

<b>Subject:</b>	Financial Monitoring Report 2019/20 Q1	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	11 <sup>th</sup> September 2019
<b>Report of:</b>	Finance Manager	<b>Portfolio Holder:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	Yes/No	Attached: Yes/No
<b>Biodiversity Impact Assessment</b>	Required:	Yes/No	Attached: Yes/No
<b>Contact Officer:</b>	Janice Crawford	<b>Telephone:</b>	01706 252416
<b>Email:</b>	janicecrawford@rossendalebc.gov.uk		
<b>1.</b>	<b>RECOMMENDATIONS</b>		
1.1	That Members note the contents of the report.		
1.2	That Members approve the application of surplus monies into the Transitional Reserve		

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to update Members on the Q1 budget progress for 2019/20, compared to the original budget set back in February 2019.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A clean and green Rossendale:** our priority is to keep Rossendale clean and green for all of Rossendale's residents and visitors, and to take available opportunities to recycle and use energy from renewable sources more efficiently.
  - **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
  - **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues and opportunities and in particular service department net expenditure.
  - Budget setting for future years is now treated as an integral part of financial monitoring during the current year and the impact of variances being reported here will be considered by officers when preparing the detailed 2020/21 budgets.
  - The Council must explore ways of bridging its forecast c£700k annual funding gap. Amongst other things this may include becoming more commercially aware, aiming to grow its resources alongside the challenges to its cost base.
  - Any continued austerity planning by Central Government resulting in a further reduction of central government resources, plans for the local retention of 75% of the

business rates by 2020/21, the current fair funding review and any potential implications of Brexit.

The Government has recently announced a one year only spending review. This is likely to have implications for the Fair Funding Review and the national scheme for the local retention of business rates, both due to commence April 2020.

## **5. BACKGROUND AND OPTIONS**

### **5.1 2019/20 Q1 Monitoring Report as at the end of June 2019 (see Appendix 1)**

This first monitoring report of the financial year 2019/20 is showing an expected favourable variance of £114k, compared to the original budget of £9,931k. Officers recommend that this variance is used to reduce reliance on the Transitional Reserve for 2019/20 from £511k to £397k.

The most notable changes so far are shown in the table on page 5 of the report. The main changes in Q1 being:

#### **5.1.1 Favourable one-off variances**

- Housing Benefits subsidy is showing a favourable variance of £38k
- The Director of Communities post is vacant and contributing £39k towards an overall predicted variance of £189k compared to the target vacancy savings of £150k
- Favourable grant income on the Service Assurance Team is already at £100k but most of this will be used to fund service / systems changes required by central government changes.
- A combination of higher balances and rising interest rates looks set to improve this year's interest income by £41k.

#### **5.1.2 Adverse one-off variances**

- Court Costs recovered have returned an adverse variance overall of £22k, but this is mainly due to a catch-up in the doubtful debt provision.
- Income is down in the markets, cemeteries and local land charges, planning applications and at the Knowsley Road depot site which is still in the process of being sold.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £39k mainly due to expected works to older fleet vehicles. There is, however, a forecast saving of £12k on MRP due to some delayed investment. The Operations staff are in the process of trying to obtain replacement vehicles so that by 2020/21 maintenance costs should be back in line with budgets.

#### **5.1.3 Favourable recurring variances which will impact upon the MTFS**

- Housing overpaid benefits recovered (net of bailiff costs) are showing £33k
- Pension costs are set to reduce by £58k, £19k of which relates to historic pension costs, which will definitely recur, and £39k is the final element of savings on the 3-year pension prepayment, which will recur in some form as the council makes the next 3 year prepayment in April 2020.

#### **5.1.4 Adverse recurring variances which will impact upon the MTFS**

- Hackney and Licensing income is projected to be down by £35k and this adverse variance is likely to continue.

## 5.2 Earmarked Reserves

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2019 were £6,018k

The opening balance on the Transitional Reserve was £2,320k, to which £485k of New Homes Bonus grant will be added. The draft favourable variance on the General Fund of £114k will be transferred back into the Transitional Reserve, along with the predicted £62k surplus on the Council Tax Collection Fund, leaving a net balance of £1,332k after the planned MTFs support up to 2021/22.

The Business Rates Retention Reserve reflects the in-year variances discussed in detail on page 28, including the renewable energy income of £168k and the Business Rates Surplus of £1,292k after the contributions to the LCC and Fire preceptors. Funding for the 2019/20 budget included the application of £1,200k from this reserve.

The Planning Reserve is expected to be required to support £189.7k of costs in relation to the current Local Plan, leaving £50k to fund further costs beyond 2021/22.

The closing balance at the 31<sup>st</sup> March 2020 is now predicted to be £5,939k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £5,066k by March 2022.

## 5.3 Government Grants

The opening value of Government Grants Unapplied at the 1<sup>st</sup> April 2019 was £945k, including £882k of Disabled Facilities Grant carried forward into 2019/20. The original allocation of Better Care funding for DFGs in 2018/19 was £947k with a further £116k being received early in January 2019, giving total DFG resources for 2018/19 of almost £1,772k. By the year-end £890k of this had been used, leaving slippage of £882k to be used in 2019/20. The 2019/20 allocation has now been confirmed as £1,022k, giving total resources available of £1,904k

The Homelessness grant of £53k and the Domestic Abuse and Hoarding Grants are due to be spent in 2019/20.

## 5.4 Staff Monitoring

The table on page 20 shows the cash saved on salaries between April and June was £132k. This is made up of around £127k from general staff turnover and vacancies, plus £5k from additional leave purchased by staff in the first 3 months of the year.

## 5.5 Treasury and Cash Management

At the end of June the bank balances were £13,275k up from the Q4 balance of £9,658k. Officers continue to keep funds liquid throughout the year in order to manage the cash available for the ongoing capital commitments. This means that the effective overall interest rate has not performed as well as might have been expected. However, new 35- and 90-day deposit accounts with the Natwest will begin to be used in Q2 and this is expected to help the interest income to a favourable position of over £41k for the year.

Q2 will see at least £2.0m of new 20 year PWLB borrowing at 1.34% in order to support the Plot 5, Futures Park development.

## 5.6 Debt Monitoring

Of the £3,176k sundry debts raised in 2018/19 the collection rate has now risen to 97.1% with the remaining debt at £91.3k. Of the £1004k of debt raised in 2019/20 so far, only £60k has not already been collected or is being collected monthly on instalment plans. That is a collection rate of 94% for the current year.

The provision for doubtful debt at the 1<sup>st</sup> of April was £162.6k, plus a further £5.4k set aside for licensing debt. Officers have considered both the general impairment rate and some specific older debts which are being pursued through the courts. Given that £26k of the current debts are recorded on the local land charges register, officers do not expect a further doubtful debt contribution at the moment.

## 5.7 Capital Resources and the Capital Programme

The Usable Capital Receipts brought forward at the 1<sup>st</sup> April totalled £2,480.

Capital Grants due for projects in 2019/20 were expected to total £6,414k. This includes an allocation of £1,904k from the Better Care Fund in 2019/20 for Disabled Facilities Grants, as noted in Government Grants Unapplied above.

The slippage being carried forward will be funded by £4,227k of grant. The Capital Receipts Reserve is expected to total £2,837k at the year-end.

The original Capital Programme for 2019/20 was £1,304, including £500k for DFGs and £554k for replacement operational vehicles. The slippage from 2018/19 was £5,185k, the bulk relating to Spinning Point and the DFGs. Additions to the programme have mainly been the Whitaker project.

The revised capital programme for 2019/20 is £9,214k

## 5.8 Section 106 Agreements

The tables on page 26 of Appendix 1 show the current S106 agreements in force which are available for Rossendale Council projects, with the balance of funds and any deadline dates.

At Q1, the Council has received £166k from the second tranche payment on the Oakland Avenue and Cribden Avenue development. In the same period £24k of the former hospital receipts have been paid to third parties and the annual £10k from the Douglas Road scheme has been released into the revenue account each year to support grounds maintenance costs. The remaining balance will be fed into revenue over the next 11 years.

There is also £551k for capital projects, including agreements from developments at Cowm Park Way and Oaklands/ Cribden Avenues. Members and officers are currently considering options for funding the Stubbylee Dell project, one option being the application of the remaining £14k from the Cloughfold development.

## 5.9 Collection Funds

Collection rates for both Council Tax are hovering around the same point as 2018/19 but Business Rates seem to be consistently ahead of previous years.

The Council Tax account is showing an early predicted surplus of £62k for Rossendale whilst maintaining the expected doubtful debt contribution of £300k.

The Lancashire Pool is now one of the pilots retaining 75% of business rates locally (56% in Rossendale and 19% between Lancashire County Council and the Fire Authority). Business Rates forecast surplus is now expected to be around £1,567k under the new scheme, of which Rossendale will keep £1,292k. Of which £100k is coming from an expected reduction in the requirement for any contribution to the appeals provision.

The S31 Grants from the MHCLG to cover various reliefs have increased by £363k from the entitlement under the original 50% Pool and £202k due to an increase in the reliefs being offered. Therefore, once the Lancashire Pooling levy is taken into account, the net overall gain for RBC is currently expected to be £1,460k. This means that, after the budgeted withdrawal of £1,200k, the net retained business rate resources at the end of 2019/20 are likely to be £2,251k.

## COMMENTS FROM STATUTORY OFFICERS:

### 6. SECTION 151 OFFICER

6.1 Financial matters are noted in the report attached.

### 7. MONITORING OFFICER

7.1 Unless specifically commented upon within the report, there are no specific implications for consideration.

### 8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 Unless specifically commented upon within the report, there are no implications for consideration. Staffing issues have been discussed with colleagues in the People & Policy section.

### 9. CONCLUSION

9.1 Robust monitoring of the General Fund and MTFS is essential to control risks expressed in section 4 above.

9.2 Despite a continued cost reduction programme, the challenge remains for Council to continue its efficiency agenda in order to realise its medium term saving and efficiency targets. Members, collectively, continue to face difficult choices in order to balance expenditure with available resources over the medium term.

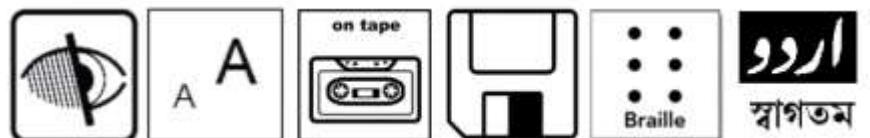
9.3 Council should not get complacent following this prediction for a £114k net favourable variance in 2019/20 as this simply reduces reliance on the planned use of the Transitional Reserve. We should also, remember the forthcoming significant reductions in external income sources: New Homes Bonus and an as yet unknown adverse impact on the Council's share of Business Rates. The MTFS plans for 2019/20 to 2021/22 will see, assuming savings are made, the use of £1,163k of reserves in order to balance net expenditure with resources. Such a strategy is not sustainable in the long term.

Background Papers	
Document	Place of Inspection
Service monitoring statements.	Financial Services.
2018/19 Corporate Priorities, Budget, Council Tax and The Medium Term Financial Strategy.	RBC website - Full Council 27/02/2019

# Financial Monitoring Report

**2019/20 Q1 as at end of June 2019**

*Including a Glossary of terms on page 29*



## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### General Fund Revenue Operations – pages 4 to 17

This Q1 report on the General Fund for 2019/20 is showing a favourable variance of £114.1k compared to the original budget of £9,931k. This favourable variance will be netted off to the Transitional Reserve at the year-end.

