

*Please note the amended public question time arrangements for this meeting

Meeting of: The Cabinet

***Owing to the social distancing requirements of Covid-19, public meetings which normally take place in the Council Chamber will be conducted via Zoom.**

Time: 6.30pm **Date:** 1st December 2020

Join Zoom Meeting (please allow time for set up if accessing for the first time):
<https://zoom.us/j/97110557785?pwd=N212bTJRSWEwSnByK3l0UG5EL0c4dz09>

Meeting ID: 971 1055 7785
Passcode: 398240

Please note that a waiting room will be in place for the Zoom meeting and public and other Councillors will be admitted to the meeting shortly before 6.30pm.

To join by phone or mobile:

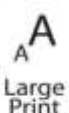
Dial 0208 080 6591 then when prompted enter the ID number followed by # e.g. 971 1055 7785#
When prompted confirm with another # To mute and unmute yourself press *6
(Alternate dial in number: 0208 080 6592)

Supported by: Glenda Ashton, Committee and Member Services Officer Tel: 01706 252423
Email: glendaashton@rossendalebc.gov.uk

ITEM		Lead Member/Contact Officer
A.	BUSINESS MATTERS	
A1.	Apologies for Absence	
A2.	Minutes of the last meeting To approve and sign as a correct record the Minutes of the meeting held on 7 th October 2020.	
A3.	Urgent Items of Business To note any items which the Chair has agreed to add to the Agenda on the grounds of urgency.	Clare Birtwistle, Monitoring Officer 01706 252438 clarebirtwistle@rossendalebc.gov.uk
A4.	Declarations of Interest <i>Members are advised to contact the Monitoring Officer in advance of the meeting to seek advice on interest issues if necessary.</i> Members are requested to indicate at this stage, any items on the agenda in which they intend to declare an interest. Members are reminded that, in accordance with the Local Government Act 2000 and the Council's Code of Conduct, they must declare the nature of any personal interest and, if the interest is prejudicial, withdraw from the meeting during consideration of the item.	
B.	COMMUNITY ENGAGEMENT	
B1.	Public Question Time Members of the public can register their	

The agenda and reports are also available for inspection on the Council's website <https://www.rossendale.gov.uk/>. Other formats are available on request. Tel 01706 217777 or contact Rossendale Borough Council, Futures Park, Bacup, OL13 0BB

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ITEM	Lead Member/Contact Officer	
	<p>question by contacting the Committee Officer. Groups with similar questions are advised to appoint and register a spokesperson.</p> <p>This is an opportunity to ask a question about an agenda matter which the Council may be able to assist with. A time limit applies for each question and you are only able to address the meeting once.</p> <p>To register for public question time your question must be received no later than 9.00am two working days prior to the day of the meeting by emailing democracy@rossendalebc.gov.uk Please give your full name, telephone number and include a copy of your question.</p> <p>At the meeting you will be invited to speak at the appropriate time, please begin by giving your name and state whether you are speaking as an individual member of the public, or as a representative of a group. (Question time normally lasts up to 30 minutes).</p>	<p>Glenda Ashton, Committee and Member Services Officer 01706 252423 glendaashton@rossendalebc.gov.uk</p> <p>Please register an agenda related public question by emailing democracy@rossendalebc.gov.uk no later than 9.00am Thursday 26th November</p>
C.	PERFORMANCE MATTERS	
C1.	Financial Monitoring Report 2020/21 Q1 & Q2	Councillor Walmsley/Karen Spencer Head of Finance/S151 Officer 01706 252409 karenspercer@rossendalebc.gov.uk
D.	KEY DECISIONS	
D1.	Annual Air Quality Report 2020	Councillor Hughes/Adam Allen Director of Communities 01706 252428 adamallen@rossendalebc.gov.uk
D2.	The Whitaker progress update and Heritage Fund uplift	Councillor A Barnes/Cath Burns Director of Economic Development 01706 252429 cathburns@rossendalebc.gov.uk
D3.	Empty Homes project budget	Councillor A Barnes/Neil Shaw Chief Executive 01706 252447 neilshaw@rossendalebc.gov.uk
D4.	Disposal of the former Liberal Club	Councillor Walmsley/Cath Burns Director of Economic Development 01706 252429 cathburns@rossendalebc.gov.uk



Neil Shaw
Chief Executive

Date Published: 23rd November 2020

MINUTES OF: THE CABINET

Date of Meeting: Wednesday 7th October 2020

**Present: Councillor Oakes (Chair)
Councillors Hughes, Lythgoe, Serridge and Walmsley**

**In Attendance: Mr N Shaw, Chief Executive
Mrs C Burns, Director of Economic Development
Mr A Allen, Director of Communities
Ms C Birtwistle, Monitoring Officer
Ms K Spencer, Head of Finance
Mr M Coogan, Strategic Housing Manager
Mrs C Sharples, Committee and Member Services Manager
Miss G Ashton, Committee and Member Services Officer**

**Also Present: Councillors Ashworth, Haworth, Neal, Pendlebury and Steen
1 member of public**

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor A Barnes.

2. MINUTES OF THE LAST MEETING

Resolved:

That the minutes of the meeting held on 1st July 2020 were agreed as a correct record.

3. URGENT ITEMS OF BUSINESS

There were no urgent items.

4. DECLARATIONS OF INTEREST

Councillor Hughes advised that he was an employee of the National Association of Citizens Advice Bureaux.

5. PUBLIC QUESTION TIME

No written questions had been submitted.

6. HEALTH AND WELLBEING UPDATE

The Portfolio Holder for Health and Leisure outlined the report which asked members to consider the latest development in health partnerships and governance structures and support the development of a health and wellbeing strategy for Rossendale.

Cabinet members were invited to comment on the report:

- It was good to have a strategy and to be involved in decisions for the borough.
- Opportunities would be lost if the Council were not involved.
- Members needed to be mindful of cost pressures.
- The mental health of the borough was important too.
- The report was welcomed as residents needed support.
- The Director of Communities was thanked for preparing the report.

In response to a question raised it was noted that:

- A cross-party group would be involved in drafting the strategy. It would also go to the Overview and Scrutiny Committee which was cross-party.

Resolved:

1. Cabinet considered the latest development in health partnerships and governance structures and supported the development of a health and wellbeing strategy for Rossendale.

Reason for Decision:

To develop and grow the Council's role in health, providing greater community leadership to improve health and wellbeing outcomes for residents. To work in partnership and in appropriate ways with our partners and members to improve the health and wellbeing of people in Rossendale. To identify shared objectives and base our priorities on need using the latest data and intelligence from our sub regional partners, our PCN partners and our community partners. The Council can play a clear role in bringing together sub-regional partners and supporting and participating in existing partnerships more effectively. The Council has a role to convene, facilitate and influence.

Alternative Options Considered:

None.

7. COUNCIL TAX / NATIONAL NON DOMESTIC RATES RECOVERY UPDATE & OPTIONS

The Portfolio Holder for Communities outlined the report which asked members to agree the approach as outlined for the recovery of Council Tax and National Non-Domestic Rates (NNDR). To approve the Council Tax Partnership Protocol that has been developed between Rossendale Borough Council and the Citizens Advice Bureau. He thanked CAB Rossendale for their work on the protocol.

Cabinet members were invited to comment on the report:

- The report was welcomed.
- Rossendale was the collection authority for Council Tax and NNDR.
- With the assistance of CAB, collection was taking place sensibly.

In response to a question raised it was noted that:

- Twice yearly a report was presented to Cabinet to agree debts that should be written off. The next report would be presented in the coming months and it will provide details of debts deemed to be no longer recoverable due to reasons such as death or long term imprisonment.

Resolved:

Cabinet considered the report and agreed:

- The approach as outlined for the recovery of Council Tax and National Non-Domestic Rates (NNDR).
- To approve the Council Tax Partnership Protocol that has been developed between Rossendale Borough Council and the Citizens Advice Bureau.

Reason for Decision:

The report outlines the sympathetic approach that has been adopted by Rossendale Council towards those struggling financially due to the Covid19 pandemic. Support will continue to be provided by Council staff to help residents pay their Council tax and agree payment plans that

can be sustained. In addition, the Council have developed a partnership protocol with the Citizens Advice Bureau to provide a joined up partnership approach to residents that are in arrears for their Council Tax.

8. EMPTY PROPERTY COUNCIL TAX PREMIUMS

The Portfolio Holder for Communities outlined the report which asked members to increase the premium on empty dwellings to the maximum amount permitted from 1st April 2021, with 100%, 200% and 300% premiums for properties empty for 2, 5 and 10 years respectively.

In response to questions raised it was noted that:

- The recommendation should be amended to read “subject to consultation, increase the premium on empty dwellings....”.
- Details of empty properties in Whitworth should be forwarded to the Director of Economic Development.
- A charge may be placed on properties where the occupant owned the property.

Resolved:

1. Subject to consultation, Cabinet agreed to increase the premium on empty dwellings to the maximum amount permitted from 1st April 2021, with 100%, 200% and 300% premiums for properties empty for 2, 5 and 10 years respectively.

Reason for Decision:

It is anticipated that introducing the higher Council Tax premiums in April 2021 will lead to a behaviour change in a large minority of landlords or liable parties with more homes returning to use, increasing housing supply and the offer overall, as well as the economy in the borough. There will be a small amount of addition income for the Council which will be tempered by increased administration burdens.

The meeting commenced at 6.30pm and concluded at 7.00pm

_____ CHAIR _____ DATE

Subject:	Financial Monitoring Report 2020/21 Q1 & Q2	Status:	For Publication
Report to:	Cabinet	Date:	1 st December 2020
Report of:	Finance Manager	Portfolio Holder:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Adil Ahmed	Telephone:	01706 252467
Email:	adilahmed@rossendalebc.gov.uk		

1.	RECOMMENDATION
	That Members note the current adverse variance in the council's revenue budget and the actions to address this before year end.

2. PURPOSE OF REPORT

2.1 The purpose of the report is to update members on the budget progress at the mid-year point of 2020/21, compared to the original budget set back in February 2020.

3. BACKGROUND

3.1 Due to the additional pressures Covid has placed on the Finance team the Q1 report was delayed until now. The Q1 report is attached for information, however the financial position has changed significantly since the end of June, largely due to the impact of Covid. The Q1 report is attached at Appendix 1 for information.

4. 2020/21 QUARTER 2 REVENUE BUDGET

4.1 The 2020/21 Q2 Monitoring Report is attached as Appendix 2.

This second monitoring report of the financial year 2020/21 is showing an expected unfavourable variance of £536k, compared to the original budget of £9,006k. The council is working hard to address this unfavourable variance within the scope of its ability to control expenditure. The most notable changes so far are shown in the table on page 5 of the report (Appendix 2). The main changes in Q2 being:

Favourable one-off variances

- Staff cost reductions are already forecasting a favourable £247k against the required £150k of vacancy savings, plus staff have bought £20k of additional leave.
- The Garden Waste service is projected to exceed budgeted income in 20-21 of £240k which was based upon c6,850 subscriptions. To date the Council has taken around 7,365 applications which will result in £272k in income for 20-21, leading to a favourable variance of £32k.
- Additional unbudgeted income of £149k from leasing the Rosso depot.
- A favourable forecast of £20k on the benefit subsidy including housing benefit bailiff fees.

Adverse one-off variances

- Vehicle maintenance costs and temporary vehicle hires are projected to overspend by £114k mainly due to works to older fleet vehicles. Any delays in completing the vehicle replacement plan from 19-20 will generate further savings on the MRP line.

- Income is down in the trade waste, markets, cemeteries, taxis licencing, local land charges, planning applications and court costs. This is mainly due to the Covid pandemic. It is estimated the shortfall equates to c£190k at the end of Q2, the majority of this is due to lost court cost income. There may be an opportunity to recoup some of this lost income through the Governments sales, fees and charges income compensation scheme.
- The Empty Homes project 20/21 revenue costs are £455k at Q2. This is £155k over and above the £300k included in the original budget
- Interest income forecast has fallen to £2.6k, an adverse variance of £73.8k from Q1.

4.2 Favourable recurring variances which will impact upon the MTFs. Favourable grant income on the Service Assurance Team is already at £98k but most of this will be used to fund service/systems changes required by Government changes.

4.3 Adverse recurring variances which will impact upon the MTFs. Local Land Charges income has seen a drop in recent years and this adverse £14.6k is consistent with the experience in previous years.

