other Non-distributed Costs	(253.4)	(289.2)	35.8	35.8	-
Capital Financing	-	-			
Minimum Revenue Provision	114.5	115.3	(0.8)	(0.8)	-
Investment Interest	95.6	71.6	24.0	28.7	(4.8)
Use of Earmarked Reserves	-	-	-	-	-
Leisure	291.6	291.6	-	-	-
Total	1,516.7	1,437.7	79.0	95.1	(16.1)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Pd £000	Full-Yr £000	R A G
Pension Fund deficit top-up payments	65.9		65.9	
Added Years Pension		(11.3)	(11.3)	
Interest expenditure	3.5		3.5	
Interest income from bank accounts	25.2	(4.8)	20.4	
Restructure costs - Rossendale Leisure Trust	(53.3)		(53.3)	
Supporting HAPPI, as per Full Council in July	(50.0)		(50.0)	
Transfers (to)/from Reserves	103.3		103.3	
Other minor variances	0.5		0.5	
TOTAL	95.1	(16.1)	79.0	

The half yearly costs of the former employees with the Greater Manchester pensions fund had missed from the September forecasts, the full year implication adding £11.3k as shown above.

For more information on interest income see page 17.

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Budget Volatility Reserve	Business Rates Retention	Transitional Budgetary Support	Planning Reserve	Homeless' Reserve	Vehicle Reserve
	AN060103	AN060123	AN060110	AN060144	AN060129	AN060109 / AN060145	AN060127	AN060130
Balance at 01/04/2015	1,577.7	85.5	267.1	464.0	2,679.3	234.2	295.6	361.4
Funds Received 2015/16								
2015/16 grants				655.0	S31 grants			
Revenue income received							3.0	100.0
Revenue income anticipated				191.0	NNDR Surplus			
General Fund Surplus Contribution								
Total Funds Available	1,577.7	85.5	267.1	1,310.0	2,679.3	234.2	298.6	461.4
2015-16 Published Budget Utilisation								
General budget support				(23.0)	(182.0)			
2015-16 Other Utilisation Plans								
Transfers between Reserves						(53.4)		
Empty Homes Transfer between Reserves	(77.7)	(45.4)	(267.1)			22.0	(44.0)	(231.0)
Support to Tourism								
SHMA survey & Other Local Plans								
Rogue Landlords								
Active East								
Counter Fraud								
Insurance Tender								
Support to Scout Moor Planning Application								
Legionella Risk								
Bacup THI Support								
Youth Homelessness funding							(87.5)	
Childrens Trust - Summer Fun								
PCC Comm safety funds from LCC								
2015/16 NNDR Deficit & Autumn Statement Creditor								
2015/16 DGLC levy 50%				(423.0)				
Additional pension payments								
Support Fwd Planning Staffing Hours Increase								
Valuation of former Valley Centre Development								
Drainage & Flood Prevention								
Active East		(20.0)						
Individual Registration								
Admin Support to Planning						(71.0)		
Apprentice Scheme		(20.1)						
STAN / Counter Fraud								
Redundancy costs at RLT								
HCA Empty Homes Scheme								
Xmas Lights								
HAPPI grant & loan cover								
Rawtenstall Bus Station	(95.0)							
Reserve Estimates 31/3/2016	1,405.0	(0.0)	0.0	864.0	2,497.3	131.8	167.1	230.4
Future Contributions/Utilisation Plans								
2015/16 Plans						(54.9)		
2016/17 Plans					(458.0)			25.5
2017/18 Plans					(57.0)			25.5
2018/19 Plans					(512.0)			(25.5)
2019/20 Plans					(664.0)			(51.0)
2020/21 Plans					(678.0)			25.5
Potential Reserve Balances	1,405.0	(0.0)	0.0	864.0	128.3	76.9	167.1	230.4

Officers have carefully considered the funding possibilities for the Empty Homes Scheme recovery. A new row has been inserted in the table above showing transfers from many of the Council's other reserves to create a fund of £2,027k which will be used to meet MRP costs of the capital recovery works and annual revenue costs over the next five years. For more information see the capital programme report on pages 20 & 21.