### Earmarked Revenue Reserves – page 18 to 19

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2019 were £6,018k

The opening balance on the Transitional Reserve was £2,320k, to which £485k of New Homes Bonus grant will be added. The draft favourable variance on the General Fund of £114k will be transferred back into the Transitional Reserve, along with the predicted £62k surplus on the Council Tax Collection Fund, leaving a net balance of £1,332k after the planned MTFs support up to 2021/22.

The Business Rates Retention Reserve reflects the in-year variances discussed in detail on page 28, including the renewable energy income of £168k and the Business Rates Surplus of £1,292k after the contributions to the LCC and Fire preceptors. Funding for the 2019/20 budget included the application of £1,200k from this reserve.

The Planning Reserve is expected to be required to support £189.7k of costs in relation to the current Local Plan, leaving £50k to fund further costs beyond 2021/22.

The closing balance at the 31<sup>st</sup> March 2020 is now predicted to be £5,939k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £5,066k by March 2022.

### Government Grants Unapplied – page 20

The opening value of Government Grants Unapplied at the 1<sup>st</sup> April 2019 was £945k, including £882k of Disabled Facilities Grant carried forward into 2019/20. The original allocation of Better Care funding for DFGs in 2018/19 was £947k with a further £116k being received early in January 2019, giving total DFG resources for 2018/19 of almost £1,772k. By the year-end £890k of this had been used, leaving slippage of £882k to be used in 2019/20. The 2019/20 allocation has now been confirmed as £1,022k, giving total resources available of £1,904k

The Homelessness grant of £53k and the Domestic Abuse and Hoarding Grants are due to be spent in 2019/20.

### Staff Monitoring – page 20

The table on page 20 shows the cash saved on salaries between April and June was £132k. This is made up of around £127k from general staff turnover and vacancies, plus £5k from additional leave purchased by staff in the first 3 months of the year.

### Treasury & Cash Management - page 25 to 27

At the end of June the bank balances were £13,275k up from the Q4 balance of £9,658k. Officers continue to keep funds liquid throughout the year in order to manage the cash available for the ongoing capital commitments. This means that the effective overall interest rate has not performed as well as might have been expected. However, new 35- and 90-day deposit accounts with the Natwest will begin to be used in Q2 and this is expected to help the interest income to a favourable position of over £41k for the year.

Of the £3,176k sundry debts raised in 2018/19 the collection rate has now risen to 97.1% with the remaining debt at £91.3k. Of the £1004k of debt raised in 2019/20 so far, only £60k has

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	2
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

not already been collected or is being collected monthly on instalment plans. That is a collection rate of 94% for the current year.

The provision for doubtful debt at the 1<sup>st</sup> of April was £162.6k, plus a further £5.4k set aside for licensing debt. Officers have considered both the general impairment rate and some specific older debts which are being pursued through the courts. Given that £26k of the current debts are recorded on the local land charges register, officers do not expect a further doubtful debt contribution at the moment.

### Capital Receipts – page 24

The Usable Capital Receipts brought forward at the 1<sup>st</sup> April totalled £2,480.

Capital Grants due for projects in 2019/20 were expected to total £6,414k. This includes an allocation of £1,904k from the Better Care Fund in 2019/20 for Disabled Facilities Grants, as noted in Government Grants Unapplied above.

The slippage being carried forward will be funded by £4,227k of grant. The Capital Receipts Reserve is expected to total £2,837k at the year-end.

### Capital Programme and Funding – page 25 to 26

The original Capital Programme for 2019/20 was £1,304, including £500k for DFGs and £554k for replacement operational vehicles. The slippage from 2018/19 was £5,185k, the bulk relating to Spinning Point and the DFGs. Additions to the programme have mainly been the Whitaker project.

The revised capital programme for 2019/20 is £9,214k

### Collection Fund 2019/20 (Council Tax & NNDR) - page 27 to 28

Collection rates for both Council Tax are hovering around the same point as 2018/19 but Business Rates seem to be consistently ahead of previous years.

The Council Tax account is showing an early predicted surplus of £62k for Rossendale whilst maintaining the expected doubtful debt contribution of £300k.

The Lancashire Pool is now one of the pilots retaining 75% of business rates locally (56% in Rossendale and 19% between Lancashire County Council and the Fire Authority. Business Rates forecast surplus is now expected to be around £1,567k under the new scheme, of which Rossendale will keep £1,292k. Of which £100k is coming from an expected reduction in the requirement for any contribution to the appeals provision.

The S31 Grants from the MHCLG to cover various reliefs have increased by £363k from the entitlement under the original 50% Pool and £202k due to an increase in the reliefs being offered. Therefore, once the Lancashire Pooling levy is taken into account, the net overall gain for RBC is currently expected to be £1,460k. This means that, after the budgeted withdrawal of £1,200k, the net retained business rate resources at the end of 2019/20 are likely to be £2,251k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	3
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019



## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### General Fund Summary - Period 3 (Quarter 1)

Service Area (excluding internal recharges)	2019/20 Org Budget excl Int'l Market £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
<b>Communities Directorate</b>					
Customer Services and E-Government	1,459.5	1,416.4	43.1	-	43.1
Operational Functions	2,117.0	2,162.5	(45.5)	-	(45.5)
Communities	726.7	710.9	15.8	-	15.8
Public Protection Unit	126.1	126.2	(0.2)	-	(0.2)
Environmental Health	214.8	203.6	11.2	-	11.2
Licensing & Enforcement	62.9	76.7	(13.8)	-	(13.8)
Housing	192.0	179.5	12.5	-	12.5
<b>Economic Development Directorate</b>					
Planning Services	296.9	335.0	(38.1)	-	(38.1)
Building Control Services	(10.2)	(7.2)	(3.1)	-	(3.1)
Regeneration	376.0	365.2	10.8	-	10.8
Property Services	788.2	745.9	42.3	-	42.3
<b>Corporate Management Directorate</b>					
Corporate Management	452.0	415.2	36.8	-	36.8
Legal Services	193.6	161.2	32.4	-	32.4
Local Land Charges	(22.5)	(14.3)	(8.1)	-	(8.1)
Democratic Services	569.4	559.8	9.5	-	9.5
Financial Services	499.2	501.8	(2.6)	-	(2.6)
People and Policy	522.1	473.9	48.2	-	48.2
Non Distributed Costs	1,017.3	1,091.7	(74.4)	-	(74.4)
Capital Financing and Interest	350.5	313.2	37.3	-	37.3
<b>TOTAL Service Cost</b>	<b>9,931.4</b>	<b>9,817.2</b>	<b>114.1</b>	<b>-</b>	<b>114.1</b>
<b>LESS Use of Earmarked Reserves</b>					
Retained Business Rates Reserve	(1,200.0)	(1,200.0)	-	-	-
Transitional Budgetary Reserve	(997.0)	(882.9)	(114.1)	-	(114.1)
<b>Net Service Cost</b>	<b>7,734.4</b>	<b>7,734.4</b>	<b>-</b>	<b>-</b>	<b>-</b>

This First Q1 report for 2019/20 is showing a predicted favourable variance of £114.1k.

The main variances so far are shown in the table opposite and these include:-

- Staff cost reductions are already forecasting a favourable £189.2k against the required £150k of vacancy savings, plus staff have bought £20k of additional leave.
- At week14 there looks to be a gain of £37.5k in the benefit subsidy grant for the year compared to an original budget cost of £81k as well as a £33k increase in the expected recovery of overpaid benefits. However, this is partly netted off by a reduction of perhaps £22k in income from Court Costs raised for Council Tax and Business Rates.
- Grant income for the Service Assurance Team is already over £100k but officers at this stage expect all that to be required to support additional implementation costs of benefit legislation changes, so a net £nil impact on the Council's budgets.
- Income is down in the markets, cemeteries, taxis and local land charges, planning applications and at the Knowsley Road depot site which is still in the process of being sold.
- Pension costs are set to reduce by £58k, £19k of which relates to historic pension costs and £39k is the final element of savings on the 3-year pension prepayment
- A combination of higher balances and rising interest rates looks set to improve this year's interest income by £41k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	4
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

<b>Annual Variances</b>	<b>Q1 Fav/(Adv)</b>	<b>Total Fav/(Adv)</b>
<b>Customer Services and e-Government</b>		
Staff costs	3.9	
Housing Benefits subsidy	37.5	
Other benefit grants (incl admin grant)	(2.0)	
Overpaid Benefits recovered (net of bailiff costs)	33.0	
Court costs recovered (net of bad debt provision)	(22.0)	
Revenue & Benefit Administration Contract - implementation	(8.4)	
Pest control services (net of fee income)	(2.4)	
Other minor variances	3.5	43.1
<b>Operations</b>		
Staff costs (including agency and overtime)	46.6	
Fuel	2.0	
Vehicle maintenance incl hire of temporary vehicles	(39.3)	
MRP Savings on Fleet Investment	11.9	
Dog Warden costs	7.8	
Markets Income & Running expenses	(26.1)	
Bulks Net income	9.0	
Cemeteries Net income	(27.5)	
Other minor variances	(9.0)	(29.8)
<b>Public Protection</b>		
Staff costs	17.2	
Environmental Health administration expenses	7.1	
Safe Housing running costs	5.3	
Animal Licensing income	13.7	
Hackney income & expenditure	(34.8)	
Other Licensing income	(3.7)	
Other minor variances	4.9	9.7
<b>Economic Development</b>		
Staff costs (net of grant & fee income)	36.2	
Planning Application Fee Income	(39.2)	
Building Control Fee Income	(2.6)	
Knowsley Industrial Unit NNDR and income shortfall	(43.8)	
NNDR - Except Knowsley Unit	5.0	
Economic Development	(9.1)	
Childrens Partnership Board Grant income	15.0	
Whittaker Park Museum running costs	10.6	
Other Property Running costs	29.9	
Other minor variances	9.9	11.9
<b>Corporate Management</b>		
Staff costs (including professional support)	112.5	
Professional Fees / Reference Books	5.5	
Land Charges income	(8.1)	
Other minor variances	6.3	116.2
<b>Non-Distributed Costs &amp; Capital Financing</b>		
Original staff savings target (see net savings of £76.9k above)	(150.0)	
Purchase of additional leave	20.0	
Historical pension commitments	18.9	
Pensions pre-payment savings	39.1	
Interest	41.7	
Other minor variances	(6.7)	(37.0)
<b>Favourable/(adverse) variance</b>	<b>114.1</b>	<b>114.1</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	5
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Communities Directorate

Period 3 (June)