5. EARMARKED RESERVES

5.1 The total cash-backed Earmarked Reserves brought forward at 1st April 2020 were £7,452k. The opening balance on the Transitional Reserve was £1,730k, to which £302k of New Homes Bonus grant will be added. Any adverse variance at year end on the General Fund will be funded from the Transitional Reserve, along with the predicted £60k deficit on the Council Tax Collection Fund, currently leaving a net balance of £1,110k after the planned MTFs support at the end of 20-21.

5.2 The Business Rates Retention Reserve reflects the in-year variances discussed in detail on page 28 (Appendix 2), including the renewable energy income of £173k and the budgeted s31 grants of £1,563k. Funding for the 20-21 budget included the application of £686k from this reserve.

5.3 The Planning Reserve is expected to be required to support £154k of costs in relation to the current Local Plan, leaving £78k to fund further costs beyond 20-21.

5.4 The closing balance at the 31st March 2021 is now predicted to be £5,925k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £3,400k by March 2025.

6. GOVERNMENT GRANTS UNAPPLIED

6.1 The opening value of Government Grants Unapplied at the 1st April 2020 was £1,285k, including £1,184k of Disabled Facilities Grant (DFG) carried forward into 2020/21 which relates to previous years' slippage. The original allocation of Better Care funding for DFGs in 2020/21 was £1,022k. The allocation has now been confirmed as £1,022k, giving total resources available of £2,206k

6.2 The Homelessness grant of £53k and the Domestic Abuse and Hoarding Grants are due to be spent in 2020/21.

7. IMPACT OF COVID

7.1 The council has received £19.08m to provide grant support to businesses. At 30th September £2.34m is unused (awaiting any further grant applications). The council also received £734k of Hardship Funding from the Government to provide additional support

for all residents currently on the council tax support scheme (previously council tax benefit). As at 30th September c£510k has been allocated.

7.2 In addition, the council has received £974k towards additional costs and lost income as a result of the Covid pandemic. As at 30th September £446k has been allocated. The council is due to receive further Covid related Government funding in Q3.

8. OTHER ISSUES

8.1 Staff Monitoring

The table on page 20 shows the cash saved on salaries between April and September was £141k. This is made up of around £131k from general staff turnover and vacancies, plus £10k from additional leave purchased by staff in the first 6 months of the year.

8.2 Treasury and Cash Management

At the end of September, the bank balances were £8,367k, down from the Q1 balance of £13,382k. These resources now reflect normal cash flow patterns in comparison to the effects that capital programme funding and spending decisions had on recent years. Due to the pandemic banking institutions have cut interest rates substantially from March 2020. With the uncertainty around income and Covid response requirements, the council have maintained access to instant funds. Consequently, the interest income forecast has reduced to just £2.6k.

8.3 Debt Monitoring

Of the £2,151k sundry debts raised in 2019/20 the collection rate has now risen to 98.57% with the remaining debt at £32k. Of the £2,091k of debt raised in 20-21 so far, £607k has not been collected or is being collected monthly on instalment plans. The downturn in the collection rate from 45 to 98 days can be explained by the affect the coronavirus has had on local businesses.

The provision for doubtful debt at the 1st of April was £162.6k, plus a further £5.4k set aside for licensing debt, against £243k of doubtful debts. The council 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 still expect a further doubtful debt contribution of £20k. This will continue to be monitored in Q3.

8.4 Capital Resources and the Capital Programme

The Usable Capital Receipts brought forward at the 1st April totalled £2,639. Capital Grants due for projects in 2020/21 were expected to total £4,474k. This includes an allocation of £2,195k from the Better Care Fund in 2020/21 for Disabled Facilities Grants, as noted in Government Grants Unapplied, above.

The slippage being carried forward will be funded by £3,395k of grant. The Capital Receipts Reserve is expected to total £1,694k at the year-end.

The original Capital Programme for 2020/21 was £1,526k, including £1,000k for DFGs and £352k for replacement operational vehicles. The slippage from 2020/21 was £5,573k, the bulk relating to Spinning Point, Operational vehicles and the DFGs. Additions to the programme have mainly been the Henrietta Street depot waste transfer refurbishment and the Empty Homes Scheme renovation costs.

The revised capital programme for 2020/21 is £7,842k

8.5 Section 106 Agreements

The tables on page 26 of Appendix 1 show the current s106 agreements in force which are available for council projects, with the balance of funds and any deadline dates. The value of s106 agreements brought forward on the 1st April was £904.1k. To the end of September £44.9k of new s106 charges have been received and invoices issued for a further £342k.

8.6 Collection Funds

Predictably collection rates are lower compared to this time last year. Whilst Business Rates have caught up a little since Q1 to 0.5% down, Council Tax collections have continued to lag behind 2019/20 moving from 1.01% down at Q1 to 1.72% by the end of September. The Council Tax account is showing an early overall predicted deficit of £59k (after factoring in the Hardship Fund) for Rossendale whilst maintaining the expected doubtful debt contribution of £300k. Court Cost income has yet to begin, so officers have reduced the income giving an adverse variance of £200k on page 6.

The Lancashire Pool has now reverted to retaining 50% of business rates locally. The Government issues s31 grants to compensate authorities for income lost when central relief decisions are made. This year decisions made in response to the pandemic have had an extraordinary effect on the Collection Fund, reducing the potential income by just over 50%.

Under the current regulations s31 grants cannot be accounted for in the Collection Fund. Secretary of State direction would be needed for this to happen. Therefore, we are awaiting Government guidance as to how to proceed. In the tables on page 28 the council have taken a prudent view and anticipated that much of the additional funds received will be used to offset the overall deficit.

9. **RISK**

All the issues raised and the recommendation in this report involve risk considerations as set out below.

9.1 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.

9.2 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 21-22 budget.

9.3 The Council must explore ways of bridging its forecast 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. The sustainability of the MTFs is a risk in the corporate risk register and this is actively monitored.

9.4 Any continued austerity planning by Government resulting in a further reduction of central government resources, the local retention of 50% of the business rates for 2020/21, the Fair Funding review and any potential implications of Brexit and Covid. Both the Fair Funding review and a new national scheme for the local retention of business rates have been further postponed until April 2022.

9.5 The Covid pandemic is having a significant negative impact on the Councils finances, in

particular the Collection Fund. Based on current information it is highly likely that the impact will extend into 2021/22 and possibly beyond. The situation continues to be closely monitored.

10. FINANCE

10.1 Financial matters are noted in the report attached.

11. LEGAL

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

12. POLICY AND EQUALITIES IMPLICATIONS

12.1 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.

13. CONCLUSIONS

13.1 Robust monitoring of the General Fund and MTFS is essential to control risks expressed in section 9, above. Despite a continued cost reduction programme, the challenge remains for the council to continue its efficiency and income generation 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.

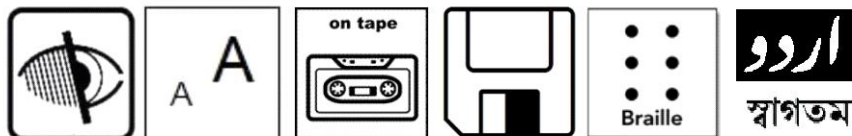
Within the scope of what the council has the power to control budgets are being effectively managed. However, some expenditure/loss of income is either very difficult to control (such as the Empty Homes project) or beyond our control (such as the impact of the Covid pandemic).

Background Papers	
Document	Place of Inspection
Service monitoring statements.	Financial Services.
2021/22 Corporate Priorities, Budget, Council Tax and The Medium Term Financial Strategy.	RBC website - Full Council 26/02/2020
Financial Monitoring Report 2020/21 Q1	RBC website - Cabinet 01/12/2020
Financial Monitoring Report 2020/21 Q2	RBC website – Cabinet 01/12/2020

Financial Monitoring Report

2020/21 Q1 as at end of June 2020

Including a Glossary of terms on page 29



Monthly Financial Monitoring Report 2020/21 Q1 June 2020

General Fund Revenue Operations – pages 4 to 17

This Q1 report on the General Fund for 2020/21 is forecasting a favourable variance of £58.1k compared to the original budget of £9,006k. 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 1st April 2020 were £7,452k

The opening balance on the Transitional Reserve was £1,730k, to which £302k of New Homes Bonus grant will be added. The draft favourable variance on the General Fund of £58k will be transferred back into the Transitional Reserve, along with the predicted £60k deficit on the Council Tax Collection Fund, leaving a net balance of £1,704k after the planned MTFs support at the end of 20/21.

The Business Rates Retention Reserve reflects the in-year variances discussed in detail on page 28, including the renewable energy income of £173k and the budgeted S31 grants of £1,158k. Funding for the 2020/21 budget included the application of £686k from this reserve.

The Planning Reserve is expected to be required to support £154.6k of costs in relation to the current Local Plan, leaving £78k to fund further costs beyond 2021/22.

The closing balance at the 31st March 2021 is now predicted to be £6,821.5k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £4,297k by March 2025.

Government Grants Unapplied – page 20

The opening value of Government Grants Unapplied at the 1st April 2020 was £1,285k, including £1,184k of Disabled Facilities Grant carried forward into 2020/21 which relates to previous years slippage. The original allocation of Better Care funding for DFGs in 2020/21 was £1,022k. The allocation has now been confirmed as £1,022k, giving total resources available of £2,206k

The Homelessness grant of £53k and the Domestic Abuse and Hoarding Grants are due to be spent in 2020/21.

Covid

The Council has received £19.08m to provide grant support to businesses, at 30th June £3.8m is still to be issued. The Council also received £734k of Hardship Funding from the Government to provide additional support for all residents currently on the council tax support scheme (previously council tax benefit) as at 30th June c£510k has been allocated.

In addition the Council has received £881k towards additional costs and lost income as a result of the Covid pandemic, as at 30th June £124k has been allocated.

Staff Monitoring – page 20

The table on page 20 shows the cash saved on salaries between April and June was £128k. This is made up of around £123k 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 £13,382k up from the Q4 balance of £7,991k. The increase is mainly due to the additional funding the Council received from Government in order to distribute the business grants referred to above. Due to the pandemic banking institutions

Responsible Section/Team	Financial Services	Page	2
Responsible Author	Finance Manager	Produced	15/07/2020
Dates covered in this review	2020/21 Monitoring	Next review	15/10/2020

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have cut interest rates from March 2020. Due to the uncertainty around income levels the Council has also had to remain more liquid and have access to instant funds. This has prompted officers to keep cash flow mainly with instant accounts throughout Q1. Consequently, the interest income forecast below has reduced

Of the £2,151k sundry debts raised in 2019/20 the collection rate has now risen to 97.7% with the remaining debt at £49.3k. Of the £1,643k of debt raised in 2020/21 so far, £415k has not been collected or is being collected monthly on instalment plans. That is a collection rate of 75% for the current year. The downturn of collections in Q1 can be explained by the affect the coronavirus has had on local businesses.

The provision for doubtful debt at the 1st 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 still expect a further doubtful debt contribution of £20k. This will continue to be monitored in Q2.

Capital Receipts – page 24

The Usable Capital Receipts brought forward at the 1st April totalled £2,639.

Capital Grants due for projects in 2020/21 were expected to total £4,419k. This includes an allocation of £2,195k from the Better Care Fund in 2020/21 for Disabled Facilities Grants, as noted in Government Grants Unapplied above.

The slippage being carried forward will be funded by £3,395k of grant. The Capital Receipts Reserve is expected to total £2,010k at the year-end.

Capital Programme and Funding – page 25 to 26

The original Capital Programme for 2020/21 was £1,526k, including £1,000k for DFGs and £352k for replacement operational vehicles. The slippage from 2020/21 was £5,573k, the bulk relating to Spinning Point, Operational vehicles and the DFGs. Additions to the programme have mainly been the Henrietta Street depot waste transfer refurbishment.

The revised capital programme for 2020/21 is £7,471k

Collection Fund 2020/21 (Council Tax & NNDR) - page 27 to 28

Collection rates for Business Rates and Council Tax are lower compared to the same position last year. Business Rates are 3.06% down and Council Tax 1.01% down when compared to June 2019. These figures include the additional business rate reliefs and the allocated Council Tax Hardship funding.

The Council Tax account is showing an early overall predicted deficit of £60k (after factoring in the Hardship Fund) for Rossendale whilst maintaining the expected doubtful debt contribution of £300k.

The Lancashire Pool has now reverted back to retaining 50% of business rates locally. At this stage it is impossible to predict the likely year end position, due to a combination of the impact of Covid on local businesses and the complicated remedy that the Government has introduced in the form of Section 31 grants.