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Leisure Reserve	PRIDE Reserve	Empty Homes Reserve	Perform Reward Grant	Bacup THI	Pension Fund Reserve	Operational Reserves	Total
	AN060118/9	AN060126	AN060148	AN060120	AN060142	AN060117	AN060121	
Balance at 01/04/2015	785.0	15.0	458.9	236.3	353.6	784.9	1,199.7	9,798.3
Funds Received 2015/16								
2015/16 grants							38.3	693.3
Revenue income received			142.7	HCA recycled grant			90.5	336.2
Revenue income anticipated			195.1	General Fav variance			70.9	457.0
General Fund Surplus Contribution			400.3					400.3
Total Funds Available	785.0	15.0	1,197.0	236.3	353.6	784.9	1,399.4	11,685.1
2015-16 Published Budget Utilisation								
General budget support								(205.0)
2015-16 Other Utilisation Plans								
Transfers between Reserves	121.4					(121.4)	53.4	0.0
Empty Homes Transfer between Reserves		(15.0)	2,027.0	(236.3)		(498.0)	(634.5)	0.0
Support to Tourism							(3.0)	(3.0)
SHMA survey							0.0	0.0
Rogue Landlords							0.0	0.0
Active East							(47.0)	(47.0)
Counter Fraud							0.0	0.0
Insurance Tender							0.0	0.0
Support to Scout Moor Planning Application							0.0	0.0
Legionella Risk							0.0	0.0
Bacup THI Support					(280.6)		0.0	(280.6)
Youth Homelessness funding							0.0	(87.5)
Childrens Trust - Summer Fun							(4.0)	(4.0)
PCC Comm safety funds from LCC							(4.8)	(4.8)
2015/15 NNDR Deficit & Autumn Statement Creditor							0.0	0.0
2015/16 DGLC levy 50%							0.0	(423.0)
Additional pension payments							0.0	0.0
Support Fwd Planning Staffing Hours Increase							(2.0)	(2.0)
Valuation of former Valley Centre Development							0.0	0.0
Drainage & Flood Prevention							(4.0)	(4.0)
Active East							0.0	(20.0)
Individual Registration							0.0	0.0
Refurb of Rossendale Museum							(77.0)	(148.0)
Apprentice Scheme							0.0	(20.1)
Credit Union - Financial Inclusion / STAN							(26.5)	(26.5)
Redundancy costs at RLT	(53.0)						0.0	(53.0)
HCA Empty Homes Scheme			(125.4)				(4.0)	(129.4)
Xmas Lights							(25.0)	(25.0)
HAPPI grant & loan cover							(25.0)	(25.0)
Rawtenstall Bus Station							0.0	(95.0)
Reserve Estimates 31/3/2016	853.4	(0.0)	3,098.6	0.0	73.0	165.5	596.0	10,082.3
Future Contributions/Utilisation Plans								
2015/16 Plans							(61.5)	(116.4)
2016/17 Plans			(600.0)		(40.0)	69.0	(72.7)	(1,076.2)
2017/18 Plans			(600.0)		(33.0)		(23.5)	(688.0)
2018/19 Plans			(600.0)				0.0	(1,137.5)
2019/20 Plans			(600.0)				0.0	(1,315.0)
2019/20 Plans			(600.0)				0.0	(1,252.5)
	853.4	(0.0)	98.6	0.0	0.0	234.5	438.3	4,496.7

Current issues

Funding for the original budget of £8.9m included the use of £182k from the Transitional Reserve and £78k from the Business Rates Retention Reserve as reflected in the above table.

The Bacup THI Reserve is being used to support £40k of revenue costs per annum up to 2018/19, plus £240.6k of capital works in the initial phases between summer 2015 and summer 2016, as noted in the capital programme on pages 28 & 29.