Customer Services & ICT	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
<b>Customer Services</b>					
Benefits Administration	(258.3)	(270.6)	12.3	-	12.3
Benefits Granted	(378.6)	(362.4)	(16.2)	-	(16.2)
Local Tax Collection	(23.7)	(74.7)	51.0	-	51.0
Revenues & Benefits Partnership	1,212.9	1,221.3	(8.4)	-	(8.4)
<b>Strategic Functions</b>					
Management and Support	72.0	71.2	0.8	-	0.8
Service Assurance Team	134.9	125.3	9.6	-	9.6
Central Telephones	5.0	5.5	(0.5)	-	(0.5)
Central Printing	3.9	4.0	(0.1)	-	(0.1)
<b>ICT Support</b>	611.0	614.0	(3.0)	-	(3.0)
<b>Leisure Services</b>	81.1	81.1	-	-	-
<b>Pest Control</b>	(0.7)	1.7	(2.4)	-	(2.4)
<b>Total</b>	<b>1,459.5</b>	<b>1,416.4</b>	<b>43.1</b>	<b>-</b>	<b>43.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
Staff	-	3.9	3.9	
Housing Benefit administration grant	-	(4.0)	(4.0)	
Housing Benefit Subsidy (net grant position)	-	37.5	37.5	
Housing Benefit Local Council Tax support grant	-	(2.0)	(2.0)	
Housing Benefit overpayments recovered	-	14.7	14.7	
Housing Benefit bailiff fees	-	18.3	18.3	
Revenues & Benefits administration contract (Implementation Costs)	-	(8.4)	(8.4)	
CTax & BRates - court costs (net of bad debt provision)	-	(22.0)	(22.0)	
Business Rates - net costs of collection	-	5.1	5.1	
Renewable Energy Business Rates income	-	168.0	168.0	
Business Rates S31 Grants	-	1,292.0	1,292.0	
Business Rates transfer to Retained Business Rates Reserve	-	(1,460.0)	(1,460.0)	
IT - Introduction of GDPR	-	-	-	
IT - external PSN testing & disaster recovery preparation	-	-	-	
SAT Team counter fraud work	-	0.2	0.2	
SAT Team Grants received (incl Universal Credit)	-	101.6	101.6	
SAT Team additional costs (incl Universal Credit) funded by grants	-	(101.6)	(101.6)	
Pest Control services (net of income)	-	(2.4)	(2.4)	
Other minor variances	-	2.2	2.2	
<b>TOTAL</b>	<b>-</b>	<b>43.1</b>	<b>43.1</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	6
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Customer Service & ICT Highlight Report – Q1 (end June 2019)

### Historic Issues

- None.

### Current Quarter's Issues

At Q1 the forecast variance is £43.1k favourable, the main changes being:-

- A favourable forecast of £37.5k on the benefit subsidy. Though these are very early days, the original budget was set to follow the central government prediction of a drop in claims and values during 2019/20. This Q1 forecast is based upon the current level of claims and cash being paid out. There may be some further scope for savings if the value of claims continues to fall.
- In terms of business rates, the renewable energy income of £168k and expected S31 grants will be transferred into the Retained Business Rates Earmarked Reserve - the S31 grants have risen to £1,473k based upon the level of discounts and exemptions which have been allowed, especially the new Retail Relief of £123k. This means that the total being transferred to the Reserve in the year will be £1,460k.
- At the end of Q1 the total value of court costs raised is leading officers to expect a drop in the overall recharges to customers of £22k. This should be compensated for by better collection rates than expected, but time will tell.
- The Service Assurance Team has received new burdens and Universal Credit introduction grants of over £101k so far, but officers are currently assuming that all of these grants will be used to fund additional work of software changes or administration either in 2019/20 or the beginning of 2020/21, so the net variance being predicted is £nil.

### Future Issues

- At the time of writing this report officers are concluding new arrangements with Capita and Northgate for the provision of Revenues and Benefits service as from 1<sup>st</sup> October 2019, following a lengthy tender process during 2018/19. At the moment the implementation costs of £8.4k cover some IT expenditure here at Futures Park.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	7
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

Communities Directorate			Period 3 (June)			
Operations & Communities	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000	
<b>Operational Functions</b>						
Operations Admin & Vehicle Maintenance	355.9	342.8	13.1	-	13.1	
Refuse & Recycling	1,475.3	1,494.3	(19.0)	-	(19.0)	
Street Sweeping	363.1	383.4	(20.3)	-	(20.3)	
Markets	(77.3)	(58.0)	(19.3)	-	(19.3)	
<b>Communities</b>						
Parks & Open Spaces	925.1	889.7	35.4	-	35.4	
Cemeteries	(222.7)	(195.2)	(27.5)	-	(27.5)	
Dog Warden	24.2	16.4	7.8	-	7.8	
<b>Total</b>	<b>2,843.6</b>	<b>2,873.4</b>	<b>(29.8)</b>	<b>-</b>	<b>(29.8)</b>	
<b>Key changes made during the period to the full year forecast</b>			<b>Variance Bfwd £000</b>	<b>Variance this Qtr £000</b>	<b>Full-Yr £000</b>	<b>R A G</b>
Vacancies at Operations Admin Offices			0.0	9.4	9.4	
Parks Salary Variances (Including temporary gardeners)			0.0	51.7	51.7	
Street Sweeping Salaries			0.0	6.4	6.4	
Refuse Salaries and Agency			0.0	(29.1)	(29.1)	
Fleet Management Vacancy and Agency			0.0	7.3	7.3	
Markets Salary Vacancies			0.0	25.2	25.2	
Overtime Budgets			0.0	(24.3)	(24.3)	
Vehicle Maintenance (including tyres/ parts)			0.0	(13.0)	(13.0)	
Vehicle Hire			0.0	(26.2)	(26.2)	
Actions re variances - MRP Savings on Vehicles			0.0	11.9	11.9	
Fuel			0.0	2.0	2.0	
Trade Waste Net income			0.0	(0.3)	(0.3)	
Bulks Net income			0.0	9.0	9.0	
Garden Waste income			0.0	3.4	3.4	
General Garden Waste Expenditure			0.0	(6.0)	(6.0)	
Cemeteries Net income			0.0	(27.5)	(27.5)	
Markets Income & Running expenses			0.0	(26.1)	(26.1)	
Dog Warden costs			0.0	7.8	7.8	
General other Park Running Costs			0.0	(0.9)	(0.9)	
General Street Sweeping Running Costs			0.0	(4.3)	(4.3)	
Other Variances			0.0	(6.2)	(6.2)	
<b>TOTAL</b>			<b>-</b>	<b>(29.8)</b>	<b>(29.8)</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	8
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Operations Highlight Report – Q1 (end of Jun 2019)

### Historic Issues

- Vehicle hire costs are projected to overspend by £40k in 2019/20. As in 2018/19, the main reason for this is that a revised vehicle replacement plan has been delayed, leading to additional maintenance and hire costs in the interim to keep services running. The vehicle replacement plan is in progress with the purchase of another two vehicles, but the majority will take place late 2019/20 due to bespoke design. As a result, external vehicles continue to be hired under temporary arrangements.
- Rawtenstall Market management has been transferred to a third party.

### Current Quarter Issues

At the end of Q1 the Operations and Communities forecast shows an adverse variance of £29.8k with the main movements being:

- The Garden Waste service has now become a charged service with an original budget for income of £235k based upon 6,700 subscriptions. To date officers have taken around 6,800 applications which will result in £238k in income for 2019/20, leading to a favourable variance of £3.4k in 2019/20.
- Overall staffing costs including agency and overtime are projected to underspend by £46.6k. There is an adverse variance on Fleet Management this is due to a long term sickness absence of a garage fitter with costly agency backfill now being extended into 2019/20. A large adverse variance on overtime being allocated to Markets as a result of a policy change in TOIL.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £39k mainly due to expected works to older fleet vehicles. There is however a forecast saving of £12k on MRP due to some delayed investment. The Operations staff are in the process of trying to obtain replacement vehicles so in time maintenance costs should reduce.
- Cemeteries section is projected to forecast an adverse variance of £27.5k. Cemeteries fees did increase considerably in 2018 and the income targets have also increased 2019/20.

### Futures Issues

- The Bulky Waste service external contractor went into liquidation in 2017 and the service is being done in-house at the moment. This could be subject to a tendering process in due course which may lead to changes in the 2019/20 costs.
- Recycling income is virtually non-existent at the moment, due to the market downturn and contamination issues. Rossendale are working together with LCC to reduce the significant ongoing costs of recycling to LCC. However there could be a future cost pressure in 2019/20 to RBC.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	9
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Communities Directorate

Period 3 (June)

Public Protection & Housing	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Public Protection Unit	126.1	126.2	(0.2)	0.0	(0.2)
Environmental Health	214.8	203.6	11.2	-	11.2
Licensing & Enforcement	62.9	76.7	(13.8)	-	(13.8)
<b>Strategic Housing</b>					
Housing Strategy	89.2	87.3	1.9	-	1.9
Private Sector Housing Renewals	(0.4)	(0.4)	0.0	-	0.0
Homelessness	103.2	92.6	10.6	-	10.6
Empty Homes Scheme	-	-	-	-	-
<b>Total</b>	<b>595.8</b>	<b>586.1</b>	<b>9.7</b>	<b>-</b>	<b>9.7</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	0.0	(1.9)	(1.9)	Yellow
Public Protection Unit - staffing	0.0	3.9	3.9	Green
Housing Strategy - staffing	0.0	-	-	Green
Homelessness - staffing	0.0	4.4	4.4	Green
Licensing & Enforcement - staffing	0.0	10.8	10.8	Green
Environmental Health administration	0.0	7.1	7.1	Green
Safe Housing running costs	0.0	5.3	5.3	Green
Private Hire income & expenditure	0.0	0.3	0.3	Green
Hackney income & expenditure	0.0	(34.8)	(34.8)	Red
Taxi misc income	0.0	(1.2)	(1.2)	Yellow
Animal Licensing income	0.0	13.7	13.7	Yellow
Skills Test	0.0	(2.5)	(2.5)	Yellow
Other Variances	0.0	4.7	4.7	Green
<b>TOTAL</b>	<b>-</b>	<b>9.7</b>	<b>9.7</b>	<b>Green</b>

Responsible Section/Team	Financial Services	Page	10
Responsible Author	Finance Manager	Produced	15/07/2019
Dates covered in this review	2019/20 Monitoring	Next review	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### Public Protection and Housing Highlight Report – Q1 (end Jun 2019)

#### Historic Issues

- Nothing reported

#### Current Quarter Issues

At the end of Q1 the Public Protection Unit and Housing Services budgets shows a favourable variance of £9.7k, with the main movements being:-

- Environmental Health administration expenditure and fees and charges income, such as the new charge for retesting of hygiene ratings for food businesses, are showing a combined favourable variance of £7.1k.
- The Licensing Salary costs are projecting a underspend of £10.8k, this is partly due to long term absences and a member of staff not in the pension.
- Taxi Licencing income and expenditure has shown an under achievement of £35.8k. The budgets were set on the basis of reduced licenses being renewed; they have reduced more rapidly than expected and are continuing to do so.
- Animal Licensing income is projected to forecast a favourable variance of £13.7k, no budget was set for 2019/20.