Central government gives authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the 2020/21 NNDR1 estimate those grants totalled £1,158k, but the level of reliefs has now increased to £6,957k. The majority of which is additional business rate relief relating to expanded retail discount and nursery discount.

Responsible Section/Team	Financial Services	Page	3
Responsible Author	Finance Manager	Produced	15/07/2020
Dates covered in this review	2020/21 Monitoring	Next review	15/10/2020

Monthly Financial Monitoring Report 2020/21 Q1 June 2020

Under the current regulations S31 grants cannot be accounted for in the Collection Fund. Secretary of State direction would be needed for this to happen, therefore we are awaiting Government guidance as to how to proceed.

Responsible Section/Team	Financial Services	Page	4
Responsible Author	Finance Manager	Produced	15/07/2020
Dates covered in this review	2020/21 Monitoring	Next review	15/10/2020

Monthly Financial Monitoring Report 2020/21 Q1 June 2020

General Fund Summary - Period 3 (Quarter 1)

Service Area	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,424.8	1,417.6	7.2	-	7.2
Operational Functions	2,219.3	2,238.5	(19.2)	-	(19.2)
Communities	709.6	660.7	48.9	-	48.9
Public Protection Unit	155.8	153.7	2.1	-	2.1
Environmental Health	140.5	98.2	42.4	-	42.4
Licensing & Enforcement	123.0	126.1	(3.1)	-	(3.1)
Housing	202.6	120.7	81.9	-	81.9
Economic Development Directorate					
Planning Services	308.7	288.6	20.2	-	20.2
Building Control Services	(8.6)	14.2	(22.8)	-	(22.8)
Regeneration	406.1	398.0	8.1	-	8.1
Property Services	493.7	453.8	39.9	-	39.9
Corporate Management Directorate					
Corporate Management	467.0	467.4	(0.4)	-	(0.4)
Legal Services	176.3	174.1	2.2	-	2.2
Local Land Charges	(20.1)	(7.6)	(12.4)	-	(12.4)
Democratic Services	582.7	563.5	19.1	-	19.1
Financial Services	503.9	502.8	1.1	-	1.1
People and Policy	590.0	584.6	5.4	-	5.4
Non Distributed Costs	113.6	252.3	(138.7)	-	(138.7)
Capital Financing and Interest	417.2	441.0	(23.8)	-	(23.8)
TOTAL Service Cost	9,006.05	8,948.0	58.1	-	58.1
LESS Use of Earmarked Reserves					
Retained Business Rates Reserve	(686.0)	(686.0)	-	-	-
Transitional Budgetary Reserve	-	58.1	(58.1)	-	(58.1)
LESS Use of New Homes Bonus Grant					
	(302.0)	(302.0)	-	-	-
Net Service Cost	8,018.1	8,018.1	-	-	-

This Q1 report for 2020/21 is showing a predicted favourable variance of £58.1k.

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

- Staff cost reductions are already forecasting a favourable £206.4k against the required £150k of vacancy savings, plus staff have bought £20k of additional leave.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £41k mainly due to expected works to older fleet vehicles. Any delays in completing the vehicle replacement plan from 19-20 will generate further savings on the MRP line.
- The Garden Waste service is growing the original budget for income in 20-21 is £240k based upon 6,857 subscriptions. To date officers have taken around 7,365 applications which will result in £257k in income for 2020/21, leading to a favourable variance of £17k.
- Grant income for the Service Assurance Team is already at £99k 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 trade waste, markets, cemeteries, taxis and local land charges, and planning applications.

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Annual Variances	Q1 Fav/(Adv)	Total Fav/(Adv)	
Customer Services and e-Government			
Staff costs	2.7	2.7	
Housing Benefits subsidy	2.3	2.3	
Housing Benefit Local Council Tax support grant	(4.0)	(4.0)	
Housing Benefit bailiff fees	18.3	18.3	
Court costs recovered (net of bad debt provision)	(20.0)	(20.0)	
Business Rates - net costs of collection	2.4	2.4	
Central IT Costs	5.8	5.8	
Other minor variances	(0.3)	(0.3)	7.2
Operations			
Staff costs (including agency and overtime)	94.9	94.9	
Fuel	-	-	
Vehicle maintenance incl hire of temporary vehicles	(41.1)	(41.1)	
MRP Savings on Vehicles	-	-	
General parks and street sweep running costs	(4.3)	(4.3)	
Garden Waste Income	17.0	17.0	
Markets Income & Running expenses	(0.7)	(0.7)	
Trade Waste & Bulks Net income	(24.6)	(24.6)	
Cemeteries Net income	(6.6)	(6.6)	
Other minor variances	(4.9)	(4.9)	29.7
Public Protection			
Staff costs	56.0	56.0	
Environmental Health administration expenses	41.2	41.2	
Strategic Housing, Housing Options and Private Ren.	29.6	29.6	
Animal Licensing income	1.7	1.7	
Hackney income	(11.8)	(11.8)	
Private hire income	(13.0)	(13.0)	
Other Licensing income/costs	19.6	19.6	
Other minor variances	-	-	123.3
Economic Development			
Staff costs (net of grant & fee income)	36.6	36.6	
Planning Application Fee Income	11.3	11.3	
Planning Consultancy Professional fees	(36.9)	(36.9)	
Building Control Fee Income	(26.5)	(26.5)	
Economic Development	8.9	8.9	
Other Property Running costs	7.9	7.9	
Spinning Point bus station	(57.1)	(57.1)	
Estates Income (Excluding Town Hall, Futures Park, Know	(17.8)	(17.8)	
Town Hall income	59.5	59.5	
Futures Park Plot 5	42.0	42.0	
MRP charge for Futures Park Plot 5	(68.9)	(68.9)	
Knowsley Rd Depot	76.0	76.0	
Business Centre rentals	7.3	7.3	
Other minor variances	3.0	3.0	45.3
Corporate Management			
Staff costs	16.2	16.2	
Professional Fees / Reference Books	5.3	5.3	
Democratic Services and Member costs	11.5	11.5	
Land Charges income	(12.4)	(12.4)	
Corporate Subscriptions	(4.5)	(4.5)	
Other minor variances	(1.0)	(1.0)	15.1
Non-Distributed Costs & Capital Financing			
Original staff savings target (actuals now above)	(150.0)	(150.0)	
Purchase of additional leave	20.0	20.0	
Historical pension commitments	11.2	11.2	
Interest	(24.7)	(24.7)	
Doubtful Debt Provision	(20.0)	(20.0)	
Empty Homes Recovery Scheme costs	-	-	
Other minor variances	1.0	1.0	(162.5)
Favourable/(adverse) variance	58.1	58.1	58.1

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Communities Directorate

Period 3 (June)

Customer Services & ICT	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
Customer Services					
Benefits Administration	(246.3)	(259.6)	13.3	-	13.3
Benefits Granted	(23.7)	(25.4)	1.7	-	1.7
Local Tax Collection	(378.6)	(361.1)	(17.5)	-	(17.5)
Revenues & Benefits Partnership	1,171.0	1,170.9	0.1	-	0.1
Strategic Functions					
Management and Support	74.5	74.2	0.3	-	0.3
Service Assurance Team	127.5	124.2	3.3	-	3.3
Central Telephones	5.2	5.5	(0.3)	-	(0.3)
Central Printing	3.9	3.9	-	-	-
ICT Support	621.0	614.0	7.0		7.0
Leisure Services	71.0	71.0	-	-	-
Pest Control	(0.7)	-	(0.7)	-	(0.7)
Total	1,424.8	1,417.6	7.2	-	7.2

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	-	2.7	2.7	
Housing Benefit administration grant	-	-	-	
Housing Benefit Subsidy (net grant position)	-	2.3	2.3	
Housing Benefit Local Council Tax support grant	-	(4.0)	(4.0)	
Housing Benefit bailiff fees	-	18.3	18.3	
Revenues & Benefits administration contract	-	0.0	0.0	
CTax & BRates - court costs (net of bad debt provision)	-	(20.0)	(20.0)	
Business Rates - net costs of collection	-	2.4	2.4	
Renewable Energy Business Rates income	-	173.0	173.0	
Business Rates S31 Grants	-	1,158.0	1,158.0	
Business Rates transfer to Retained Business Rates Reserve	-	(1,331.0)	(1,331.0)	
SAT Team counter fraud work	-	0.1	0.1	
SAT Team Grants received (incl Universal Credit)	-	98.9	98.9	
SAT Team additional costs (incl Universal Credit) funded by grants	-	(98.9)	(98.9)	
Central IT Costs	-	5.8	5.8	
Other minor variances	-	(0.4)	(0.4)	
TOTAL	-	7.2	7.2	

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Customer Service & ICT Highlight Report – Q1 (end June 2020)

Historic Issues

- None.

Current Quarter's Issues

At Q1 the forecast variance is £7.2k favourable, the main changes being: -

- A favourable forecast of £20.6k on the benefit subsidy is mainly due to a saving of £18.3k on housing benefit bailiff fees, this is because bailiff activity was put on hold throughout quarter one. It is expected that there will be a rise in housing subsidy claims as a result of Covid, this continues to be closely monitored.
- In terms of business rates, the renewable energy income of £173k and budgeted S31 grants will be transferred into the Retained Business Rates Earmarked Reserve – we do not yet know whether the additional S31 grants will be accounted for within the Collection Fund or the General Fund.
- At the end of Q1 the total value of court costs raised is £20k short of where we anticipated. The Council has put a temporary hold on pursuing both NNDR and Council Tax debt, however the Courts are currently closed. This budget is expected to show a shortfall at yearend.
- The Service Assurance Team has received new burdens and Universal Credit introduction grants of £99k 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 2020/21 or the beginning of 2021/22, so the net variance being predicted is £nil.
- The Central IT costs are showing a £5.8k favourable forecast at Q1. This is due to computer software costs coming slightly under budget.

Future Issues

- None

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Communities Directorate

Period 3 (June)

Operations & Communities	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Operational Functions					
Operations Admin & Vehicle Maintenance	344.9	313.7	31.2	-	31.2
Refuse & Recycling	1,500.5	1,604.4	(103.9)	-	(103.9)
Street Sweeping	369.8	342.8	27.0	-	27.0
Markets	4.1	(22.3)	26.4	-	26.4
Communities					
Parks & Open Spaces	932.2	876.7	55.5	-	55.5
Cemeteries	(222.7)	(216.0)	(6.6)	-	(6.6)
Dog Warden	0.0	0.0	-	-	-
Total	2,928.8	2,899.1	29.7	-	29.7

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancies at Operations Admin Offices	-	40.9	40.9	G
Parks Salary Variances (Including temporary gardeners)	-	66.2	66.2	G
Street Sweeping Salaries	-	27.3	27.3	G
Refuse Salaries and Agency	-	(42.3)	(42.3)	R
Fleet Management Vacancy and Agency	-	(5.1)	(5.1)	A
Markets Salary Vacancies	-	26.6	26.6	G
Overtime Budgets	-	(18.7)	(18.7)	R
Vehicle Maintenance (including tyres/ parts)	-	(41.1)	(41.1)	R
Vehicle Hire	-	-	-	G
Actions re variances - MRP Savings on Vehicles	-	-	-	G
Fuel	-	-	-	G
Fleet Running Costs	-	(1.0)	(1.0)	A
Saving on Bags	-	-	-	G
Fly Tipping Costs	-	(4.2)	(4.2)	G
Garden Waste income	-	17.0	17.0	G
General Garden Waste Expenditure	-	(3.4)	(3.4)	A
Purchase of Equipment extra cost for Waterproofing Roof Recycling	-	(16.0)	(16.0)	G
Cemeteries Net income	-	-	-	G
Crematorium Feasibility Study	-	(6.6)	(6.6)	G
Markets Income & Running expenses	-	(0.7)	(0.7)	A
Parks & Open Spaces	-	(14.3)	(14.3)	R
General other Park Running Costs	-	-	-	G
Parks Income	-	10.0	10.0	G
Other Variances	-	(4.9)	(4.9)	A
TOTAL	-	29.7	29.7	G

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Operations Highlight Report – Q1 (end of June 2020)

Historic Issues

- The vehicle replacement plan is in progress for 20-21. Vehicle hire costs in 20-21 should be less than they were in 19/20. But there may be some additional maintenance and hire costs in the interim to keep services running

Current Quarter Issues

At the end of Q1 the Operations and Communities forecast shows a favourable variance of £29.7k with the main movements being:

- Due to Covid19 the vehicle replacement plan lead times from raising the purchase order to delivery has increased to 8-10 Months. For the Workshop maintenance this will benefit the MRP line positively but will have a negative impact on the maintenance budget for running the older vehicles for a longer time period.
- The Garden Waste service is growing the original budget for income in 20-21 is £240k based upon 6,857 subscriptions. To date officers have taken around 7,365 applications which will result in £257k in income for 2020/21, leading to a favourable variance of £17k.
- Overall staffing costs including agency and overtime are projected to underspend by £97.3k. This is due to a number of vacancies at the start of the year totalling 7. During the year it is expected that all 7 posts will be filled between September - December 2020. There is also a member of staff on maternity who will return.
- Within Refuse there has been additional pressure associated with Covid19 on Agency. In Quarter 1 - It is found that there has been a significant increase on agency spend. This is due to the high volumes of waste and recycling presented at collection which is having an adverse effect on salary saving made to cover agency costs.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £41k mainly due to expected works to older fleet vehicles. Any delays in completing the vehicle replacement plan from 19-20 will generate further savings on the MRP line. The Operations staff are in the process of trying to obtain replacement vehicles so in time maintenance costs should reduce. There are two road sweepers on a hire contract which include the costs of maintenance.
- Cemeteries at the end of quarter one appear to be on track to budget, however, this will be reviewed at the end of quarter two to reassess. Cemeteries are in the process of conducting a crematorium service feasibility study which will cost £6.6k.