As noted on page 21 the impact of pension fund valuations on the required Leisure Reserve is being funded from a transfer from the Pension Reserve.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Housing Capital Pot *	Disabled Facilities Grants *	Total
Balance at 01/04/2015	25.2	338.3	0.0	363.5
New Funds Received 2015/16				
Grant received			424.0	424.0
Other contributions			150.0	150.0
Total Funds Available	25.2	338.3	574.0	937.5
Planned Utilisation in 2015/16				
DFGs brought forward from 2014/15		(149.0)	(18.0)	(167.0)
DFGs original Capital Prog 2015/16		(76.0)	(424.0)	(500.0)
Additional Utilisation in 2015/16				
DFGs additional works			(132.0)	(132.0)
Anticipated Balance 31/03/2016	25.2	113.3	0.0	138.5
Future Utilisation Plans				
2016/17 DFGs		(76.0)		(76.0)
2017/18 DFGs		(37.3)		(37.3)
2018/19 DFGs		0.0		0.0
Potential Reserve Balances	25.2	0.0	0.0	25.2

The funds held from the old Housing Capital Pot grant scheme look set to run out in 2017/18. Beyond this the only funds available for DFG works will be the annual grant from the Better Care Fund and any contribution from Green Vale Homes for works to their properties.

Staff Costs, including agency

At the end of December there were 12 vacant posts contributing to a net favourable cash variance of £6k for the year to date. This figure is net of £169k in additional staffing costs for planning and the new housing Empty Homes team.

Employment Costs 2015/16 to end Dec	YTD Budget £000	YTD Actual £000	full year Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	Original Budget Staff FTEs	FTE Changes during 2015/16	Current Vacant Posts
Place Directorate								
Customer Services	280	264	16	9	7	8.8	0.0	0.0
Operations Service	1,589	1,498	91	48	43	77.5	0.0	3.0
Business Directorate								
Building Control Services	80	78	2	1	1	3.0	0.0	0.0
Legal & Democratic Services	222	225	(2)	(2)	(0)	11.8	0.0	0.0
Planning Services	301	344	(43)	(25)	(18)	9.8	0.0	0.0
Local Land Charges	19	20	(0)	(0)	-	1.0	0.0	0.0
Public Protection	155	163	(8)	5	(13)	11.6	0.0	0.0
Health, Housing & Regen	541	668	(126)	(71)	(56)	17.9	5.0	6.0
Corporate Services								
Corporate Management	181	137	44	42	2	3.0	0.0	1.0
Finance & Property Services	335	339	(4)	(5)	0	11.6	0.0	1.0
People & Org. Performance	135	97	38	41	(3)	5.5	1.0	1.0
Total	3,839	3,833	6	43	(37)	161.5	6.0	12.0

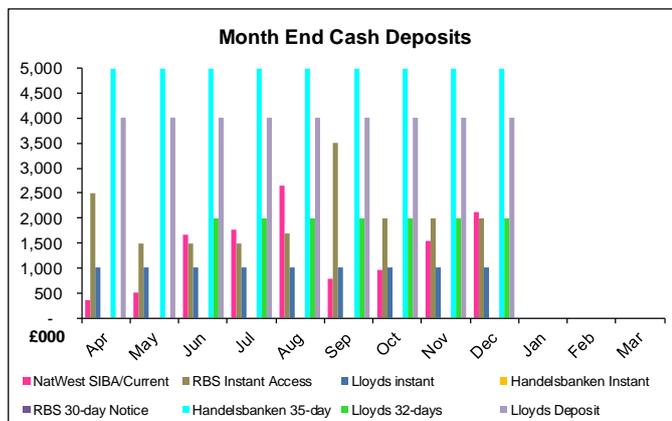
The table above shows the additional 1FTE from the restructure of the People and Policy team with bringing the Health & Safety role back in-house and the Empty Homes recovery team. The Senior Management team restructure is still under review.