#### Future Issues

- Taxi Vehicles within the borough have fallen to 381 Vehicles which is expected to remain static. The number of drivers is 700 but this is expected to reduce to 500 within the year.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	11
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019



# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Economic Development Directorate

Period 3 (June)

Economic Development & Regeneration Services	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Planning</b>					
Development Control	150.7	188.9	(38.3)	-	(38.3)
Forward Planning	146.2	146.0	0.2	-	0.2
<b>Building Control</b>					
Building Control - Fee Earning Account	(44.8)	(40.3)	(4.5)	-	(4.5)
Building Control - Statutory Function	30.6	30.3	0.3	-	0.3
Building Control - Street Signs	4.0	2.8	1.2	-	1.2
<b>Regeneration</b>					
Regeneration Mangement	143.0	124.1	19.0	-	19.0
Economic Regeneration	96.5	115.3	(18.8)	-	(18.8)
Whittaker Park Museum	81.4	70.8	10.6	-	10.6
Tourisms	40.0	40.0	-	-	-
Area Forums	15.0	15.0	-	-	-
<b>Property Services</b>					
Property Services Team	269.0	251.3	17.8	-	17.8
Corporate Estates	9.6	11.7	(2.1)	-	(2.1)
Non Domestic Estates	(117.5)	(119.7)	2.2	-	2.2
Office Accommodation	34.8	24.8	10.1	-	10.1
Operational Properties	399.7	407.4	(7.7)	-	(7.7)
Leisure Properties	54.0	48.5	5.4	-	5.4
Bus Shelters	9.7	9.5	0.1	-	0.1
Business Centre	128.8	112.3	16.5	-	16.5
<b>Total</b>	<b>1,450.8</b>	<b>1,438.9</b>	<b>11.9</b>	<b>-</b>	<b>11.9</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Regeneration staffing	-	0.8	0.8	
Economic Development staffing	-	(10.9)	(10.9)	
Planning / Forward Planning staffing	-	29.1	29.1	
Planning Agency	-	(40.8)	(40.8)	
Application of 20% additional income - Fixing our broken housing market	-	11.7	11.7	
Building Control staffing	-	(0.5)	(0.5)	
Facilities Management	-	4.9	4.9	
Property Services staffing	-	49.9	49.9	
Taylor Weaver Chartered Surveyors	-	(8.0)	(8.0)	
Economic development admin costs	-	(9.1)	(9.1)	
Whittaker Park Museum Utilities Costs	-	10.6	10.6	
Childrens Partnership Board Grant	-	15.0	15.0	
Brownfield Grant & Custom Build Grant - put aside for Local Plan	-	-	-	
Planning/Forward Planning Consultancy fees/ Legal fees	-	(14.5)	(14.5)	
Planning Application Fee Income (excluding additional 20% broken housing market)	-	(19.7)	(19.7)	
Planning Court Fees - ombudsman claim	-	(5.0)	(5.0)	
Building Control Fee Income	-	(2.6)	(2.6)	
Property Running Costs: Repairs & Maintenance	-	(0.3)	(0.3)	
Electricity & Gas	-	22.0	22.0	
NNDR	-	3.2	3.2	
Boilers / Alarms	-	3.0	3.0	
NNDR - Except Knowsley Unit	-	5.0	5.0	
NNDR - Knowsley Industrial Unit assume 6mths	-	(43.8)	(43.8)	
Estates Income (Excluding Town Hall)	-	(22.8)	(22.8)	
Estates Income (old Town Hall)	-	24.8	24.8	
Business Centre rentals/running costs	-	2.0	2.0	
Other Miscellaneous Variances	-	7.8	7.8	
<b>TOTAL</b>	<b>-</b>	<b>11.9</b>	<b>11.9</b>	

Responsible Section/Team	Financial Services	Page	12
Responsible Author	Finance Manager	Produced	15/07/2019
Dates covered in this review	2019/20 Monitoring	Next review	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Economic Development & Regeneration Highlight Report – Q1 (end Jun 2019)

### Historic Issues

- 

### Current Quarter Issues

Economic Development and Regeneration are currently forecasting a favourable variance of £10.8k, the movements being:-

- An adverse variance forecasted of £10.9k in salaries is mainly due to an Economic Development officer cover for Maternity.

Property Services is currently showing a favourable variance of £42.3k

- Salary costs are showing a favourable variance of £41.9k. This is assuming the Property Services Managers post will be filled by October and assuming £8k costs for Taylor Weaver Chartered Surveyors Services in the interim
- Property running costs are showing an adverse variance of £10.9k. This is net 6mths NNDR for Knowsley Rd Depot £43.2 which is in the process of being sold and a saving on utilities at Rawtenstall Market as a third party is now managing the business
- Estates income is showing an adverse variance of £22.8k. A £20k income target was set in the budget to encourage new income streams
- The old Town Hall is occupied by Together Homes. The net variance is a favourable £24.8k

Planning and Building Control are showing an adverse variance of £41.2k

- A planning enforcement case was taken to court costing the council c£20k for professional fees.
- Planning has compensated a client £5k by instruction from the Ombudsman
- Planning / Building Control income is projecting a shortfall of £41.8k

### Future Issues

- Officers are reviewing the Whittaker Museum utilities budget overspend, working with the museum to draw up a commercial lease and separate funding agreement.
- With regards the Enforcement case the council has been awarded costs of £36.6k to be paid within 3 months of the trial. For prudence this income will only be recognised when it is received - the due date is on or before 3<sup>rd</sup> September 2019.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	13
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### Corporate Services Directorate

Period 3 (June)

Corporate Management	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	338.9	298.3	40.6	-	40.6
Corporate Contingency	50.0	50.0	-	-	-
Exec Support & Corporate Subscriptions	63.1	66.9	(3.8)	-	(3.8)
Community Safety	-	-	-	-	-
<b>Legal Services</b>	193.6	161.2	32.4	-	32.4
<b>Land Charges</b>	(22.5)	(14.3)	(8.1)	-	(8.1)
<b>Democratic Services</b>					
Electoral Registration	68.6	68.6	(0.0)	-	(0.0)
Elections	77.6	76.1	1.5	-	1.5
Democratic Support	369.1	363.9	5.2	-	5.2
Mayoralty & Civic Events	51.5	48.7	2.8	-	2.8
Town Twinning	2.5	2.5	0.0	-	0.0
<b>Financial Services</b>					
Treasury Management	80.7	82.7	(2.0)	-	(2.0)
Insurance, Risk & Audit Fees	69.7	72.0	(2.3)	-	(2.3)
Financial Services Team	348.8	347.1	1.7	-	1.7
<b>People &amp; Policy</b>					
Human Resources	306.3	293.8	12.5	-	12.5
Corporate Support	211.8	176.1	35.7	-	35.7
Publicity	4.0	4.0	-	-	-
<b>Total</b>	<b>2,213.8</b>	<b>2,097.6</b>	<b>116.2</b>	<b>-</b>	<b>116.2</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Staff Savings (incl vacant Director Post and cover of same to October)	-	112.5	112.5	
Corporate Subscriptions - Local Govt Information Unit	-	(2.0)	(2.0)	
MHCLG Grant re exiting from the EU	-	17.5	17.5	
Transfer MHCLG Grant to Reserves	-	(17.5)	(17.5)	
Legal - ref books / legal fees	-	3.0	3.0	
Legal income	-	3.8	3.8	
Members costs	-	2.8	2.8	
Democratic & Mayoralty savings	-	2.3	2.3	
Elections	-	1.5	1.5	
Legal Reference Books (new contract)	-	5.5	5.5	
Land Charges Income	-	(8.1)	(8.1)	
Other Misc under / (over) spends	-	(5.1)	(5.1)	
<b>TOTAL</b>	<b>-</b>	<b>116.2</b>	<b>116.2</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	14
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Corporate Management Highlight Report – Q1 (end June 2019)

### Historic Issues

- None reported.

### Current Quarter Issues

The Corporate Management Q1 variance is currently standing at £116.2k, the main movements being:-

- Staff changes are £112.5k fav.
  - Corporate Management - vacant Director post presumed for at least 6 months, saving £38.6k
  - Legal Services - one empty post presumed not filled at all, saving £23.9k
  - Financial Services - additional costs of covering the vacant Director post are being covered by savings in scale points in the new Exchequer Team giving a net adverse £1k
  - People & Policy - following the recent restructure the part-year reductions are leading to an expected £13.6k saving in 2019/20
  - Corporate Support - a vacancy following retirement and the empty Apprentice post are set to save £35.6k if neither are filled during the year
- The Legal section is showing a favourable movement of £5.5k, being the full-year saving on the new reference books contract.
- Local Land Charges income has seen a drop in recent years and this adverse £8.1k is consistent with the experience in 2018/19. This change is likely to need to be reflected in the 2020/21 budgets going forward.

### Futures Issues

- The Elections budgets are showing a nil variance, but both the Registration budget and Local Election budget are being supported by provisions. The current understanding is that there will be no joint elections in 2019/20 where the costs can be shared. The cost of a standalone Local Election is around £63k compared with a shared election cost of around £51k. There is enough in the provision to cover the additional costs of the 2019/20 standalone election, but there will be a pressure at the next standalone election after that, potentially in 2022.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	15
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### Corporate Services Directorate

Period 3 (June)

Non-Distributed Costs & Capital Financing	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	1,003.8	1,075.8	(72.0)	-	(72.0)
Other Non-distributed Costs	13.5	15.9	(2.4)	-	(2.4)
<b>Capital Financing</b>					
Minimum Revenue Provision	271.3	275.7	(4.4)	-	(4.4)
Interest (net)	79.2	37.5	41.7	-	41.7
<b>Total</b>	<b>1,367.8</b>	<b>1,404.9</b>	<b>(37.1)</b>	-	<b>(37.1)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancy control savings target	-	(150.0)	(150.0)	
Purchased additional leave	-	20.0	20.0	
Historical pension costs	-	18.9	18.9	
Savings on pensions arising from payment in advance	-	39.1	39.1	
MRP Charge	-	(4.4)	(4.4)	
Interest expenditure/income from bank accounts	-	41.7	41.7	
Other minor variances	-	(2.4)	(2.4)	
<b>TOTAL</b>	-	<b>(37.1)</b>	<b>(37.1)</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	16
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### Non-Distributed Costs & Capital Financing Highlight Report – Q1 (end June 2019)

#### Historic Issues

- None

#### Current Quarter Issues

This Q1 report is forecasting a net adverse variance of £37.1k, with the main movements being:-

- The original budget staff savings target was £150k. Total savings in staff costs being predicted at Q1 are £250.9k across the other departments. Added to this is around £20k of savings from employees purchasing additional leave. This gives a net favourable variance in staff costs of £120.9k over and above the total original budget.
- Interest income is now expected to exceed the budget by £41.7k, a combination of the higher balances than expected through delays in spending and additional grant income and a gradual improvement in the interest rate returns being achieved.
- Savings on the pension costs fall into two areas, savings on historical pension costs of £18.9k as former employees pass away and the advance payment of pension costs which saved the authority £39.1k