Futures Issues

- Recycling Arrangements – RBC are currently in the process of creating the facility to transfer recycling material at the main operating depot which will allow these to be passed into the LCC network. This will ensure that the Council eliminates the risk of high disposal costs within these volatile markets. There will be some additional costs once the facility begins operating. However, due to Covid19 there has been delays with the project. It is now envisaged that this will be finished at the end of August 2020.
- Agency Costs – The Council will be looking at tendering for the provision of agency workers in 2020/21.
- Commercial Waste – The Council is in the process of recruiting a Commercial Waste Officer, with targets to boost the Council's commercial waste customer base. The increase in the number of customers will lead to the requirement of additional stock of commercial waste/recycling bins, but this should be recovered from additional revenue income. NB: Due to Covid19 this appointment has been delayed (1st October 2020).
- Vehicle Replacement Programme – The Council has been advised that there is a lead time of 8-10 months to replace frontline waste/recycling vehicles, two are scheduled for 2020/21. A Luton Van and a Parks Vehicle remain outstanding from 19/20. Any delay in purchasing these will lead to increased vehicle maintenance costs.

A feasibility exercise is getting undertaken for a Bin Cleaning Service. In the first instance a 3 month trial will be initiated.

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Communities Directorate

Period 3 (June)

Public Protection & Housing	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Public Protection Unit	155.8	153.7	2.1	-	2.1
Environmental Health	140.5	98.2	42.4	-	42.4
Licensing & Enforcement	123.0	126.1	(3.1)	-	(3.1)
Strategic Housing					
Housing Strategy	93.5	43.5	50.0	-	50.0
Private Sector Housing Renewals	0.8	1.0	(0.2)	-	(0.2)
Homelessness	108.3	76.2	32.1	-	32.1
Total	621.9	498.6	123.3	-	123.3

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	-	14.2	14.2	
Public Protection Unit - staffing and Direct Costs	-	2.1	2.1	
Housing Strategy - staffing	-	39.0	39.0	
Homelessness - staffing	-	0.3	0.3	
Licensing & Enforcement - staffing	-	0.4	0.4	
Environmental Health administration (Abandoned Vehicle)	-	(1.3)	(1.3)	
Provisions Bfwd Rogue Landlord		29.5	29.5	
Provisions Bfwd Local Integration Fund		10.9	10.9	
Provisions Bfwd Balance remaining on Domestic Abuse		5.1	5.1	
Funeral Fees	-	(3.0)	(3.0)	
Extra Income Received on Homelessness (Flexible Homelessness Grant)		23.1	23.1	
Extra Cost on Homelessness (Professional Fees)		(2.3)	(2.3)	
Bond Payments - (PCC Funded Homelessness - Ex Offenders)		5.6	5.6	
Other Variances	-	3.2	3.2	
Private Hire income & expenditure	-	(13.0)	(13.0)	
Hackney income & expenditure	-	(11.8)	(11.8)	
Taxi misc income	-	(3.5)	(3.5)	
Animal Licensing income	-	1.7	1.7	
Skills Test	-	0.7	0.7	
Computer Software costs	-	3.7	3.7	
Professional Fees, DVLA checks, Translation services	-	7.6	7.6	
Office - General and stationery cost	-	6.7	6.7	
Other Variances	-	4.4	4.4	
TOTAL	-	123.3	123.3	

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Public Protection and Housing Highlight Report – Q1 (end Jun 2020)

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 £123.3k, with the main movements being: -

- There is currently a vacancy in Environmental Health generating a saving of £14.2k. The position has been advertised and is likely to be filled by September 2020. Within PPU a staff savings has been incurred of £2.1k.
- There is also currently a vacancy within Housing Strategy generating a full year saving £39k. A decision is required for the budget on this post as it is not a Statutory Duty.
- Environmental Health administration expenditure includes an extra cost for abandoned vehicles £1.3k. There has also been some funeral fees incurred of £3k.
- At the start of 20-21 within Housing a number of provisions have been brought forward for Rogue Landlords £29.5k, Local Integration Fund £10.9k and Domestic Abuse has a balance left on the 20-21 provision of £5.1k
- Within Housing Options for Homelessness there has been extra income received for the Flexible Homelessness Grant £23.1k which has been offset with an extra cost on Professional Fees £2.3k.
- We have also received Bond Payments within the PCC Funded Homelessness for Ex-Offenders.

Licensing:

- The Licensing Salary costs are projecting to be within budget
- Taxi Licencing income and expenditure has shown an under achievement of £28.3k. 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.
- Professional fees, DVLA checks and translations services are projecting an under spend of £7.6k due to a slow decline in licenses issued
- Animal Licensing income is projected to forecast a favourable variance of £1.7k
- There are office cost savings of c£6.7k due to slow decline in licenses issued and home working

Future Issues

None

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Economic Development Directorate

Period 3 (June)

Economic Development & Regeneration Services	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Planning					
Development Control	157.8	159.2	(1.4)	-	(1.4)
Forward Planning	151.0	129.4	21.6	-	21.6
Building Control					
Building Control - Fee Earning Account	(44.2)	(17.5)	(26.6)	-	(26.6)
Building Control - Statutory Function	31.5	31.2	0.4	-	0.4
Building Control - Street Signs	4.0	0.5	3.5	-	3.5
Regeneration					
Regeneration Mangement	92.9	107.0	(14.2)	-	(14.2)
Economic Regeneration and Rawtenstall Market	139.8	111.5	28.3	-	28.3
Whitaker Park Museum	71.4	71.4	0.0	-	0.0
Tourisms	40.0	40.0	(0.0)	-	(0.0)
Area Forums	62.0	68.0	(6.0)	-	(6.0)
Property Services					
Property Services Team	195.3	172.9	22.4	-	22.4
Corporate Estates	(171.2)	(209.3)	38.1	-	38.1
Non Domestic Estates	(117.4)	(111.0)	(6.4)	-	(6.4)
Office Accommodation	31.9	28.8	3.1	-	3.1
Operational Properties	358.2	363.5	(5.3)	-	(5.3)
Leisure Properties	54.0	40.8	13.2	-	13.2
Bus Shelters	10.0	63.9	(53.9)	-	(53.9)
Business Centre	133.0	104.2	28.8	-	28.8
Total	1,199.9	1,154.5	45.4	-	45.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Communities Staffing	-	5.8	5.8	G
Economic Development staffing	-	8.7	8.7	G
Planning / Forward Planning staffing	-	43.4	43.4	G
Building Control staffing	-	2.0	2.0	G
Property Services staffing	-	(3.2)	(3.2)	Y
Valuation Fees (Taylor Weaver)	-	(5.5)	(5.5)	Y
Area Forums	-	(6.0)	(6.0)	Y
Other Miscellaneous Variances	-	0.4	0.4	G
Planning/Forward Planning Consultancy fees/ Legal fees	-	(36.9)	(36.9)	R
Planning Application Fee Income (excluding additional 20% broken housing market)	-	11.3	11.3	G
Building Control Fees	-	(26.5)	(26.5)	R
Office savings	-	1.6	1.6	G
Property Running Costs: Repairs & Maintenance	-	0.3	0.3	G
Electricity, Gas & Water	-	(13.6)	(13.6)	R
NNDR - excluding Spinning Point bus station	-	21.2	21.2	G
Estates Income - old Town Hall (Together Homes)	-	59.5	59.5	G
Estates Income - Futures Park Plot 5	-	(0.8)	(0.8)	Y
MRP charge for Futures Park Plot 5	-	(68.9)	(68.9)	Y
Estates Income - Knowsley Depot	-	109.9	109.9	G
All other Estates income COVID)	-	(17.8)	(17.8)	G
Spinning Point Bus Station running costs	-	(53.9)	(53.9)	G
Business Centre rentals	-	7.3	7.3	G
Business Centre running costs	-	3.5	3.5	G
Victoria Way Storm damage costs to date	-	(6.2)	(6.2)	G
Bus Shelters, Pool Car, Emergency Planning	-	10.2	10.2	G
Other Miscellaneous Variances	-	(0.4)	(0.4)	Y
TOTAL	-	45.3	45.3	G

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Economic Development & Regeneration Highlight Report – Q1 (end Jun 2020)

Historic Issues

- None

Current Quarter Issues

Economic Development and Regeneration are currently forecasting a favourable variance of £8.1k, which is broken down as detailed below: -

- There has been a slight underspend on Regeneration and Partnership staff costs however this will change due to two staff returning back for the full year. Within Economic Development there has been a number of movements between the staff and projects which has generated savings within the first quarter £8.7k. There has also been a member of staff return from Maternity Leave who is currently working on a part time phased return.
- Area Forums for Grants are overspent by £6k this is for the Domestic Abuse Grant. This will need to be funded from the brought forward provision on the Domestic Abuse carry over at year end. Note the Contribution to PCC for Domestic Abuse ended 31st March 2020 as per Budget Setting. This is to be discussed with Alison and Michael.

Property Services is currently showing a favourable variance of £39.7k

- Salary costs are showing an adverse variance of £3.2k. A new post has been created within Property with the anticipated new income streams within the next 2 years
- Property running costs are showing a favourable variance of £7.9k. This excludes Business Rates at Spinning Point
- Estates income is showing a favourable variance of £81.9k. There are new income streams at Futures Park and Knowsley Depot. Small businesses were given a 3 month 50% rent reduction with a resulting loss of rent of £17.8k, this will be funded by the Covid funding received from Government.
- Spinning Point bus station is running at a cost of £53.9k includes Electric, R&M, Business Rates, Cleaning

Planning and Building Control are showing an adverse variance of £2.6k

- Salary costs are showing a saving of £45.3k due to a vacant post and a staff member on reduced hours
- Planning consultancy/professional fees are likely to over spend by £37k
- Planning / Building Control income is projecting a shortfall of £18.6k

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.

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Corporate Services Directorate

Period 3 (June)

Corporate Management	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Corporate Management					
Executive Office	352.9	348.9	4.0	-	4.0
Corporate Contingency	50.0	50.0	-	-	-
Exec Support & Corporate Subscriptions	64.1	68.5	(4.4)	-	(4.4)
Community Safety	-	-	-	-	-
Legal Services	176.3	174.1	2.2	-	2.2
Land Charges	(20.1)	(7.6)	(12.4)	-	(12.4)
Democratic Services					
Electoral Registration	73.4	73.4	0.0	-	0.0
Elections	78.8	79.4	(0.6)	-	(0.6)
Democratic Support	374.9	362.2	12.7	-	12.7
Mayoralty & Civic Events	53.0	46.0	7.0	-	7.0
Town Twinning	2.5	2.5	0.0	-	0.0
Financial Services					
Treasury Management	80.9	80.2	0.7	-	0.7
Insurance, Risk & Audit Fees	64.7	66.8	(2.1)	-	(2.1)
Financial Services Team	358.3	355.8	2.5	-	2.5
People & Policy					
Human Resources	393.6	393.0	0.6	-	0.6
Corporate Support	192.4	191.0	1.4	-	1.4
Publicity	4.0	0.6	3.4	-	3.4
Total	2,299.8	2,284.8	15.1	-	15.1

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	-	16.2	16.2	
Corporate Subscriptions - Local Govt Information Unit	-	(4.5)	(4.5)	
Legal - Professional Fees & Reference Books	-	5.3	5.3	
Legal office costs	-	0.6	0.6	
Office savings	-	3.4	3.4	
Members costs	-	5.0	5.0	
Office savings	-	3.8	3.8	
Democratic & Mayoralty savings	-	2.7	2.7	
Elections	-	(0.6)	(0.6)	
Land Charges Income	-	(12.4)	(12.4)	
External Audit - Accountancy	-	4.5	4.5	
Bank Charges	-	(4.0)	(4.0)	
Other Misc under / (over) spends	-	(5.0)	(5.0)	
TOTAL	-	15.1	15.1	

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Corporate Management Highlight Report – Q1 (end June 2020)

Historic Issues

- None reported.