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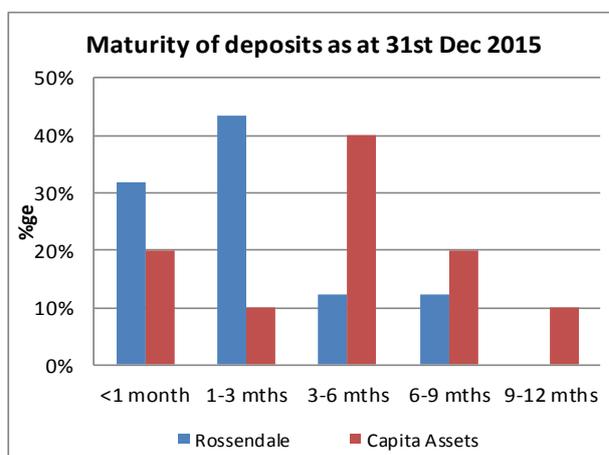
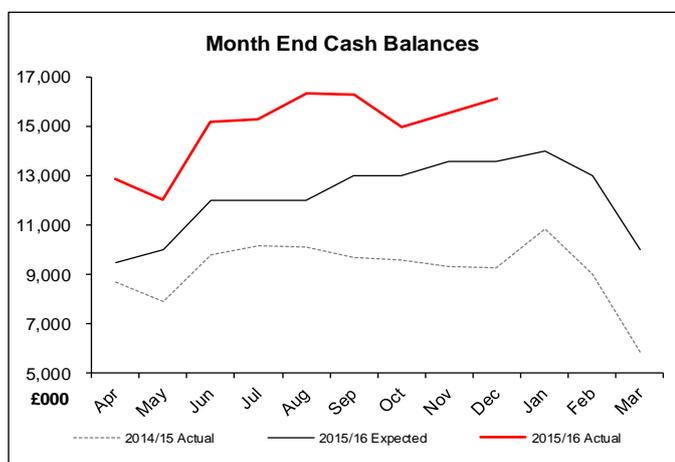
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Treasury Management & Cash Flow Monitoring

At the end of December the bank balances were back up to £16.1m from £16.3m at the end of September following the normal annual cash flow patterns. This is above the expected balances, thanks in part to the revenue savings on the General around £660k and an improvement in collection fund receipts during the first half of the year.



Effective Interest Rates at 31st Dec 2015	Current Balance £k	Effective Interest Rate %
NatWest SIBA	2,116	0.25
RBS Instant Access	2,000	0.25
RBS 30-day notice	-	0.25
Handelsbanken instant	-	0.30
Handelsbanken 35-day	5,000	0.50
Lloyds instant access	1,000	0.40
Lloyds 32-day notice	2,000	0.57
Lloyds Deposit 12mths	2,000	1.00
Lloyds Deposit 12mths	2,000	1.05
Total Bal & Avg interest	16,116	0.57



The £2m Lloyds investment which matured on the 31st December has been rolled over for a further 364 days at the slightly higher interest rate of 1.05%. Officers are carefully considering the overall cash position, especially in light of the Empty Homes recovery project, when reviewing the next investment maturity on the 21st January.

Keeping liquid funds high has impacted adversely on the overall rate of return being achieved - which currently stands at 0.57%, well below the Capita Asset Management model portfolio return of 0.85% (see the 'Maturity of deposits' comparison above and the Effective Interest Rates table also above). Officers are also mindful of the need to maintain variety in the range of investments, balancing risk with rate of return and maximising the Lloyds investment at £7m with Handelsbanken being the next best rate of return available.

Interest Earned

Interest Forecast	Budget 2015/16	Forecast 2015/16	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(162.4)	(162.4)	0.0	0.0
Misc Interest income	3.0	3.0	0.0	0.0
Bank Interest income	70.0	91.3	21.3	(3.9)
Net Interest	(89.4)	(68.1)	21.3	(3.9)

Though the overall balances are higher than anticipated, the interest income forecast has dropped by £3.9k to ensure that funds are kept liquid to support the Empty Homes Recovery project.