#### Future Issues

- The Council incurs c£1m per annum on pension deficit contributions. Officers are currently engaged with the Pension Fund to explore options to reduce this annual cost.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	17
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention	Transitional Budgetary Support	Planning Reserve
	AN060103	AN060123	AN060144	AN060129	AN060109 / AN060145
<b>Balance at 01/04/2019</b>	<b>1,071.5</b>	<b>21.4</b>	<b>1,340.1</b>	<b>2,319.9</b>	<b>243.1</b>
<b>Funds Received 2019/20</b>					
Collection Fund - Surplus 2018/19			650.0	62.0	
Collection Fund - S31 Grants			1,292.0		
Collection Fund - Renewable Energy			168.0		
New Homes Bonus				485.0	
Other Revenue income received		17.4			
General Fund Surplus Contribution				114.1	
<b>Total Funds Available</b>	<b>1,071.5</b>	<b>38.8</b>	<b>3,450.1</b>	<b>2,981.0</b>	<b>243.1</b>
<b>2019-20 Published Budget Utilisation</b>					
General budget support			(1,200.0)	(997.0)	
<b>2019-20 Other Utilisation Plans</b>					
Transfers between Reserves					
Bacup THI Support					
Civica receipting software upgrade					
Counter Fraud & RV Analysis					
Support Forward Plan					(189.7)
Business Rates Pooling Levy for 2018/19			(69.0)		
Economic Development Projects	(259.8)				
Cost Share Shortfall					
Legionella Risk Assessment					
Living Well, Living Better Project					
Spinning Point Phase 1					
Spinning Point Phase 2 development					
Haslingden Task Force					
Homelessness Projects					
Operational Vehicle Maintenance					
Tourism and special events		(5.1)			
Property-related projects					
<b>Reserve Estimates 31/3/2020</b>	<b>811.7</b>	<b>33.7</b>	<b>2,181.1</b>	<b>1,984.0</b>	<b>53.4</b>
<b>Future Contributions/Utilisation Plans</b>					
2020/21 Plans				(469.0)	(3.3)
2021/22 Plans				(183.0)	
<b>Potential Reserve Balances</b>	<b>811.7</b>	<b>33.7</b>	<b>2,181.1</b>	<b>1,332.0</b>	<b>50.1</b>

Usage as per MTFs Feb 2019

Employment & Transport Reserve usage	2018/19 £k	2019/20 £k
Whitaker HLF	10.0	0.0
Whitaker HLF Business Consultant and Plan	9.8	0.0
Whitaker HLF RIBA design process	0.4	29.5
Whitaker HLF Project Manager	0.0	20.0
Invest in Rossendale Webpage/Launch	12.8	3.3
Futures Park, Bacup – Masterplan and Greenbook	3.5	6.5
Rossendale Works- Employability	26.5	25.0
Rawtenstall Market tender exercise	7.1	0.9
Rail Studies – Rawtenstall and Bacup	14.6	14.6
Haslingden Town Centre- external funding bid	0.0	160.0
<b>Balance Available</b>	<b>1,071.5</b>	<b>811.7</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	18
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

Earmarked Reserves (cash-backed items only)	Vehicle	Leisure	Bacup THI	Operational	Total
	Reserve	Reserve		Reserves	
	AN060130	AN060118	AN060142	AN060121	
<b>Balance at 01/04/2019</b>	<b>230.5</b>	<b>64.2</b>	<b>24.8</b>	<b>702.0</b>	<b>6,017.5</b>
<b>Funds Received 2019/20</b>					
Collection Fund - Surplus 2018/19				0.0	712.0
Collection Fund - S31 Grants				0.0	1,292.0
Collection Fund - Renewable Energy				0.0	168.0
New Homes Bonus				0.0	485.0
Other Revenue income received				0.0	17.4
General Fund Surplus Contribution				0.0	114.1
<b>Total Funds Available</b>	<b>230.5</b>	<b>64.2</b>	<b>24.8</b>	<b>702.0</b>	<b>8,806.0</b>
<b>2019-20 Published Budget Utilisation</b>					
General budget support				0.0	(2,197.0)
<b>2019-20 Other Utilisation Plans</b>					
Transfers between Reserves				0.0	0.0
Bacup THI Support			(24.8)	0.0	(24.8)
Civica receipting software upgrade				0.0	0.0
Counter Fraud & RV Analysis				(9.0)	(9.0)
Support Forward Plan				(28.5)	(218.2)
Business Rates Pooling Levy for 2018/19				0.0	(69.0)
Economic Development Projects				0.0	(259.8)
Cost Share Shortfall				0.0	0.0
Legionella Risk Assessment				0.0	0.0
Living Well, Living Better Project				(50.0)	(50.0)
Spinning Point Phase 1				0.0	0.0
Spinning Point Phase 2 development				0.0	0.0
Haslingden Task Force				(26.1)	(26.1)
Homelessness Projects				0.0	0.0
Operational Vehicle Maintenance				0.0	0.0
Tourism and special events				0.0	(5.1)
Property-related projects				(7.5)	(7.5)
<b>Reserve Estimates 31/3/2020</b>	<b>230.5</b>	<b>64.2</b>	<b>0.0</b>	<b>580.9</b>	<b>5,939.5</b>
<b>Future Contributions/Utilisation Plans</b>					
2020/21 Plans	(16.0)			(84.1)	5,367.1
2021/22 Plans	(70.0)			(48.0)	5,066.1
<b>Potential Reserve Balances</b>	<b>144.5</b>	<b>64.2</b>	<b>0.0</b>	<b>448.8</b>	<b>5,066.1</b>

### Current issues

As noted on page 2, officers expect to contribute £114.1k back to the Transitional Reserve in 2019/20 from the General Fund favourable variance and £62k from the Council Tax Surplus. This will leave the Reserve with £1,332k once the planned MTFs support is applied up to 2021/22.

Agreed usage of the Employment & Transport Reserve can be seen opposite, with £811.7k unallocated at the moment.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	19
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019



## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Transform' Lives Grant	Hoarding Grant	Total
	AL030132	AL030127	AL030130	AL030128	AL030129	
<b>Balance at 01/04/2019</b>	<b>882.0</b>	<b>52.9</b>	<b>6.8</b>	<b>0.0</b>	<b>3.4</b>	<b>945.1</b>
<b>New Funds Received 2019/20</b>						
Grant due/received	1,022.4					<b>1,022.4</b>
<b>Total Funds Available</b>	<b>1,904.4</b>	<b>52.9</b>	<b>6.8</b>	<b>0.0</b>	<b>3.4</b>	<b>1,967.5</b>
<b>Utilisation in 2019/20</b>						
DFGs slippage from 2018/19	(882.0)					<b>(882.0)</b>
DFGs Main allocation 2019/20	(500.0)					<b>(500.0)</b>
Transforming Lives/Hoarding Projects					(3.4)	<b>(3.4)</b>
Homelessness Project		(52.9)				<b>(52.9)</b>
Domestic Abuse Projects			(6.8)			<b>(6.8)</b>
<b>Anticipated Balance 31/03/2020</b>	<b>522.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>522.4</b>
<b>Future Utilisation Plans</b>						
2020/21 plans	(272.4)					<b>(272.4)</b>
2021/22 plans	(250.0)					<b>(250.0)</b>
<b>Potential Reserve Balances</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

In addition to the £882k of unspent DFG grant brought forward, the 2019/20 allocation is £1,022k, giving total DFG resources of over £1,904k. Total expenditure in 2018/19 was just under £890k, less than half of the funds available. It is to be expected that there will be some slippage into 2020/21 and possibly 2021/22 as the occupational health referrals continue to progress.

### Staff Costs, including agency

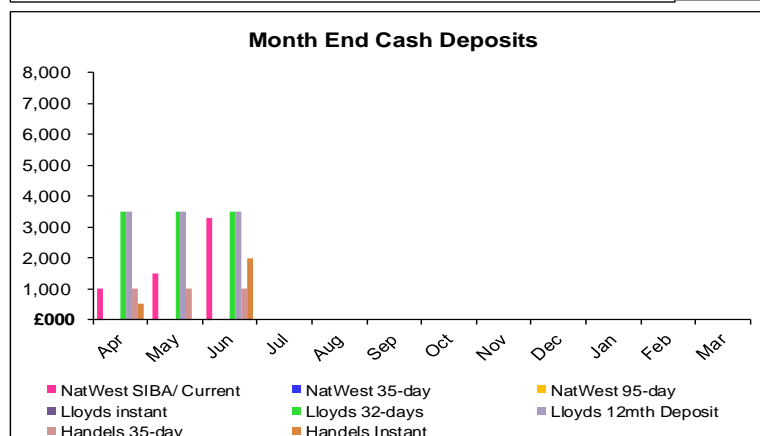
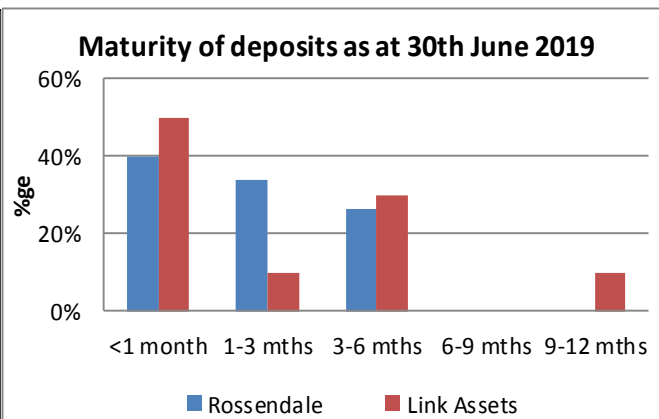
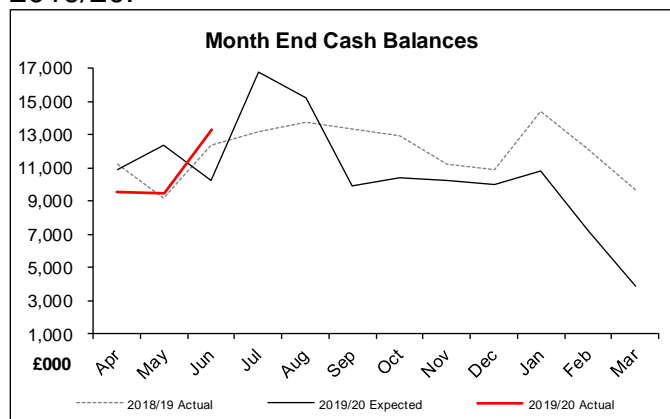
Employment Costs 2019/20 to end June	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2019/20	FTE Changes during 2019/20	Current Vacant Posts
<b>Communities Directorate</b>								
Customer Services	83	80	2	-	2	8.1	0.0	0
Operations Service	407	381	26	-	26	52.1	0.0	3
Communities	173	153	20	-	20	25.2	0.0	1
Environmental Health	45	43	1	-	1	7.0	0.0	0
Licensing & Enforcement	81	77	4	-	4	7.0	0.0	1
Housing	67	74	(7)	-	(7)	7.0	0.0	0
<b>Economic Development Directorate</b>								
Planning Services	112	114	(2)	-	(2)	12.5	0.0	1
Building Control Services	29	29	-	-	-	3.0	0.0	0
Regeneration	49	25	24	-	24	4.0	0.0	0
Property Services	39	19	20	-	20	4.4	0.0	2
<b>Corporate Services</b>								
Corporate Management	89	74	16	-	16	4.0	0.0	1
Legal Services	40	34	6	-	6	4.0	0.0	1
Local Land Charges	9	9	-	-	-	1.0	0.0	0
Democratic Services	64	63	1	-	1	7.6	0.0	0
Financial Services	81	80	1	-	1	7.7	0.0	0
People & Policy	117	98	20	-	20	15.6	0.0	2
<b>Total</b>	<b>1,483</b>	<b>1,351</b>	<b>132</b>	<b>-</b>	<b>132</b>	<b>170.2</b>	<b>0.0</b>	<b>12.0</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	20
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Treasury Management & Cash Flow Monitoring

At the end of June the bank balances were £13,275k, up from £9,658k at the end of Q4, following the expected cash flow pattern for the year, though slightly ahead of expectations. The main reasons for the higher balances are the balance of Spinning Point Phase1 costs, unspent DFG grants, £1.2m of HCA grant not repaid yet, £300k vehicle purchase deferred until 2019/20.