Current Quarter Issues

The Corporate Management Q1 variance is currently standing at £15.1k favourable, the main movements being: -

- Staff changes are £16.2k favourable.
 - Corporate Management - forecasted saving of £6.7k
 - Legal Services – increase in work responsibility, variance of £8.3k
 - Democratic Services - member of staff on reduced hours, variance of £7.7k
 - Financial Services – forecasted saving of £3.8k
 - People & Policy - following the recent restructure the part-year reductions are leading to an expected £4.5k saving in 2020/21
 - Corporate Support - forecasted saving of £1.8k
- Legal Services and Democratic Services are showing an under spend of £9.4 and £11.5k respectively in part due to COVID and home working
- Local Land Charges income has seen a drop in recent years and this adverse £12.4k is consistent with the experience in previous years. COVID has had an impact in the early months.

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 cost of a stand-alone Local Election is around £63k compared with a shared election cost of around £51k. Budgets may need to be revised for 2021/22

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Corporate Services Directorate

Period 3 (June)

Non-Distributed Costs & Capital Financing	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	94.1	212.9	(118.8)	-	(118.8)
Other Non-distributed Costs	19.5	39.4	(19.9)	-	(19.9)
Capital Financing					
Minimum Revenue Provision	371.3	371.3	-	-	-
Interest (net)	45.9	69.7	(23.8)	-	(23.8)
Total	530.8	693.3	(162.5)	-	(162.5)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancy control savings target	-	(150.0)	(150.0)	
Purchased additional leave	-	20.0	20.0	
Historical pension costs	-	11.2	11.2	
Doubtful Debts Provision	-	(20.0)	(20.0)	
Interest expenditure/income from bank accounts	-	(24.7)	(24.7)	
Empty Homes Recovery Scheme costs	-	-	-	
Other minor variances	-	1.0	1.0	
TOTAL	-	(162.5)	(162.5)	

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Non-Distributed Costs & Capital Financing Highlight Report – Q1 (end June 2020)

Historic Issues

- None

Current Quarter Issues

This Q1 report is forecasting a net adverse variance of £162.5k, with the main movements being:-

- The Empty Homes Recovery Scheme 2020/21 costs at Q1 are £82k which is in line with revenue forecast budget of £300k
- The original budget staff savings target was £150k. Total savings in staff costs being predicted at Q1 are £206.4k 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 £76.4k over and above the total original budget.
- Interest income is expected to be below the budget by £24.7k. Due to the Coronavirus Pandemic banking institutions have cut the interest rates from March 2020. The council have also had to remain more liquid and have access to instant funds as the Council were instructed to pay out business loans as some income had stagnated. This has prompted officers to keep cash flow mainly with instant accounts throughout Q1. Consequently, the interest income forecast below has reduced
- The Sundry Debt analysis on page 23 is forecasting a doubtful debt level of £258k, though £41k of this is still being pursued through the courts. The current doubtful debt provision is £162k. Therefore, an additional doubtful debt provision forecast at Q1 will be required. This has been set at £20k at Q1.

Future Issues

- None

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention Reserve	Transitional Budgetary Support	Planning Reserve
	AN060103	AN060123	AN060144	AN060129	AN060145
Balance at 01/04/2020	815.7	35.6	2,639.9	1,729.8	232.8
Funds Received 2020/21					
Collection Fund - Deficit 2020/21			(92.0)	(60.0)	
Collection Fund - S31 Grants			1,158.0		
Collection Fund - Renewable Energy			173.0		
New Homes Bonus				302.0	
Other Revenue income received					
General Fund Surplus - 2020/21 forecast				58.1	
Total Funds Available	815.7	35.6	3,878.9	2,029.9	232.8
2020/21 Published Budget Utilisation					
Retained Business Rates			(686.0)		
New Homes Bonus				(302.0)	
General budget support					
2020/21 Other Utilisation Plans					
Transfers between Reserves	23.6			(23.6)	
IER					
Support Forward Plan					(154.6)
Economic Development Projects	(839.3)				
Brexit Grant Spend		(35.6)			
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					
Property-related projects					
Reserve Estimates 31/3/2021	(0.0)	0.0	3,192.9	1,704.3	78.2
Future Contributions/Utilisation Plans					
2021/22 Plans	0.0	0.0	(200.0)	(312.0)	(43.2)
2022/23 Plans	0.0	0.0	(200.0)	(346.0)	(35.0)
2023/24 Plans	0.0	0.0	(200.0)	(260.0)	0.0
2024/25 Plans	0.0	0.0	(200.0)	(260.0)	0.0
Potential Reserve Balances	(0.0)	0.0	2,392.9	526.3	0.0

Usage as per MTF5 Feb 20

Employment & Transport Reserve usage	2020/21 £k
Whitaker HLF RIBA design process	10.7
Whitaker HLF Match Funding (Full Council July 2018 £190k less above 70k)	183.7
Invest in Rossendale Webpage	3.3
Rossendale Works- Employability - April 2018	10.5
Rossendale Works- Employability - April 2020 -22	30.0
Haslingden Town Centre- external funding bid	160.0
Haslingden National Lottery Heritage Fund Officer (Jan 2020)	15.0
Bacup Future High Street Project	200.1
Bacup Heritage Action Zone Officer SOD 31/03/19	87.5
Establishment of second Economic Development Officer Town Ctr and Comm Buildings - 18 Month fixed term contract	45.4
Plot 1, Plot 5 and Junction Works (Cabinet 27/01/20)	75.0
Rawtenstall Market 2020 tender exercise	10.0
Drawings for Bacup 2020 Heritage Action Zone Match	2.2
Economic Development Officer - Extra Staff	6.0
Total 20/21 projects	839.3

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Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserve	Directorate Reserves	General Reserve	Total
	AN060130	AN060118	AN060121		
Balance at 01/04/2020	189.0	64.2	745.0	1,000.0	7,452.0
Funds Received 2020/21					
Collection Fund - Surplus 2019/20			0.0		(152.0)
Collection Fund - S31 Grants			0.0		1,158.0
Collection Fund - Renewable Energy			0.0		173.0
New Homes Bonus			0.0		302.0
Other Revenue income received			0.0		0.0
General Fund Deficit - 2019/20			0.0		58.1
Total Funds Available	189.0	64.2	745.0	1,000.0	8,991.1
2020/21 Published Budget Utilisation					
Retained Business Rates			0.0		(686.0)
New Homes Bonus			0.0		(302.0)
General budget support			0.0		0.0
2020/21 Other Utilisation Plans					
Transfers between Reserves			0.0		0.0
IER			(12.4)		(12.4)
Support Forward Plan			(28.5)		(183.1)
Economic Development Projects			0.0		(839.3)
Brexit Grant Spend			0.0		(35.6)
Legionella Risk Assessment			0.0		0.0
Living Well, Living Better Project			(30.9)		(30.9)
Spinning Point Phase 1			0.0		0.0
Spinning Point Phase 2 development			0.0		0.0
Haslingden Task Force			(8.8)		(8.8)
Homelessness Projects			0.0		0.0
Operational Vehicle Maintenance	(40.0)		0.0		(40.0)
Property-related projects		(0.9)	(21.5)		(22.4)
Reserve Estimates 31/3/2021	149.0	63.3	633.9	1,000.0	6,821.5
Future Contributions/Utilisation Plans					
2021/22 Plans	0.0		(156.3)		6,110.0
2022/23 Plans	(30.0)		(155.0)		5,344.0
2023/24 Plans	(35.0)		(50.0)		4,799.0
2024/25 Plans	0.0		(42.0)		4,297.0
Potential Reserve Balances	84.0	63.3	230.6	1,000.0	4,297.0

Current issues

As noted on page 2, officers expect to contribute £58.1k back to the Transitional Reserve in 2020/21 from the General Fund favourable variance and deficit of £60k from the Council Tax collection fund. This will leave the Reserve with £1,704k once the planned MTFS support is applied up to 2021/22.

Agreed detail of the usage of the Employment & Transport Reserve can be seen in the table on page 18.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Hoarding Grant	Covid Business Grants	Covid Hardship Support	Covid LA Support	Total
	£000	£000	£000	£000	£000	£000	£000	
	AL030132	AL030127	AL030130	AL030129				
Balance at 01/04/2020	1,183.7	52.9	6.8	3.4	0.0	0.0	38.4	1,285.2
New Funds Received 2020/21								
Grant due/received	1,022.4				1,908.0	734.0	842.7	4,507.1
Total Funds Available	2,206.1	52.9	6.8	2.1	1,908.0	734.0	881.1	5,791.0
Utilisation in 2020/21								
DFGs allocation 2020/21 - forecast	(1,000.0)							(1,000.0)
Transforming Lives/Hoarding Projects				(2.1)				(2.1)
Homelessness Project		(52.9)						(52.9)
Domestic Abuse Projects			(6.8)					(6.8)
Covid related expenditure					(1,908.0)	(734.0)	(881.1)	(3,523.1)
Anticipated Balance 31/03/2020	1,206.1	0.0	0.0	0.0	0.0	0.0	0.0	1,206.1
Future Utilisation Plans								
2021/22 plans	(1,000.0)		0.0	0.0				(1,000.0)
2022/23 plans	(206.1)							(206.1)
Potential Reserve Balances	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)

In addition to the £1,184k of unspent DFG grant brought forward, the 2020/21 allocation is £1,022k, giving total DFG resources of over £2,206.1k. Total expenditure in 2019/20 was just under £890k, less than half of the funds available. It is to be expected that there will be some slippage into 2021/22 and possibly 2022/23 as the occupational health referrals continue to progress. It is anticipated that all of the Covid related grants will be spent in 2020/21.