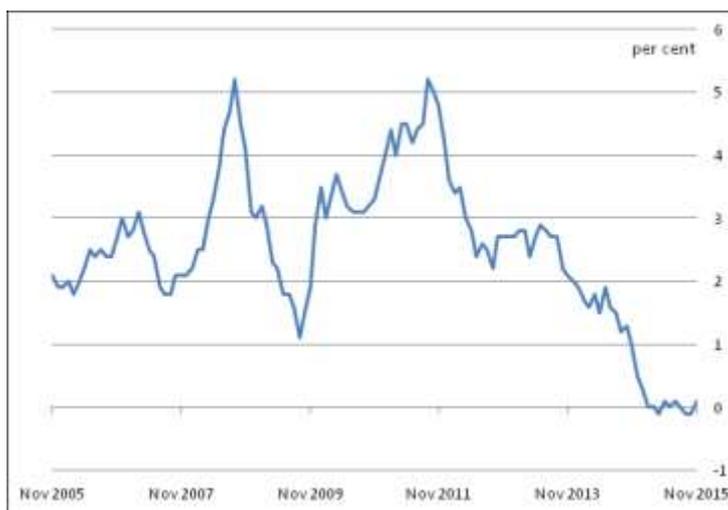
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Economic Outlook (issued 15th Dec)

The Consumer Prices Index (CPI) rose by 0.1% in the year to November 2015 compared with a 0.1% fall in the year to October. Annual inflation (the overall rate at which prices have increased over the last year) has been at or around 0% since February 2015.

Movements in transport costs and alcohol and tobacco prices were the main contributors to the rise in the rate, whilst falling clothing prices partially offset the rise.



For the Council the September inflation rate was important as it impacts on the level of benefits and pensions payable from April 2016 onwards. The Council has already benefited from fixing these low interest rates into the Capita contract extension up to September 2019.

Interest rate forward predictions

“The uncertainty over when UK interest rates will be raised has weighed on the market, generating some volatility over the past month. However, the increasing view is that it will happen later rather than sooner, possibly as late as April 2017.”

Capita Asset Services ‘Citywatch’ December 2015.

<i>as at end</i>	Dec	Mar	Jun	Sept	Dec	Mar	June	Sept	Dec
<i>Dec 2015</i>	2015	2016	2016	2016	2016	2017	2017	2017	2017
Base Rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%
25yr PWLB	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%

Treasury Management Practices (TMPs) and Prudential Indicators

All the Council’s investments continue to follow the policies laid down in the Treasury Management Strategy (TMS) document, only using UK high street banks and limiting investments to short-term (ie. 364 days maximum).

The Council’s TMPs 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. With overall resources now consistently above £15m, the decision was taken to increase the deposits with Lloyds up to £7m as their interest rates are consistently the best available. The Council’s Natwest accounts have remained within the £5m throughout quarter 3 and when combined with the RBS call account the group balance has never exceeded the same £7m cap used with the Lloyds group.

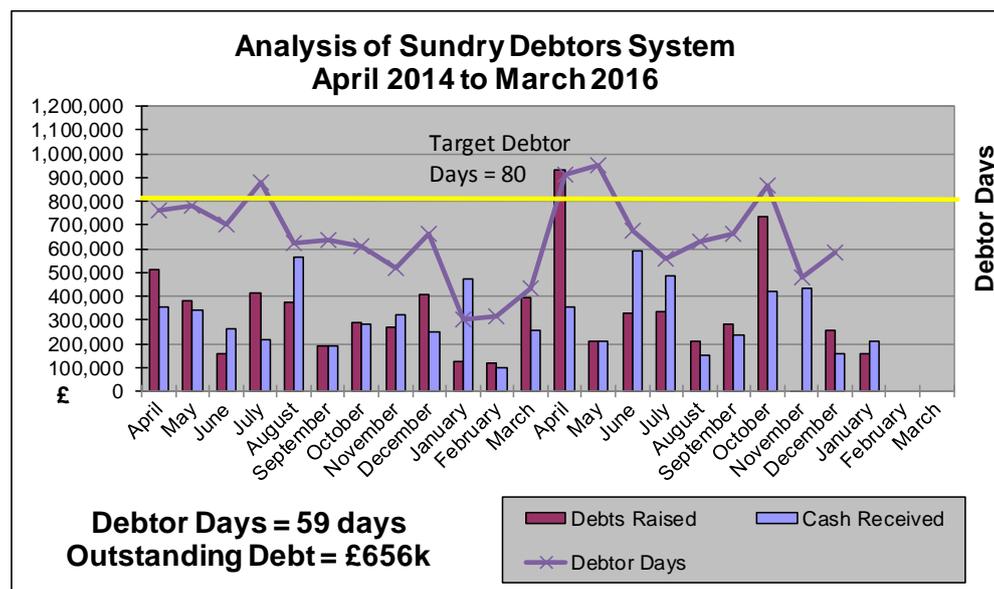
The total balances in quarter 3 ranged between £14.7m in mid October and £18.7m just before Christmas, but this is expected to drop to below £9m by the end of March.