Balances & Interest Rates at 30/06/2019	Current Balance £k	Interest Rate %
NatWest SIBA	3,275	0.30
NatWest 35 day account	-	0.75
NatWest 95 day account	-	0.85
Handelsbanken instant	2,000	0.20
Handelsbanken 35-day	1,000	0.25
Lloyds instant access	-	0.65
Lloyds 32-day notice	3,500	0.95
Lloyds 6mth Deposit	2,000	1.00
Lloyds 12mth Deposit	1,500	1.10
<b>Total Bal &amp; Avg interest</b>	<b>13,275</b>	<b>0.65</b>

Officers are keeping funds comparatively liquid during 2019/20 to support the costs of the Spinning Point development and the potential for other capital projects. Following discussions with the Natwest Bank Manager in early July their 35-day notice account and 95-day notice account (highlighted above) are going to replace some of the Handelsbanken investments over the next few days. These accounts will be earning 0.75% and 0.85% respectively. However, the Handelsbanked accounts will be kept open to ensure that the Council has the ability to spread the risk on funds in the future.

The average effective interest rate at the end of Q1 was 0.65% with the 364-day deposit rate at 1.1% and instant access balances ranging from 0.2% with Handelsbanken up to 0.65% with Lloyds.

### Interest Paid/Received

The budget for interest in 2019/20 is a net cost of £79.6k.

At Q1, the forecast is now showing a favourable variance of £41.7k, thanks to the higher balances at table 1 above and the planned future usage of the higher interest bearing accounts with the NatWest.

Interest Forecast	Budget 2019/20	Forecast 2019/20	Variance Fav/(Adv)	Change Fav/(Adv)
<b>Revenue</b>				
Interest payable (PWLb)	(130.0)	(130.0)	0.0	0.0
Other interest payable	(1.0)	(1.0)	0.0	0.0
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	51.4	93.1	41.7	41.7
<b>Net Interest</b>	<b>(79.6)</b>	<b>(37.9)</b>	<b>41.7</b>	<b>41.7</b>

Responsible Section/Team	Financial Services	Page	21
Responsible Author	Finance Manager	Produced	15/07/2019
Dates covered in this review	2019/20 Monitoring	Next review	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

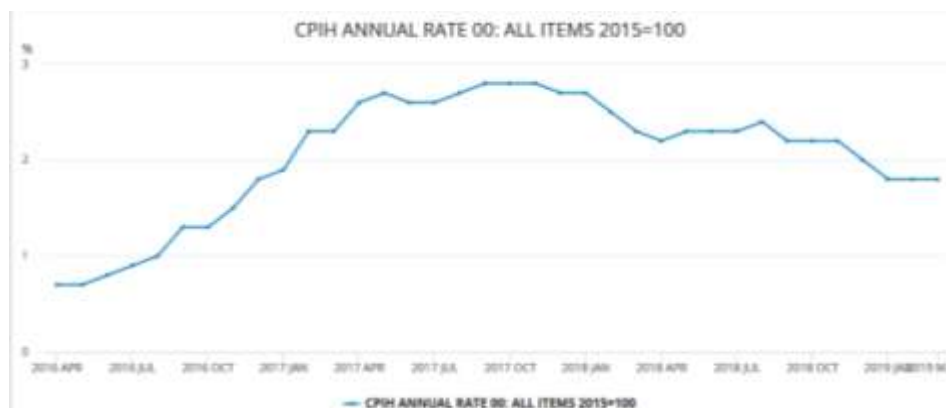
### Economic Outlook

(issued 17th July)

The Consumer Prices Index including owner occupier's housing costs (CPIH) 12-month rate rose marginally in June from 1.8% in March to 1.9% in May and June.

The largest downward contributions came from motor fuels, accommodation services and electricity, gas and other fuels. The largest offsetting upward contributions to change came from clothing and food.

For the Council's the RPI rate at September is the most important one as it tends to form the basis of the annual increase in many of the IT license charges. RPI in September 2018 was 3.3%.



### Interest rate forward predictions

The Council's treasury management advisors, Link Asset Services, have released the following statement covering their interest rate predictions for the future:

at 30th June 2019	Current Rates	Sept 2019	Dec 2019	Mar 2020	June 2020	Sept 2020	Dec 2020
<b>Base Rate est</b>	0.75%	0.75%	0.75%	1.00%	1.00%	1.25%	0.75%
<b>25yr PWLB est</b>	2.13%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%

*"The view is that after stronger than expected Q1 growth the remainder of the year could prove more of a struggle. Certainly Q2 data so far has been weak and a further Brexit delay or a "no deal" Brexit, either of which is likely, will do little to offer a boost. Economists suggest that this means GDP growth, interest rates, gilt yields and Sterling will remain lower for a prolonged period. That will not, though, set it apart from the rest of the world, which is also stuttering on trade worries and the broader impact of the trade war on global economic prospects. Consequently, the UK economy is in much the same place as the Euro Zone in Q2."*

### Treasury Management Practices (TMPs) and Prudential Indicators

During Q1 the average bank resources were £12.1m, down from £12.5m during Q4 as expected at this time of year. There were no breaches in the TMPs maximum of £8m with NatWest or Handelsbanken or the £6m limit with Lloyds. Members may recall that the February Full Council meeting approved the increase of this limit to £8m for any bank, with effect from 1<sup>st</sup> April 2019.

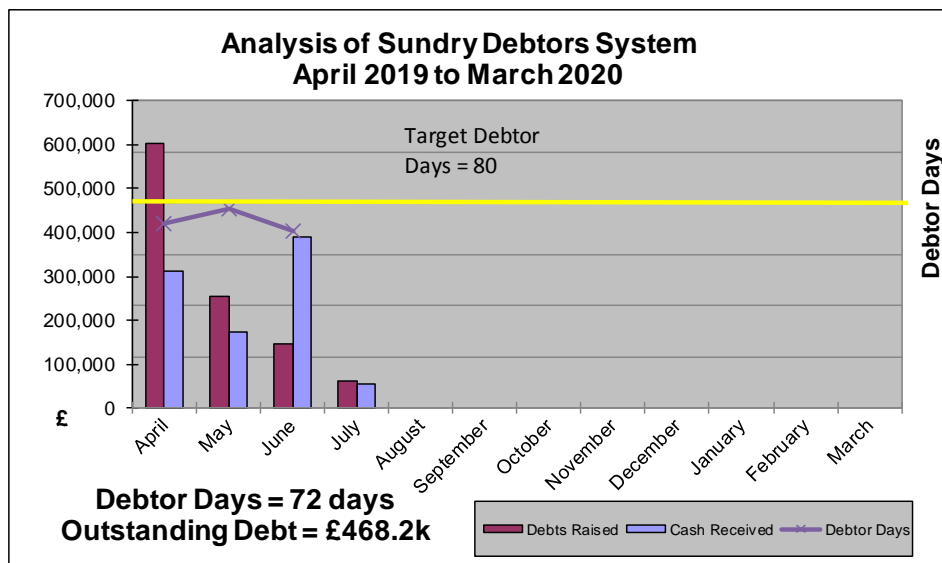
The lowest the Council's instant access cash resources reached in Q1 was £1,486k on the 31<sup>st</sup> May between the precepts of over £3.8m going out on the 30<sup>th</sup> and the Collection Fund Revenues of £2.3m coming in on the 3<sup>rd</sup> June. The highest that the instant resources reached was between £6.1 and £6.6m up to the 8<sup>th</sup> April before £2.7m was placed in the 32-day notice accounts the next day.

The highest that the total resources reached were £14.1m on the 15<sup>th</sup> April before the first 4-weekly benefit run went out the following day.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	22
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Sundry Debts Monitoring



Invoices raised in Q1 totalled £1,004k, of which £818k has already been collected and a further £134k is being collected in instalments throughout the year.

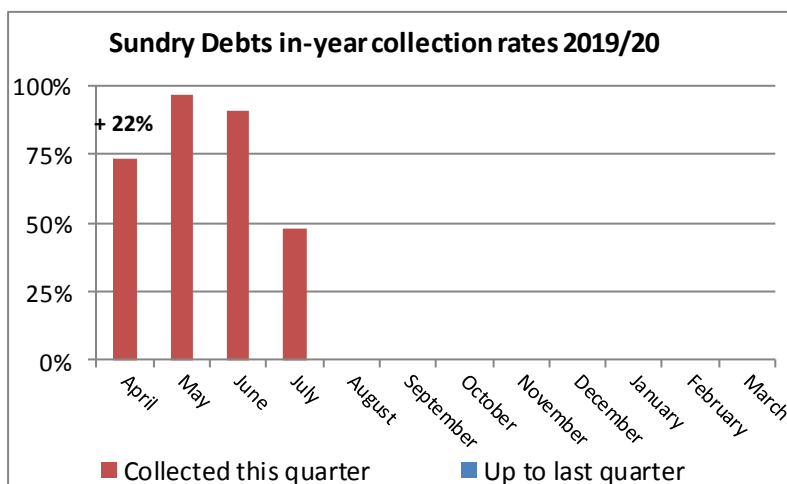
Of the £403k debt outstanding at the year-end £152k has now been collected. The 2018/19 year outstanding debt has now dropped to £91k, representing a collection rate for that year of 97.1%.

### Housing Rent Debts

Of the £327k of housing rent debts brought forward in April 2019 the Council has a provision of £288.5k brought forward for doubtful debts, leaving a net £39k debt still to chase.

### Doubtful debts

Debtor Days collection performance for sundry debts has moved from 42 days at the end of March to 78 days in May and is 69 days by the end of June, against a target of 80 days.



Of the £468k outstanding, the doubtful element of that debt is now £185k of which £52k is owner contributions due from Bacup THI property owners.

The general impairment provision brought forward in April 2019 was £162.6k, with an additional £5.4k for Licensing debts.

Debts Outstanding	Mar 2017	Mar 2018	31 Mar 2019		30 Jun 2019		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	96.8	79.1		60.5		60.4	100%	60.4
2016/17 Debt	418.0	36.0		32.2		26.2	100%	26.2
2017/18 Debt		517.9		73.5		72.9	100%	46.1
<b>2018/19 Debt</b>								
Q1				56.8		33.2	100%	33.2
Q2				3.2		2.4	75%	1.8
Q3				9.1		7.3	50%	3.7
Q4				167.2		48.4	10%	4.8
<b>2019/20 Debt</b>								
Q1 Apr					162.7		10%	2.9
Q1 May					9.4		10%	0.9
Q1 Jun					12.9	185.0	10%	1.3
Q2 Jul					32.4		10%	3.2
Q2 Aug					0.0		10%	0.0
Q2 Sept					0.0	32.4	10%	0.0
<b>Total Debt o/s</b>	<b>514.8</b>	<b>633.0</b>		<b>402.5</b>		<b>468.2</b>		<b>184.5</b>

Of the sundry debts opposite £26k are held on the Local Land Charges Register.