Staff Costs, including agency

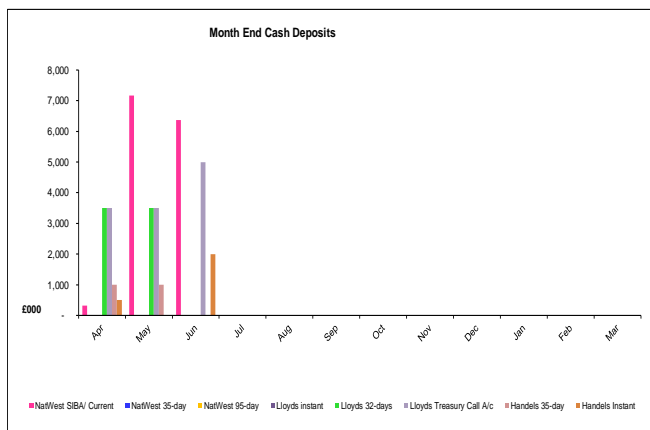
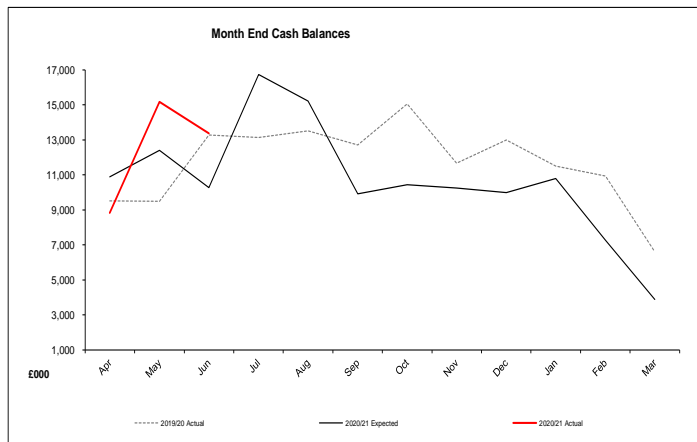
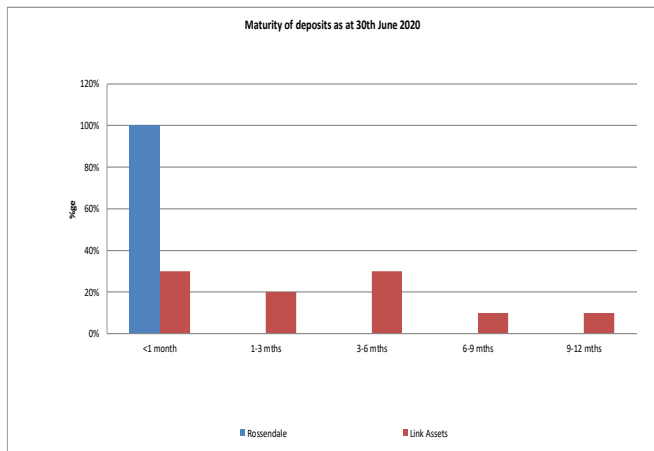
Employment Costs 2020/21 to end June	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2020/21	FTE Changes during 2020/21	Current Vacant Posts
Communities Directorate								
Customer Services	84	82	3	-	3	7.8	0.0	0
Operations Service	419	376	42	-	42	52.3	0.0	6
Communities	176	151	25	-	25	25.2	0.0	1
Environmental Health	46	34	12	-	12	7.0	0.0	1
Licensing & Enforcement	83	75	8	-	8	6.0	0.0	1
Housing	70	68	3	-	3	7.0	0.0	1
Economic Development Directorate								
Planning Services	115	97	18	-	18	11.5	0.0	1
Building Control Services	30	29	1	-	1	3.0	0.0	0
Regeneration	56	77	(22)	-	(22)	4.0	0.0	0
Property Services	18	15	3	-	3	4.4	0.0	0
Corporate Services								
Corporate Management	93	88	5	-	5	4.0	0.0	0
Legal Services	45	38	8	-	8	3.0	0.0	0
Local Land Charges	10	9	0	-	-	1.0	0.0	0
Democratic Services	66	62	4	-	4	7.6	0.0	0
Financial Services	83	80	3	-	3	7.8	0.0	0
People & Policy	133	118	15	-	15	14.6	0.0	1.2
Total	1,526	1,398	128	-	128	166.2	0.0	12.2

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Treasury Management & Cash Flow Monitoring

At the end of June the bank balances were £13,382k up from the Q4 balance of £7,991k, 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 Central Government Covid grants, unspent DFG grants, HCA grant not repaid yet, vehicle purchase deferred until mid 2020/21.



Balances & Interest Rates at 30/06/2020	Current Balance £k	Interest Rate %
NatWest SIBA	6,382	0.01
NatWest 35 day account	-	0.10
NatWest 95 day account	-	0.15
Handelsbanken instant	2,000	0.20
Handelsbanken 35-day	-	0.25
Lloyds instant access	-	-
Lloyds 32-day notice	-	0.10
Lloyds Treasury Call A/c	5,000	0.05
Total Bal & Avg interest	13,382	0.05

Due to the Coronavirus Pandemic banking institutions have cut the interest rates from March. The uncertainty has also meant the council has had to keep funds more liquid. This has prompted officers to keep cash flow mainly in easy access accounts. Consequently, the interest income forecast below has reduced the Q1 forecast.

The average effective interest rate at the end of Q1 was 0.05% compared to a target of 0.9%.

Interest Paid/Received

The budget for interest in 2020/21 is a net cost of £79.6k.

At Q1, the forecast is now showing an adverse variance of £14.4k. This is mainly due to the interest incurred on the PWLB loan taken in August 2019.

Interest Forecast	Budget 2020/21	Forecast 2020/21	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(130.0)	(143.0)	(13.0)	(13.0)
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	50.0	(1.4)	(1.4)
Net Interest	(79.6)	(94.0)	(14.4)	(14.4)

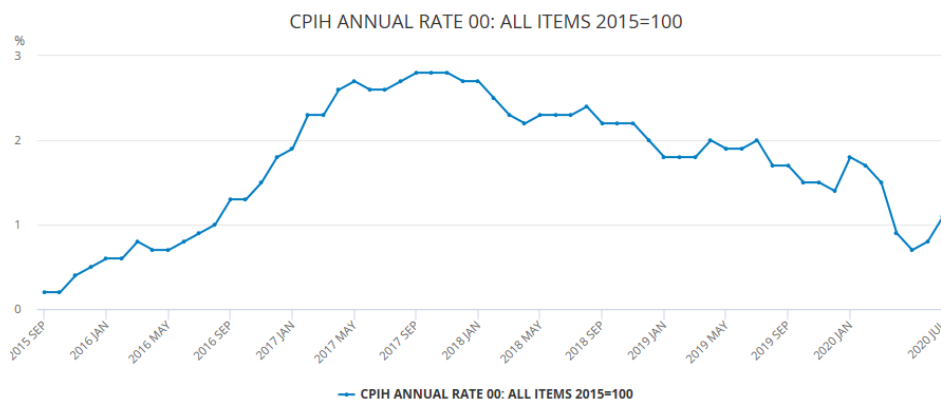
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Economic Outlook

(issued 30th June)

The Consumer Prices Index including owner occupier's housing costs (CPIH) 12-month rate had fallen to 0.7% in May 2020, the lowest it had been in four years.



The largest downward contributions came from motor fuels, with lower petrol and diesel prices and further downward contributions from recreation and culture and restaurants and hotels.

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 2019 was 2.4%.

The outlook for the global economy is highly uncertain. It will depend on how restrictive the shutdowns are and how long these are in effect for, the pace at which these containment measures are lifted, the extent to which voluntary social distancing continues, and the possibility of a second wave of infections.

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 31st March 2020	Current Rates	June 2020	Sept 2020	Dec 2020	March 2021	Jun 2021	Sept 2021
Base Rate est	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
25yr PWLB est	2.56%	2.50%	2.50%	2.50%	2.60%	2.60%	2.60%
25yr PWLB Rev	3.22%	3.40%	3.40%	3.50%	3.60%	3.50%	3.60%

The PWLB loan that officers arranged in August 2019 has locked in £2m at 1.34% for 20 years to facilitate the building project on Plot 5 Futures Park.

Treasury Management Practices (TMPs) and Prudential Indicators

During Q1 the average bank resources were £10.8m, down from £12.1m during Q4 as expected at this time of year. There were some breaches in the TMPs maximum of £8m with NatWest or Handelsbanken or the £6m limit with Lloyds. This was mainly due to timing of the Council receiving funding relating to Covid-19 from Government in order to distribute grants to businesses. Members may recall that the February Full Council meeting approved the increase of this limit to £8m for any bank, with effect from 1st April 2019.

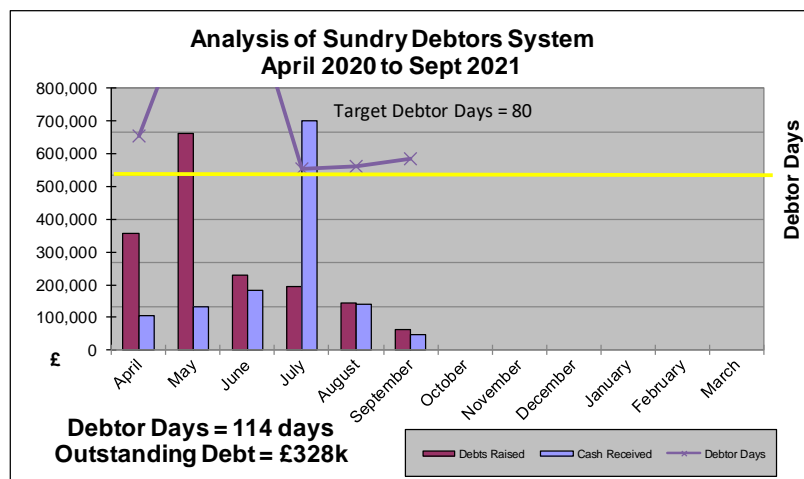
The lowest the Council's instant access cash resources reached in Q1 was £3,310k on the 29th May between the precepts of over £3.6m going out on the 27th and the Collection Fund Revenues of £2.2m coming in on the 1st June. The highest that the instant resources reached was between £21,173k. up to the 8th April before £15m was placed in the DMO notice accounts the next day.

The highest that the total resources reached were £33.12m on the 9th April before the Business grant and precepts were paid the following week.

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Sundry Debts Monitoring



Invoices raised in Q1 totalled £1,284k, of which £373k has already been collected and a further £52k is being collected in instalments throughout the year. The coronavirus pandemic has affected local businesses paying charges such as trade waste and commercial rent which in effect has caused the debtor days to increase considerably in Q1.

Of the £362k debt outstanding at the year-end £90k has now been collected. The 2019/20 year outstanding debt has now dropped to £49k, representing a collection rate for that year of 97.7%.

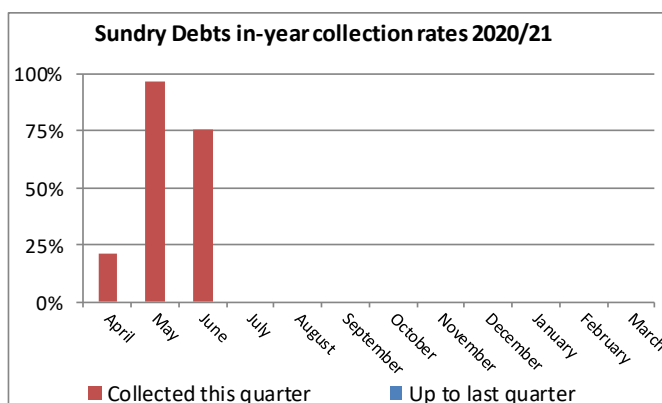
Housing Rent Debts

Of the £324k 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 £36k debt still to chase.

Doubtful debts

Debtor Days collection performance for sundry debts has moved from 45 days at the end of March to 83 days in August and is 88 days by the end of September, against a target of 80 days.

Of the £656k outstanding, the doubtful element of that debt is now £258k of which £52k is owner contributions due from Bacup THI property owners.



end

Debts Outstanding	Mar 2018	Mar 2019	31 Mar 2020		30 Jun 2020		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	79.1	60.5		59.1		27.0	100%	59.1
2016/17 Debt	36.0	32.2		19.7		19.7	100%	19.7
2017/18 Debt	517.9	73.5		71.9		71.9	100%	45.1
2018/19 Debt		415.8		72.8		72.8	100%	72.8
2019/20 Debt								
Q1				8.0		7.0	100%	7.0
Q2				10.0		6.8	75%	5.1
Q3				13.1		9.2	50%	4.6
Q4				107.8		26.3	10%	2.6
2020/21 Debt								
Q1 Apr					296.9		10%	29.7
Q1 May					23.9		10%	2.4
Q1 Jun					60.5	381.3	10%	6.1
Q2 Jul					33.6		10%	3.4
Q2 Aug					0.0		10%	0.0
Q2 Sept					0.0	33.6	10%	0.0
Total Debt o/s	633.0	582.0		362.4		655.6		257.6

The general impairment provision brought forward in April 2020 was £162.6k, with an additional £5.4k for Licensing debts. An additional £20k provision has been added at Q1.

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.

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Capital Resources

Table 1 - 2020/21 receipts

Major Receipts:	Original Budget £000	Year to Date £000	Forecast £000
Capital Receipts			
Land & Property Sales	50	-	50
Obsolete refuse vehicles	53	-	53
Net receipts to table 2	103	-	103

Current issues

There has been no sale of Land or Buildings 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 1st April 2020 was £2,639k.

The original capital programme for 2020/21 approved in February was £1,526k, to which £5,573k of slippage was added from ongoing projects at the end of March 2020. This included £1,222k for Futures Park Plot 5 building works, £1,855k for Whittaker Park Museum Refurbishment and £355k for replacement vehicles.

New projects during Q1 added £372k, mainly the addition of the Waste Transfer Station refurbishment at Henrietta Street depot and the DFG's, to give a revised capital programme of £7,471k

The total grant income expected for the revised capital programme is £4,419k. The slippage being brought forward will be funded by £3,395k of grant and of this £1,173k has already been received. Revenue resources being applied in 2020/21 are expected to be £424k, but £191k of which relates to slippage brought forward.