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Sundry Debts Monitoring

In 2015/16 £3,236k of new invoices were raised in the first 9 months and the total outstanding debts at the end of December were £656k, of which £506.4k relates to debts raised since April.



Of the April debt outstanding £23.4k is being collected in instalments throughout the year. Collection of non-housing invoices raised in between April & October are averaging over 95% collected.

Around £547k of housing rent invoices have been raised in the first 9 months, of which £162k remains outstanding. Collection rates up to November were averaging 72.4%.

Collection performance at the end of December the Debtor Days indicator has improved to 59 days from 69 days at the end of September this year and 66 days at December 2014.

Doubtful debts

Officers are currently assuming a level of 10% against all housing rent debts raised, though this is subject to change with experience over the coming months, especially given the average collection rates of 72.4% noted above.

In all other cases the potential for

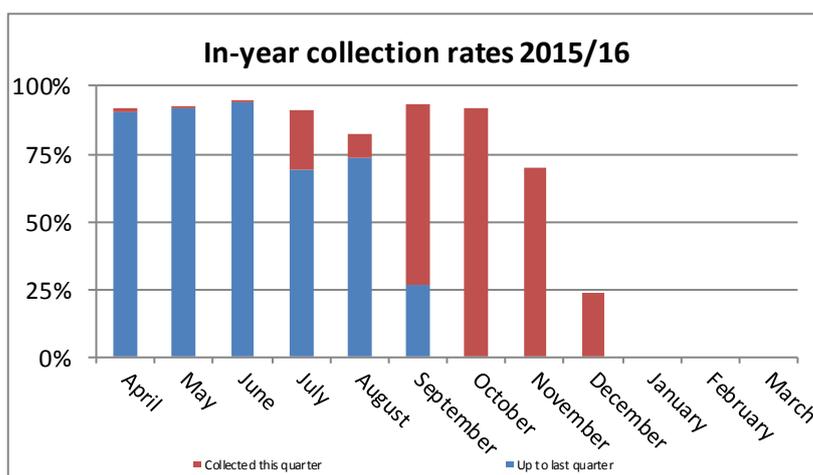
doubtful debts rises from 10% at origin, to 50% after 6 months, 75% after 9 months and 100% for any

debts over 1 year old. This has resulted in a doubtful element of £281.3k, against a current doubtful debt provision of £187.9k.

Officers will continue to monitor the requirement to make further bad debt provisions.

Secured Debts

In addition to the debts opposite, a major default work debt of £11.4k remains outstanding, secured against the premises. Officers are in the process of trying to recover this debt through the legal systems.



Debts Outstanding	Mar 2014	Mar 2015	30 Sept 2015		31 Dec 2015		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	420.2	76.7		69.2		60.9	100%	60.9
2014/15 Debt								
Q1		13.3		3.1		2.5	100%	2.5
Q2		13.1		9.3		8.3	100%	8.3
Q3		52.1		23.5		23.1	75%	17.3
Q4		125.1		57.5		55.3	75%	41.5
2015/16 Debt								
Q1 Apr			106.0		92.9		50%	37.5
Q1 May			17.0		15.6		50%	11.1
Q1 Jun			19.9	142.9	16.7	125.2	50%	12.2
Q2 Jul			107.3		30.4		10%	18.8
Q2 Aug			56.1		37.7		10%	11.2
Q2 Sept			211.9	375.3	18.7	86.8	10%	12.8
Q3 Oct			10.4		39.2		10%	18.7
Q3 Nov					58.1		10%	10.6
Q3 Dec				10.4	197.1	294.4	10%	17.9
Total Debt o/s	420.2	280.3		691.2		656.5		281.3