Officers will monitor any requirement for further doubtful debt provision during Q2.

Responsible Section/Team	Financial Services	Page	23
Responsible Author	Finance Manager	Produced	15/07/2019
Dates covered in this review	2019/20 Monitoring	Next review	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Capital Resources

**Table 1 - 2018/19 receipts**

Major Receipts:	Original Budget £000	Year to Date £000	Forecast £000
<b>Capital Receipts</b>			
Land & Property Sales	50	9	50
Obsolete refuse vehicles	54	4	54
<b>Net receipts to table 2</b>	104	13	104

## Current issues

There has been one sale of Land during Q1.

## Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of funds from the sale of Council assets the balance brought forward at the 1<sup>st</sup> April 2019 was £2,480k.

The original capital programme for 2019/20 approved in February was £1,304k, to which £5,185k of slippage was added from ongoing projects at the end of March 2019. This included £3,163k for Spinning Point Phase 1 building works, £882k for DFG's and £406k for replacement vehicles.

New projects during the year added £1,899k, mainly the increase in Whitaker and the DFG's, to give a revised capital programme of £9,214k

The total grant income expected for the revised capital programme is £6,397k. The slippage being brought forward will be funded by £4,227k of grant and of this £3,983k has already been received. Revenue resources being applied in 2019/20 are expected to be £234k, but £107k of which relates to slippage brought forward.

The total in the Useable Capital Receipts Reserve at the end of 2019/20 is currently expected to be £1,937k, of which £247k is still ring-fenced for housing schemes and £563k is required for slippage items. Of the remaining £1,690k there is a receipt of £100k which has been ring-fenced for Whitworth projects.

## Future issues

Futures Park Plot 5 development to be updated in the Q2 report.

The project to upgrade the Leisure Trust gym equipment at the Adrenaline Sports Centre will also be included in the Q2 report.

**Table 2 - Useable Capital Resources**

Useable Capital Resources	£ 000
Balance at April 2019	2,480
Capital Grants in 2019/20	6,397
Capital Receipts in 2019/20 (forecast)	104
	<b>8,981</b>
Revenue Contributions	
from Earmarked Reserves	107
from S106 agreements	17
from Revenue Operations	100
<b>Total Capital Resources 2019/20</b>	<b>9,205</b>
Capital Prog funding applied	(7,268)
<b>Total Capital Resources March 2019</b>	<b>1,937</b>
Capital Receipts Reserve (housing)	247
Capital Receipts Reserve (unalloc)	1,690

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	24
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### Capital Programme Spending

Capital Programme 2019/20	Original Cap Prog	Revised Cap Prog	Spent/ Ordered	Full-Year Forecast	Forecast Funding Arrangements				
	£000	£000	£000	£000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Impact
<b>Communities Directorate</b>									
IT Software & Equipment	0	0	0	0	0	0	0	0	0
Operations	554	960	478	960	0	13	0	947	189
Communities	30	724	130	724	355	342	27	0	0
Housing	620	2,024	260	2,024	1,904	120	0	0	0
<b>Economic Dev Directorate</b>									
Bacup THI	0	51	0	51	51	0	0	0	0
Whitaker	0	1,899	8	950	855	0	45	0	0
Ski Rossendale	0	13	8	13	13	0	0	0	0
Spinning Point Ph1 & 2	0	3,163	3,001	3,163	3,163	0	0	0	0
Other Regen Projects	0	55	16	55	0	0	55	0	0
Property Repairs & Maint	100	200	116	200	0	100	100	0	0
Other minor projects	0	125	45	125	73	0	52	0	0
	<b>1,304</b>	<b>9,214</b>	<b>4,062</b>	<b>8,265</b>	<b>6,414</b>	<b>575</b>	<b>279</b>	<b>947</b>	<b>189</b>

Capital Programme 2019/20	£000	Funded by
Original Capital Programme	1,304	
Slippage from 2018/19	5,303	see list
<b>New capital projects in 2019/20</b>		
Additional DFGs Grant	522	Extra 2019/20 DFG Grant
CPO enforced sales bfwd	-118	duplicated within 2019/20
Moorlands Park, Weir play are	80	from external grants
Wier play area	97	from external grants
Rising Bridge play area	25	from external grants
Staghills play area	102	from external grants
Whitaker	1,899	from external grants
<b>Revised Capital Programme</b>	<b>9,214</b>	

Slippage items cfwd at end of 2018/19	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
<b>Communities Directorate</b>					
Operational Vehicles	406				406
Playgrounds (community projects)	82	45	37		
Cemeteries	55			55	
Pathways	47			47	
Sports Playing Fields	206			206	
DFGs	882	882			
CPOs	118			118	
	<b>1,796</b>	<b>927</b>	<b>463</b>	<b>0</b>	<b>406</b>
<b>Economic Development Directorate</b>					
Bacup THI	51		51		
Ski Rossendale	13		13		
Spinning Point Phase 1	3,163	3,163			0
Futures Park Plot 5	55			55	
Emergency Works	100		100		
Building Maint (uncommitted)	0				
Whitworth land remediation	21		21		
CCTV	104		52		52
	<b>3,507</b>	<b>3,300</b>	<b>100</b>	<b>107</b>	<b>0</b>
	<b>5,303</b>	<b>4,227</b>	<b>563</b>	<b>107</b>	<b>406</b>

### Capital Programme

The original Capital Programme was £1,304k, including £554k of vehicles and £500k of DFGs.

To this was added £5,185k of slippage, including the balances of Spinning Point Phase 1 & DFG's.

Further DFG grant of £552k was announced at the end of Q1, bringing the revised capital programme up to £9,214k.

### Capital project activity

- Total DFG spend in Q1 was £257k
- Bacup THI project balance of £50k is to be spent on final retention and the fountain works
- Parks projects ongoing include, Mullards at Waterfoot and Moorland Park
- At Spinning Point Phase 1 work is progressing on the new bus terminal.
- The CCTV upgrade was tendered in Q3 and in Q1 £45k has been spent

Responsible Section/Team	Financial Services	Page	25
Responsible Author	Finance Manager	Produced	15/07/2019
Dates covered in this review	2019/20 Monitoring	Next review	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2019/20	Revised MRP Required 2019/20	Potential (Additions) / Savings 2019/20	Capital Financing Requirement	Net Additions 2019/20	MRP 2019/20	CFR 2019/20
Refuse Collection	315	286	29	Whitworth Civic Hall	0	-29	844
Street Sweeping	45	59	-14	Marl Pits investment	0	-66	2,052
Parks	20	23	-3	Whitworth Pool extension	0	-60	805
IT	0	0	0	Rawtenstall Town Centre	0	-22	968
Facilities/Property	0	10	-10	Other buildings	0	-31	1,523
Leisure Investment	126	126	0	Operations vehicles etc	747	-367	1,323
Corporate Services	4	0	4	Parks Equipment	0	0	37
Housing	200	200	0	Housing (exc Empty Homes)	0	-200	1,481
Non-distributed Costs	71	71	0	Other assets	0	1	1
	781	775	6		747	-775	9,033

MRP is the annual revenue repayment of internal funds used to support capital work.

Delays in purchasing operational vehicles in 2018/19 should lead to MRP savings of around £12k in 2019/20 (see page 8 & 9).

### Section 106 Receipts Monitoring

Section 106 Agreements 2019/20	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b/wd at 1st April 2019	298.2	128.9	385.5	812.7
Deposits received in 2019/20			165.9	165.9
Deposits applied in 2019/20	(25.3)	(11.2)		(36.5)
<b>Current Balance</b>	<b>272.9</b>	<b>117.7</b>	<b>551.4</b>	<b>942.0</b>

The value of S106 agreements brought forward on the 1<sup>st</sup> April was £812.7k. To the end of June £165.9k of new S106 charges have been received and invoices issued for a further £18k but funds have not yet been received, therefore they are not included in the above table, but they are part of the outstanding debts on page 23.

Planning Ref	Area	Site	Purpose	Time Period	Current Balance
<b>RBC Maintenance:-</b>					
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	114,846
2006/696	Whitwell Bottom	Edgeside Park / Millenium Steps	Edgeside Park / Millenium Steps	no time limit	1,968
2008/587	Borough	PCT, Bacup Rd, Rawtenstall	Irwell Sculpture Trail	no time limit	977
					<b>117,791</b>
<b>RBC Capital:-</b>					
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces	Exp July 2020 / May 2021	109,647
2010/0667	Whitworth	Cowm Park Way/ Hall St	Youth & Community		32,549
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces	Exp Mar 2023	10,264
2011/0046	Helmshore	Holmefield House	Affordable housing (Deed of Variation)	poss Sept 2020	25,800
2013/0041	Cloughfold	Land at 449-457 Bacup Rd,	Play Space/Open Space and/or pedestrian/cycle way	no time limit	13,702
2015/0238	Edenfield	Horse & Jockey. 85 Market St, Edenfield	Local recreational/play facilities	Exp July 2023	14,759
2015/334	Rawtenstall	Land off Oaklands Drive & Lower Cribd	Affordable Housing	Exp March 2024	162,893
2015/334	Rawtenstall	Land off Oaklands Drive & Lower Cribd	Affordable Housing	Exp June 2024	165,886
2016//0228	Edenfield	Land at Croft End Mill, Stubbins	POS - Chatterton Play area	Exp Oct 2023	15,852
					<b>551,353</b>

Responsible Section/Team	Financial Services	Page	26
Responsible Author	Finance Manager	Produced	15/07/2019
Dates covered in this review	2019/20 Monitoring	Next review	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### Council Tax & NNDR Collection Rates

Collection Rates	Council Tax					Business Rates				
	2015/16	2016/17	2017/18	2018/19	2019/20	2015/16	2016/17	2017/18	2018/19	2019/20
April	10.91	10.60	10.39	10.41	10.51	11.87	11.25	10.34	11.26	12.22
May	19.98	19.73	19.53	19.72	19.70	20.80	19.20	19.14	18.93	21.07
June	29.22	30.12	28.81	28.79	28.63	29.31	28.26	27.51	27.28	28.68
July	38.49	37.97	37.91	37.97		43.25	35.55	36.85	36.25	
August	47.54	47.21	47.10	47.03		54.82	43.60	48.98	49.93	
September	56.80	56.35	56.20	56.05		62.70	58.92	57.60	58.43	
October	66.18	65.58	65.58	65.32		70.27	67.00	65.57	67.95	
November	75.45	74.73	74.81	74.52		79.88	74.40	74.28	74.77	
December	84.52	83.85	84.03	83.55		87.02	82.08	82.46	83.00	
January	93.73	93.01	92.93	92.72		93.17	90.20	91.18	91.11	
February	95.41	94.84	94.90	94.90		96.85	94.06	95.10	95.73	
March	96.80	96.20	96.40	96.70		97.40	97.20	98.40	98.47	

Collection rates for Council Tax are around about the same position as last year, but collection rates for Business Rates have been consistently ahead of last year.

### Council Tax Collection Fund

At this Q1 report the Council Tax collection fund looks to be heading towards a surplus of perhaps £424k. This year RBC's share is 14.61%, around £62k.