The total in the Useable Capital Receipts Reserve at the end of 2020/21 is currently expected to be £2,010k, of which £328k is still ring-fenced for housing schemes and £1,682k is required for slippage items. Of the remaining £1,682k there is a receipt of £100k which has been ring-fenced for Whitworth projects.

Future issues

None

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2020	2,639
Capital Grants in 2020/21	4,402
Capital Receipts in 2020/21	103
	7,144
Revenue Contributions	
from Earmarked Reserves	236
from S106 agreements	17
from Revenue Operations	100
Total Capital Resources 2020/21	7,497
Capital Prog funding applied	(5,487)
Total Capital Resources March 2020	2,010
Capital Receipts Reserve (housing)	328
Capital Receipts Reserve (unalloc)	1,682

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Capital Programme Spending

Capital Programme 2020/21	Original Cap Prog £000	Revised Cap Prog £000	Spent/ Ordered £000	Full-Year Forecast £000	Forecast Funding Arrangements				
					Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Impact
Communities Directorate									
IT Software & Equipment	0	0	0	0	0	0	0	0	0
Operations	352	899	192	899	70	106	0	723	132
Communities	30	640	133	640	195	357	88	0	0
Housing	1,000	2,234	270	2,234	2,195	39	0	0	0
Economic Dev Directorate									
Bacup THI	0	0	0	0	0	0	0	0	0
Whitaker	0	1,855	51	1,855	1,670	0	186	0	0
Ski Rossendale	0	5	0	5	5	0	0	0	0
Plot 5 Futures Park	0	1,240	1,026	1,240	0	0	0	1,240	50
Spinning Point Ph1 & 2	0	284	171	284	284	0	0	0	0
12 Market Street	0	0	0	0	0	0	0	0	0
Property Repairs & Maint	144	203	14	203	0	103	100	0	0
Other minor projects	0	111	26	90	0	40	50	0	0
	1,526	7,471	1,883	7,450	4,419	645	424	1,963	182

Capital Programme 2020/21	£000	Funded by
Original Capital Programme	1,526	
Slippage from 2019/20	5,573	see list
New capital projects in 2020/21		
Additional DFGs Grant	22	Extra 2020/21 DFG Grant
Wheeled & Litter Bins	17	Internal Borrowing
Whitworth Pool - Boilers	14	Capital Receipts
Demolish Waterside Mill	39	Capital Receipts
Rising Bridge play area	38	from external grants
Waste Transfer Station Henrie	175	external grant and internal
Plot 1 Futures Park building	49	construction, internal
Empty Homes Renovation	18	Capital Receipts
Revised Capital Programme	7,471	

Slippage items c/wd at end of 2019/20	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
Operational Vehicles	355				355
Playgrounds (community projects)	276	188		88	
Cemeteries	50		50		
Pathways	40		40		
Sports Playing Fields	206		206		
DFGs	1,173	1,173			
CPOs	21		21		
Economic Development Directorate					
Ski Rossendale	5		5		
Spinning Point Phase 1	284	284			
Futures Park Plot 5	1,222				1,222
Emergency Works	6		6		
Building Maint (uncommitted)	0				
Whitworth land remediation	21		21		
CCTV	59		54		5
	3,452	2,034	6	191	1,222
	5,573	3,395	323	279	1,577

Capital Programme

The original Capital Programme was £1,526k, including £352k of vehicles and £1,000k of DFGs.

To this was added £5,573k of slippage, including the balances of Spinning Point Phase 1 & DFG's.

The addition of the Henrietta Street depot waste transfer refurbishment of £175k was during Q1, bringing the revised capital programme up to £7,471k.

Capital project activity

- Total DFG spend in Q1 was £251k
- Total spend in Q1 on the construction of Plot 5 Futures Park was £1,026k
- Parks projects ongoing include, Staghills, Rising Bridge play area and Whitworth wild play
- The Spinning Point works are being finalised
- Total spend in Q1 Whittaker Park Museum Refurbishment was £51k

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Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2020/21	Revised	Potential	Capital Financing Requirement	Net Additions	MRP 2020/21	CFR 2020/21
		MRP Required 2020/21	(Additions) / Savings 2020/21				
Refuse Collection	315	315	0	Whitworth Civic Hall	0	-29	815
Street Sweeping	0	0	0	Marl Pits investment	0	-66	1,986
Parks	20	20	0	Whitworth Pool extension	0	-60	745
IT	0	0	0	Rawtenstall Town Centre	0	-26	941
Facilities/Property	0	93	-93	Other buildings	0	-113	1,410
Leisure Investment	126	126	0	Operations vehicles etc	491	-376	1,281
Corporate Services	4	0	4	Housing (inc Empty Homes)	0	-300	0
Housing	300	300	0	Other assets	17	-2	16
Non-distributed Costs	71	76	-5				
	836	930	-94		508	-972	7,193

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

Delays in purchasing operational vehicles in 2020/21 will lead to MRP savings at the end of 20/21 (see page 8 & 9).

Section 106 Receipts Monitoring

Section 106 Agreements 2020/21	Third Party Projects	RBC Revenue Projects	RBC Capital projects	RBC Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2020	276.5	117.8	514.0	908.3
Deposits received in 2020/21	43.8	1.1		44.9
Deposits applied in 2020/21		(10.0)	(31.2)	(41.2)
Current Balance	320.3	108.9	482.9	912.1

The value of S106 agreements brought forward on the 1st April was £908.3k. To the end of June £44.9k 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
RBC Maintenance:-					
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	104,846
2006/696	Whitwell Bot	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
2018/0039	Edenfield	Horse & Jockey. 85 Market St, Edenfield	Refuse bins £100 x 10	Exp June 2025	1,125
					108,916
RBC Capital:-					
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public Open Spaces	Exp July 2020 / May 2021	73,740
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)	Legal to determine 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 Cribden Ave, R	Affordable Housing	Exp March 2024	162,893
2015/334	Rawtenstall	Land off Oaklands Drive & Lower Cribden Ave, R	Affordable Housing	Exp June 2024	165,886
2016/0228	Edenfield	Land at Croft End Mill, Stubbins	Public Open Spaces - Edenfield Play area	Exp Oct 2023	15,852
					515,446

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Council Tax & NNDR Collection Rates

Collection Rates	Council Tax					Business Rates				
	2016/17	2017/18	2018/19	2019/20	2020/21	2016/17	2017/18	2018/19	2019/20	2020/21
April	10.60	10.39	10.41	10.51	10.04	11.25	10.34	11.26	12.22	10.24
May	19.73	19.53	19.72	19.70	18.96	19.20	19.14	18.93	21.07	18.89
June	30.12	28.81	28.79	28.63	27.62	28.26	27.51	27.28	28.68	25.62
July	37.97	37.91	37.97	37.86		35.55	36.85	36.25	37.37	
August	47.21	47.10	47.03	46.90		43.60	48.98	49.93	50.82	
September	56.35	56.20	56.05	56.01		58.92	57.60	58.43	58.34	
October	65.58	65.58	65.32	65.23		67.00	65.57	67.95	67.52	
November	74.73	74.81	74.52	74.78		74.40	74.28	74.77	74.26	
December	83.85	84.03	83.55	83.33		82.08	82.46	83.00	82.70	
January	93.01	92.93	92.72	92.48		90.20	91.18	91.11	90.91	
February	94.84	94.90	94.90	94.60		94.06	95.10	95.73	95.00	
March	96.20	96.40	96.70	96.32		97.20	98.40	98.47	97.78	

Collection rates for Council Tax are lower compared to the position as last year. Rates for Business Rates are 1.01% down and Council Tax 3.06% down when compared to June 2019.

Council Tax Collection Fund

At this Q1 report the Council Tax collection fund looks to be heading towards a deficit of around £417k, this is after factoring in the impact of the Hardship Fund. This year RBC's share is 14.61%, so this is around £60k deficit for RBC.

The changes in band decreases, increases and occupancy changes are showing a net favourable position of £9k at the end of June, but this is too early to expect that to continue at the moment the changes are anticipated to net to zero.

There has been a £20k increase in the long-term empty premium since 2019/20 and an £80k increase in the entitlement to Local Council Tax Support.

Council Tax Forecast 2020/21	Q1 £'000
Council Tax Collectable (after Discounts & Exemptions)	40,430
less Doubtful Debt Provision	(300)
	40,130
less Precepts for 2020/21	
Lancashire County Council	(28,896)
Police	(4,363)
Fire	(1,462)
Rossendale Borough Council	(5,826)
	(40,547)
Surplus / (Deficit)	(417)
RBC Share = 14.61%	(60)

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 2020/21 the Lancashire Business Rates Pool has reverted to 50% local retention of business rates.

Due to the coronavirus pandemic the Government extended the 100% Business Rate Relief scheme to include retail, hospitality and leisure businesses. At Q1 this was £5,530k, compared to the original estimate of £463k. This has reduced the NNDR due forecast considerably. However the Government are issuing S31 grants to cover this lost income. We are anticipating that Government will introduce legislation allowing these to be transferred to the Collection fund.

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Q1 band changes are sitting at a net adverse of £172k, leading officers to predict perhaps £170k for the year in total. 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 2019/20.

Central Government gives authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the NNDR1 estimate those grants totalled £1,158k, but the level of additional reliefs given mean grant is likely to be £5,737k. The majority of which is additional business rate relief relating to expanded retail discount and nursery discount.

Business Rates Collection Fund 2020/21		NNDR1 (50% Pool) £000	Q1 (50% Pilot) £000
Net Liability Due		13,336	7,994
Less Transitional Payments due to MHCLG		(15)	(15)
Less Cost of Collection Allowance		(97)	(97)
Less Doubtful Debt Provision		(300)	(300)
Less Appeals Provision		(530)	(400)
Less Renewables 100% to RBC		(173)	(173)
Add additional S31 Grants			4,174
Net NNDR due	A	12,221	11,183
Less Trans surcharge	B	0	15
Less Precepts		(12,236)	(12,236)
Cash Surplus/(Deficit)	C	(15)	(1,038)
RBC Share = C x 40%	D	(6)	(415)
Central Government share 50%			(519)
LCC and Fire share 10%			(104)

After factoring in the additional Section 31 grant of £4,174k (if legislation allows) the net effect is a cash deficit prediction of £1,037, of which RBC share would £415k.

It is estimated that there will be an additional Levy contribution to the Lancashire Pool of £116k. The net impact on the Council is therefore estimated to be a surplus of £119k.

RBC General Fund / Pooling gains		NNDR1 (50% Pool) £000	Q1 (50% Pool) £000
Business Rates Income	A+B	12,221	11,198
RBC Share = 40%		4,894	4,479
less tariff paid to Lancashire Pool		(2,714)	(2,714)
add S31 Grants	E	1,293	1,563
Subtotal		3,473	3,328
RBC Baseline Funding Level used in Budget		2,180	2,180
Surplus for Levy Calculations	F	1,293	1,148
Levy due to Lancs Pool = F under 50% Pool	G	(65)	(57)

To summarise, this creates a pooling net gain of £1,264k over RBC's baseline funding. When added to the Reserve balance brought forward of £2,640k along with the £390k surplus from 2019/20 this gives £3,030k, which is then reduced by the estimated 2020/21 Collection Fund deficit of £414k and the

Business Rates Summary		NNDR1 (50% Pool) £000	Q1 (50% Pool) £000
Business Rates Surplus/(Deficit) 2020/21	F	1,293	1,148
less Lancashire Pooling Levy	G	(65)	(57)
Renewable Energy		173	173
Pooling Gain	H	1,401	1,264
Business Rates Retention Reserve Bfwd		2,640	2,640
Business Rates Surplus/(Deficit) 2019/20		390	390
Business Rates Coll Fund Surplus/(Deficit) 2020/21	D	(6)	(415)
Business Rates Pooling Surplus/(Deficit) 2020/21	H	1,401	1,264
Less Budgeted Utilisation		(686)	(686)
Total Retained Business Rates Resources C fwd		3,739	3,193

£686k which has been budgeted to support the General Fund in 2020/21, giving a reserve balance of £3,193k in 2020/21. From this there will be a pooling levy charge for 2019/20 to pay of £69k, leaving a predicted balance at March 2021 of £3,124k.

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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.

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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.

Reserve

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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.