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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	75	79	85	10
Osolete refuse vehicles	-	49	49	49
Cost of sales		-	-	-
Net receipts to table 2	75	128	134	59

Table 2 - Useable Capital Receipts

Useable Capital Resources	£ 000
Balance at April 2015	1,736
Capital Grants in 2015/16	2,661
Capital Receipts in 2015/16	134
	4,531
Revenue Contributions (RCCO)	
from Earmarked Reserves	358
from S106 agreements	205
from Revenue Operations	125
Total Capital Resources 2014/15	5,219
Capital Programme spend	(4,313)
Useable Capital Receipts Mar 2015	907
Reserved for housing	(378)
Unreserved balance	529

Current issues

The income from asset sales in table 1 above includes £49k from the sale of the last 2 refuse vehicles at auction in April. The land and property capital income includes monies from the sale of land at Commercial Street, Loveclough and £10k of Equity Release loan repayments which are ring-fenced for housing services. Officers are confident in reaching the original target of £75k of land sales income by the year-end. Therefore, the net favourable variance forecast on capital receipts is therefore £59k.

RCCO is Revenue Contribution to Capital Outlay

Financing the Capital Programme

The opening balance of Useable Capital Receipts was £1,736k, though £943k of this was required to finance continuing projects, as shown in earlier reports.

During the year revenue resources are expected to contribute a further £688k alongside the capital receipts anticipated above, including the use of £95k from the Transport & Infrastructure Reserve to fund the Rawtenstall bus station development project.

Capital Grants and contributions expected this year have risen to £2,661k with the addition of £99k of grant funding for the Fallbarn Play Area community project. The total capital resources available in 2015/16 are therefore expected to be £5,219k.

As shown in detail on the following page, the actual capital programme now stands at £7,032k. The amount being funded through internal borrowing has increased to £2,719k with the cancellation of some of the renewable energy projects approved by members in 2014/15 and the addition of the Empty Homes renovation works. This leaves £4,313k coming from the capital resources above, leaving an expected balance of capital resources of £907k at the end of this year.

Future issues

The first DFG grant through the Better Care Fund has now been received for 2015/16 at the same value as originally budgeted of £424k but GVH have indicated that their contribution for the year will not exceed £150k (down from previous years). Any indications for future grants will be notified to members as soon as possible.

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Capital Programme Spending

SERVICE AREA	2015/16 Original Capital Programme	2015/16 Revised Capital Programme	NOVEMBER 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	190	721	58	96	721	170	335	76	140	28
Customer Services & e Govt	0	56	33	21	56	0	13	10	33	10
Regeneration	0	2,181	176	616	2,181	1,692	0	489	0	0
Corporate Support Services										
Finance & Property Services	135	1,039	636	8	1,039	0	486	95	458	77
Other PRG Projects	0	18	1	0	18	0	0	18	0	0
Renewable Energy Projects	0	88	0	0	88	0	0	0	88	15
Housing	500	2,929	327	98	2,929	799	130	0	2,000	400
	825	7,032	1,231	839	7,032	2,661	964	688	2,719	530

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

Capital Programme

The original capital programme approved in February was £825k and slippage brought forward totalled £1,901k (for details of those projects please refer to the July monitoring report).

Additional projects approved since April are shown in the table opposite, bringing the total programme up to £7,032k.