The changes in band decreases, increases and occupancy changes are showing a net favourable position of £25k at the end of June, but this is too early to expect that to continue to at the moment the changes are anticipated to net to zero.

There has been a £10k increase in the long-term empty premium since 2018/19 and an £81k increase in the entitlement to Local Council Tax Support. In addition £282k has been received relating to prior year debts brought forward at the year -end.

Council Tax Forecast 2019/20	Q1 £'000
Council Tax Collectable (after Discounts & Exemptions)	39,361
less Doubtful Debt Provision	(300)
	<b>39,061</b>
less Precepts for 2018/19	
Lancashire County Council	(27,465)
Police	(4,109)
Fire	(1,417)
Rossendale Borough Council	(5,645)
	<b>(38,636)</b>
<b>Surplus / (Deficit)</b>	<b>424</b>
<b>RBC Share = 14.61%</b>	<b>62</b>

### Local retention of Local Business Rates (NNDR)

Under the new business rates scheme, variances from the original budgets fall into two categories – those arising from changes to the collection fund and those arising from grants and levies received or charged to the General Fund.

In 2019/20 the Lancashire Business Rates Pool has been included in the national 75% local retention of business rates pilot, which means that 75% of the business rates collected stay within Lancashire, and Rossendale keeps 56% rather than the 40% retained previously.

Q1 band changes are sitting at a net adverse of £64k, leading officers to predict perhaps £180k for the year in total. Small Business Relief is currently £3,228k, compared to the original estimate of £2,895k.

At the moment it is too early to expect much of a change in the Doubtful Debt and Appeals Provisions, but there should be at least £100k reduction in the Appeals Provision requirement if this year follows the pattern of 2018/19.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	27
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019



## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

Write-offs have totalled £3k so far, but these generally occur in Q3 and Q4 and are covered by the doubtful debt provision set aside. The provision at the end of 2018/19 was £1,114k against net debts of £1,314k. At first glance this may seem a high provision ratio, but it prudently provides for 100% of debts over 6 yrs old, 95% of debts in 2016/17 and earlier and 45% of debts from the last two years.

The net effect is a cash surplus prediction of £68k, of which RBC would retain £38k

The second area of variance occurs within the Council's General Fund. Here we must compare the amounts received from the current business rates with the amount of funding that we would have received under the previous national scheme.

RBC now retains 56% of business rates, and the County and fire combined retain 19%.

Under the 2018/19 50% Pool the Council would have expected a surplus for Levy calculations of £975k, but with Q1 performance under the new 75% pilot that surplus is expected to increase to £1,567k, of which the County and Fire will receive £275k and RBC will keep £1,292k.

Therefore, the new 75% pilot looks to be resulting in an extra gain of £415k for Rossendale at the moment.

<b>Business Rates Collection Fund 2019/20</b>		<b>NNDR1</b> <b>(50% Pool)</b>	<b>Q1</b> <b>(75% Pilot)</b>
		<b>£000</b>	<b>£000</b>
Net Liability Due		13,231	13,199
Less Transitional Payments due to MHCLG		(28)	(28)
Less Cost of Collection Allowance		(97)	(97)
Less Doubtful Debt Provision		(300)	(300)
Less Appeals Provision		(500)	(400)
Less Renewables 100% to RBC		(168)	(168)
<b>Net NNDR due</b>	<b>A</b>	<b>12,138</b>	<b>12,206</b>
Less Trans surcharge	B	0	0
Less Precepts		(12,138)	(12,138)
Cash Surplus/(Deficit)	C	0	68
<b>RBC Share = C x 56%</b>	<b>D</b>	0	38
Central Government share 25%			17
LCC and Fire share 19%			13

<b>RBC General Fund / Pooling gains</b>		<b>NNDR1</b> <b>(50% Pool)</b>	<b>Q1</b> <b>(75% Pilot)</b>
		<b>£000</b>	<b>£000</b>
Business Rates Income	A+B	12,138	12,206
RBC Share = 56%		4,882	6,835
less tariff paid to Lancashire Pool		(2,670)	(4,596)
add S31 Grants	E	908	1,473
Subtotal		3,120	3,712
RBC Baseline Funding Level used in Budget		2,145	2,145
<b>Surplus for Levy Calculations</b>	<b>F</b>	<b>975</b>	<b>1,567</b>
Levy due to Lancs Pool = F under 50% Pool G <sup>1</sup>		(49)	(98)
Levy due to Lancs Pool = F under 75% Pilot G <sup>2</sup>		(114)	(178)

<b>Business Rates Summary</b>		<b>NNDR1</b> <b>(50% Pool)</b>	<b>Q1</b> <b>(75% Pilot)</b>
		<b>£000</b>	<b>£000</b>
Business Rates Surplus/(Deficit) 2019/20	F	975	1,567
less Lancashire Pooling Levy	G <sup>1</sup>	(49)	(98)
less Lancashire Pooling Levy Additional	G <sup>2</sup>	(114)	(178)
Renewable Energy		168	168
<b>Overall Gain</b>	<b>H</b>	<b>981</b>	<b>1,460</b>
Business Rates Retention Reserve Bfwd		1,340	1,340
Business Rates Surplus/(Deficit) 2018/19		0	651
Business Rates Surplus/(Deficit) 2019/20	H	981	1,460
Less Budgeted Utilisation		(1,200)	(1,200)
<b>Total Retained Business Rates Resources Cfwd</b>		<b>1,121</b>	<b>2,251</b>

Central government also gives authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the NNDR1 estimate those grants totalled £908k, but the 75% pilot and the level of reliefs so far have led officers to predict £1,473k income.

To summarise, this creates a total net gain of £1,460k over RBC's baseline funding. When added to the Reserve balance brought forward of £1,340k and the £651k surplus from 2018/19 this gives £3,451k, of which £1,200k has been budgeted to support the General Fund in 2019/20, giving total resources of £2,251k in 2019/20. From this there will be a pooling levy charge for 2018/19 to pay of £69k, leaving a predicted balance at March 2020 of £2,181k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	28
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## Glossary

### Accrual

An adjustment at year-end to charge costs or income due in the old year, regardless of whether the cash has been paid or received. Accounts are prepared on an accruals basis in order to match the income for each financial year with the costs attributable to the same time period.

### 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 Grants Received in Advance

Grants received in cash during the year, but not spent or committed, are held on the Balance Sheet in the Short-term Liabilities area as Capital Grants Received in Advance, acknowledging the potential requirement to pay these grants back should the related project not go ahead or underspend.

### Capital Receipts

Proceeds from the sale of fixed assets, such as land or buildings, or the repayment of capital grants or advances. These funds form part of the Council's Useable Reserves, though they are ring-fenced for capital projects rather than revenue costs.

### 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 accounts and two other instant access accounts with Lloyds and Handelsbanken. This is in comparison to short- and long-term *Investments* in which funds are untouchable during the life of the deposit.

### Collection Fund

Rossendale Borough council collects funds on behalf of other precepting bodies, Lancashire County Council, Fire and Police as well as central government and Whitworth Town Council from domestic and commercial properties in the borough. These amounts are formally ring fenced in the Collection Fund and then distributed amongst the precepting bodies in line with their demands as set in the February budget setting meeting. At the end of the year each precepting body has their share of the arrears, the doubtful debt provision or appeals provision and the accumulated surplus or deficit. Rossendale Borough Council accounts for its own share, but holds the other preceptors shares separately on an agency basis. Hence, within the Council Tax and Business Rates monitoring members will see the overall position and the RBC share clearly identified.

### 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.

### Consumer Price Index (CPI)

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

### Earmarked Reserves

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

### 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.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	29
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

# Monthly Financial Monitoring Report 2019/20 Q1 June 2019

## General Fund

The main revenue fund of the Council.

## Grants Unapplied

Unlike Capital Grants Received in Advance, there is no requirement to repayment of these grants. The unspent balance will be released into capital or revenue in the coming years as projects come online. These funds form part of the Council's Useable Reserves.

## Homes and Communities Agency (HCA)

The Homes and Communities Agency (HCA) is the non-departmental public body which helps to fund new affordable housing in England. It was established by the Housing and Regeneration Act 2008 as one of the successor bodies to the Housing Corporation, and became operational on 1 December 2008. In 2012 the HCA approved the East Lancashire Empty Homes Scheme.

## 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.

## Link Asset Services (formerly Capita & Sector)

Link Asset Services (formerly Capita & 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.

## 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.

## Ministry of Housing, Communities and Local Government (MHCLG)

The former Department of Communities and Local Government (DCLG) has been redesignated as the Ministry of Housing, Communities and Local Government, or MHCLG.

## National non-domestic rates - now Business Rates (NNDR)

National non-domestic rates for commercial premises are set annually by the government and collected by all local authorities. The localisation of business rates in April 2013 meant that the National pool no longer exists, but the acronym NNDR is still widely used in local government circles.

## Provision

Cash 'put aside' for expenditure on an intended project which has not commenced or is not complete at the year-end, but which has been contractually committed.

## Provisional

Best forecast given current knowledge.

## Public Works Loans Board (PWLB)

The PWLB is a central government statutory body which lends funds to local authorities with advantageous interest rates. Interest rates are published daily and local authorities provide the PWLB with annual estimates of cash requirements in return for certainty on the availability of funds and the interest rates being charged.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	30
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

## Monthly Financial Monitoring Report 2019/20 Q1 June 2019

### 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.

### 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.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	31
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	15/07/2019
<b>Dates covered in this review</b>	2019/20 Monitoring	<b>Next review</b>	15/10/2019

Rossendale Borough Council

PO BOX 74

Bacup

OL13 0WU

T: 01706 217777

E: [generalenquiries@rossendalebc.gov.uk](mailto:generalenquiries@rossendalebc.gov.uk)

اگر آپ کو ان معلومات کا خلاصہ سے صرف میں ڈیجیٹل کسٹ پر، یا اگر جی کے علاوہ کسی اور زبان میں اور کارپیڈ ہمارے  
میریائی نہیں ہاں ہیں، ہم خوشی آپ کے لئے اس کا انتظام کریں گے۔  
ہمارے میریائی 01706 217777 پر ٹیلیفون کریں یا پھر کیوی ٹیشن سیشن سے اس سے رابطہ قائم کریں:

آپنی যদি اسب تخیور سار سنگھسب بڈ ہرکفر ھاپای، اڈیو کٹاسے ڈے اٹھا یا ھیرجی ھڈا  
انیا کون ڈاٹای پے ڈے ھان ڈاھلے انڈرھ کرے آماڈےرکے جاناہلے آماڈا اڈاٹاٹا ٹوہی مہے  
ڈا ر بربھھ کررہا ہا۔

انڈرھ کرے 01706 217777 ای ناٹھارے اٹھا یا کمیڈنیکیشن سیکشن، ڈاؤن سڈار  
اڈیس، رڈسٹل بی. بی. 8 ۹ اڈل. جڈ. ای ڈیکاناٹا یوگاٹاگ کررہا۔

Other formats available on request.

Tel: 01706 217777 or contact:  
Rossendale Borough Council  
PO BOX 74, Bacup, OL13 0WU

ارو بائلا

A

Large  
Print



Tape



CD



Braille