Capital Programme 2015/15	£000	Funded by
Original Capital Programme	825	
Slippage from 2014/15 projects	1,901	see July report
New projects in 2015/16		
Haslingden Grip & Go + bldg wk	330	£25k RCCO&
Valley Centre - Police Stn	152	Internal Borrowing
DFGs - additional GVH funds	132	3rd party receipts
Printers & MFDs	28	Internal Borrowing
Bacup THI (buildings phases 1-3)	1,503	mainly HLF
Greenfield Gardens	46	S106 receipt
Lumb Millenium Green gym	9	vol contributions
Rosemount Woodlands	50	grants via SCPG
Rawtenstall Bus Station	95	Reserve/LCC
New Housing IT system	24	Reserves/Receipts
Fallbarn Play Area	102	grants via Proffitts
Empty Homes renovation works	2,000	Internal Borrowing
Cancel renewable energy items	-165	Internal Borrowing
Revised Capital Programme	7,032	

Quarter 3 changes to the programme include

- Rawtenstall Bus station project development funded from the Transport & Infrastructure Reserve in the first instance (though support from LCC is expected),
- Empty Homes renovations tenders have gone out in Q3/Q4 in 3 separate tenders. These are expected to cost £ and be financed through internal borrowing, the MRP charge for which will in turn be funded from the Empty Homes Reserve over 5 years.
- A new housing software system to support the Empty Homes Scheme recovery,
- Fallbarn Play Area - a community project funded almost entirely by external grants,
- Cancellation of 2 of the 4 the renewable energy projects approved by members in the 2014/15 financial year.

Current Issues

- Replacing damaged flooring at Marl Pits wet changing rooms is almost complete now.
- The Bus Station development project is well under way, including the public consultation exercises in the autumn.
- Rosemount Woodlands is under way and Fallbarn Play is about to go out to tender.

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Minimum Revenue Provision

This has not yet been reviewed, though the Empty Homes renovation costs are likely to increase the MRP charges by c£400k per annum over the next 5 years. These will in turn be funded through use of the Empty Homes Reserve as shown on page 15.

Section 106 Receipts Monitoring

<u>Section 106 Agreements</u>	<u>Third Party Projects</u>	<u>RBC Revenue Projects</u>	<u>RBC Capital projects</u>	<u>Total Held</u>
	£000	£000	£000	£000
Balance b/wd at 1st April 2015	418.8	152.7	199.9	771.4
Deposits received in 2015/16	281.1	2.6	127.32	411.0
Deposits applied in 2015/16	(38.0)	(12.2)	(26.8)	(76.9)
Current Balance	661.9	143.1	300.5	1,105.5

There have been some large S106 receipts in Q3 relating to Scout Moor, New Hall Hey and the third party elements of the Holmefield House S106 have already begun to be applied.

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

<u>Planning Ref</u>	<u>Area</u>	<u>Site</u>	<u>Purpose</u>	<u>Time Period</u>	<u>Current Balance</u>
2002/407	Bacup	Former Victoria WMC Bacup	Bus Shelters	none stated	5,000
2002/407	Haslingden	Bentgate, Manchester Rd	Play Area upgrade	no time limit	10,000
2004/012	Crawshawbooth	Former Chapel, Crawshawbooth	Recreation Area	no time limit	6,841
2004/372	Crawshawbooth	Crawsbooth Con Club conversion	Bus Shelters	none stated	12,000
2004/401	Bacup	Douglas Rd/ Tong Lane Others	Land Maintenance	no time limit	104,846
RBC Revenue Maintenance Projects					143,232
2002/497	Haslingden	Grane Mill, Laneside Rd	Provision & Maint of Public Open Spaces in Rossendale	no time limit	46,000
2010/433	Whitworth	Eastgate	Open Spaces/ Affordable housing	Exp Jul 2017	87,875
2010/0667	Whitworth	Orama Mill	Public Open Spaces	Exp June 2020	57,800
2011/0046	Helmshore	Holmefield House	Public Open Spaces	Exp Aug 2017	3,644
2011/0046	Helmshore	Holmefield House	??		25,800
2012/0162	Rawtenstall	Rossendale General Hospital	Sports Provision	Exp Nov 2019	35,581
2013/0277	Waterfoot	Waterfoot	Public Open Spaces within the vicinity	no time limit	16,392
2013/0455	Bacup	Bacup	Public Open Spaces within the vicinity	no time limit	27,320
RBC Capital Projects					300,412

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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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