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آپ کو ان معلومات کا خلاصہ برائے صرف میں، ایک کیسٹ پر، انگریزی کے علاوہ کسی اور زبان میں درکار ہے۔ ہمارے
مہربانی نہیں کریں، ہم انٹوٹی آپ کے لیے اس کا انتظام کریں گے۔
ہمارے مہربانی 01706 217777 پر ٹیلیفون کریں یا بھرنے والی ٹیکسٹ پیغام سے اس پر رابطہ کریں۔

আপনি যদি এসব তথ্যের সার সংক্ষেপ বড় হরফের ছাপায়, অডিও ক্যাসেটে অথবা ইংরেজী ছাড়া
অন্য কোন ভাষায় পেতে চান তাহলে অনুগ্রহ করে আমাদেরকে জানালে আমরা অত্যন্ত খুশী মনে
তার ব্যবস্থা করব।

অনুগ্রহ করে ০১৭০৬ ২১৭৭৭৭ এই নাম্বারে অথবা কমিউনিকেশন সেকশন, টাউন সেন্টার
অফিস, রটেঞ্জটল বি.বি.এ ৭এল.জেড. এই ঠিকানায় যোগাযোগ করুন।

Other formats available on request.

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Rossendale Borough Council

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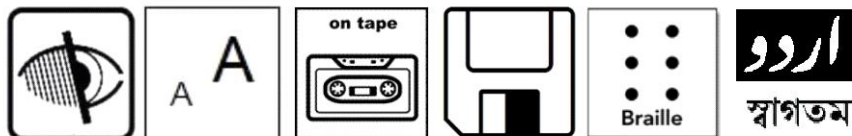
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Financial Monitoring Report

2020/21 Q2 as at end of September 2020

Including a Glossary of terms on page 29



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General Fund Revenue Operations – pages 4 to 17

This Q2 year report on the General Fund for 2020/21 is showing an adverse of £536k compared to the original budget of £9,006k. This adverse variance will be funded from the Transitional Reserve at the year-end.

Earmarked Revenue Reserves – page 18 to 19

The total cash-backed Earmarked Reserves brought forward at 1st April 2020 were £7,452k

The opening balance on the Transitional Reserve was £1,730k, to which £302k of New Homes Bonus grant will be added. The draft adverse variance on the General Fund of £536k will be funded from the Transitional Reserve, along with the predicted £60k deficit on the Council Tax Collection Fund, leaving a net balance of £1,110k after the planned MTFs support at the end of 20/21.

The Business Rates Retention Reserve reflects the in-year variances discussed in detail on page 28, including the renewable energy income of £173k and the budgeted S31 grants of £1,563k. Funding for the 2020/21 budget included the application of £686k from this reserve.

The Planning Reserve is expected to be required to support £154.6k of costs in relation to the current Local Plan, leaving £78k to fund further costs beyond 2021/22.

The closing balance at the 31st March 2021 is now predicted to be £5,925k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £3,400.5k by March 2025.

Government Grants Unapplied – page 20

The opening value of Government Grants Unapplied at the 1st April 2020 was £1,285k, including £1,184k of Disabled Facilities Grant carried forward into 2020/21 which relates to previous years slippage. The original allocation of Better Care funding for DFGs in 2020/21 was £1,022k. The allocation has now been confirmed as £1,022k, giving total resources available of £2,206k

Covid

The Council received £19.08m to provide grant support to businesses, the scheme closed on 30th September with the Council having paid £16.74m to local businesses. It is anticipated that the remaining £2.34m will be required to be repaid to Central Government. The Council also received £734k of Hardship Funding from the Government to provide additional support for all residents currently on the council tax support scheme (previously council tax benefit) as at 30th Sept c£605k has been allocated.

In addition, the Council has received £974k towards additional costs and lost income as a result of the Covid pandemic, as at 30th September £446k has been allocated.

Staff Monitoring – page 20

The table on page 20 shows the cash saved on salaries between April and Sept was £141k. This is made up of around £131k from general staff turnover and vacancies, plus £10k from additional leave purchased by staff in the first 6 months of the year.

Treasury & Cash Management - page 25 to 27

At the end of September, the bank balances were £8,367k, down from the Q1 balance of £13,382k. These resources now reflect more normal cash flow patterns in comparison to the effects that capital programme funding and spending decisions had on recent years. Due to the

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pandemic banking institutions have continued to reduce interest rates. With the uncertainty around income and Covid-19 response requirements, Council officers have maintained access to instant funds. Consequently, the interest income forecast has reduced to just £2.6k

Of the £2,151k sundry debts raised in 2019/20 the collection rate has now risen to 98.57% with the remaining debt at £32k. Of the £2,091k of debt raised in 2020/21 so far, £607k has not been collected or is being collected monthly on instalment plans. The downturn in the collection rate from 45 to 98 days can be explained by the affect the coronavirus has had on local businesses.

The provision for doubtful debt at the 1st of April was £162.6k, plus a further £5.4k set aside for licensing debt, against £243k of doubtful debts. 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 still expect a further doubtful debt contribution of £20k. This will continue to be monitored in Q3.

Capital Receipts – page 24

The Usable Capital Receipts brought forward at the 1st April totalled £2,639.

Capital Grants due for projects in 2020/21 were expected to total £4,474k. This includes an allocation of £2,195k from the Better Care Fund in 2020/21 for Disabled Facilities Grants, as noted in Government Grants Unapplied above.

The slippage being carried forward will be funded by £3,395k of grant. The Capital Receipts Reserve is expected to total £1,694k at the year-end.

Capital Programme and Funding – page 25 to 26

The original Capital Programme for 2020/21 was £1,526k, including £1,000k for DFGs and £352k for replacement operational vehicles. The slippage from 2020/21 was £5,573k, the bulk relating to Spinning Point, Operational vehicles and the DFGs. Additions to the programme have mainly been the Henrietta Street depot waste transfer refurbishment and the Empty Homes Scheme renovation costs.

The revised capital programme for 2020/21 is £7,842k

Collection Fund 2020/21 (Council Tax & NNDR) - page 27 to 28

Quite predictably collection rates are lower compared to this time last year. Whilst Business Rates have caught up a little since Q1 to 0.5% down, Council Tax collections have continued to lag behind 2019/20 moving from 1.01% down at Q1 to 1.72% by the end of September.

The Council Tax account is showing an early overall predicted deficit of £59k (after factoring in the Hardship Fund) for Rossendale whilst maintaining the expected doubtful debt contribution of £300k. Court Cost income has yet to begin, so officers have reduced the income giving an adverse variance of £200k on page 6.

The Lancashire Pool has now reverted to retaining 50% of business rates locally. The Government issues S31 Grants to compensate authorities for income lost when central relief decisions are made. This year decisions made in response to the pandemic have had an extraordinary effect on the Collection Fund, reducing the potential income by just over 50%

Under the current regulations S31 grants cannot be accounted for in the Collection Fund. Secretary of State direction would be needed for this to happen, therefore we are awaiting Government guidance as to how to proceed. In the tables on page 28 officers have taken a prudent view and anticipated that much of the additional funds received will be used to offset the overall deficit.

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General Fund Summary - Period 6 (Quarter 2)

Service Area	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,424.8	1,624.6	(199.8)	7.2	(207.0)
Operational Functions	2,219.3	2,290.0	(70.8)	(19.2)	(51.6)
Communities	707.6	676.9	30.7	48.9	(18.2)
Public Protection Unit	157.8	156.9	0.9	2.1	(1.2)
Environmental Health	140.5	117.9	22.6	42.4	(19.8)
Licensing & Enforcement	123.0	123.1	(0.1)	(3.1)	3.0
Housing	202.6	136.0	66.6	81.9	(15.3)
Economic Development Directorate					
Planning Services	308.7	291.8	16.9	20.2	(3.2)
Building Control Services	(8.6)	6.7	(15.4)	(22.8)	7.4
Regeneration	406.1	390.7	15.4	8.1	7.3
Property Services	493.7	508.9	(15.2)	39.9	(55.0)
Corporate Management Directorate					
Corporate Management	467.0	470.7	(3.7)	(0.4)	(3.3)
Legal Services	176.3	177.4	(1.1)	2.2	(3.3)
Local Land Charges	(20.1)	(5.4)	(14.7)	(12.4)	(2.2)
Democratic Services	582.7	564.3	18.3	19.1	(0.8)
Financial Services	503.9	507.6	(3.7)	1.1	(4.8)
People and Policy	590.0	583.1	6.9	5.4	1.5
Non Distributed Costs	113.6	252.1	(138.5)	(138.7)	0.2
Capital Financing and Interest	417.2	669.1	(251.9)	(23.8)	(228.1)
TOTAL Service Cost	9,006.05	9,542.5	(536.4)	58.1	(594.5)
LESS Use of Earmarked Reserves					
Retained Business Rates Reserve	(686.0)	(686.0)	-	-	-
Transitional Budgetary Reserve	-	(536.4)	536.4	(58.1)	594.5
LESS Use of New Homes Bonus Grant	(302.0)	(302.0)	-	-	-
Net Service Cost	8,018.1	8,018.1	-	-	-

At the mid-year point of 2020/21 we are predicting an unfavourable variance forecast of £536.4k.

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

- Staff cost reductions are forecasting a favourable £247.8k against the required £150k of vacancy savings, plus staff have bought £20k of additional leave.
- Members should be aware that to date there have been no court sessions, so court cost income has been pulled back from £300k at Q1 to £100k at Q2. An adverse variance of £200k.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £114k mainly due to expected works to older fleet vehicles. Any delays in completing the vehicle replacement plan from 19-20 will generate further savings on the MRP line.
- Empty Homes cost forecast of £455k, which is £155k over and above the £300k included in the original budget
- Grant income for the Service Assurance Team is already at £99k 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 trade waste, markets, cemeteries, taxis and local land charges, and planning applications.

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- Interest income forecast has fallen to £2.6k an adverse variance of £73.8k from Q1.

Annual Variances	Q1 Fav/(Adv)	Q2 Fav/(Adv)	Total Fav/(Adv)	
Customer Services and e-Government				
Staff costs	2.7	(2.8)	(0.1)	
Housing Benefits subsidy	2.3	-	2.3	
Housing Benefit Local Council Tax support grant	(4.0)	-	(4.0)	
Housing Benefit bailiff fees	18.3	-	18.3	
Court costs recovered (net of bad debt provision)	(20.0)	(200.0)	(220.0)	
Business Rates - net costs of collection	2.4	-	2.4	
Central IT Costs	5.8	-	5.8	
Other minor variances	(0.3)	(4.2)	(4.5)	(199.8)
Operations				
Staff costs (including agency and overtime)	94.9	25.1	120.0	
Fuel	-	(8.0)	(8.0)	
Vehicle maintenance incl hire of temporary vehicles	(41.1)	(72.9)	(114.0)	
MRP Savings on Vehicles	-	-	-	
General parks and street sweep running costs	(4.3)	(16.7)	(21.0)	
Garden Waste Income	17.0	14.6	31.6	
Markets Income & Running expenses	(0.7)	-	(0.7)	
Trade Waste & Bulks Net income	(24.6)	(25.0)	(49.6)	
Cemeteries Net income	(6.6)	3.5	(3.1)	
Other minor variances	(4.9)	9.6	4.7	(40.1)
Public Protection				
Staff costs	56.0	3.8	59.8	
Environmental Health administration expenses	41.2	-	41.2	
Strategic Housing, Housing Options and Private Ren.	29.6	(37.1)	(7.5)	
Animal Licensing income	1.7	-	1.7	
Hackney income	(11.8)	-	(11.8)	
Private hire income	(13.0)	-	(13.0)	
Other Licensing income/costs	19.6	-	19.6	
Other minor variances	-	-	-	90.0
Economic Development				
Staff costs (net of grant & fee income)	56.6	3.2	59.8	
Planning Application Fee Income	11.3	10.2	21.5	
Planning Consultancy Professional fees	(36.9)	(11.2)	(48.1)	
Building Control Fee Income	(26.5)	8.7	(17.8)	
Economic Development	(5.6)	(2.5)	(8.1)	
Other Property Running costs	6.1	(12.6)	(6.5)	
Spinning Point bus station	(53.9)	(5.3)	(59.2)	
Estates Income (Excluding Town Hall, Futures Park, Know	(17.8)	-	(17.8)	
Town Hall income	59.5	-	59.5	
Futures Park Plot 5	(0.8)	(73.0)	(73.8)	
MRP charge for Futures Park Plot 5	(68.9)	-	(68.9)	
Knowsley Rd Depot	109.9	39.5	149.4	
Business Centre rentals	7.3	-	7.3	
Other minor variances	5.0	(0.6)	4.4	1.8
Corporate Management				
Staff costs	16.2	(7.9)	8.3	
Professional Fees / Reference Books	5.3	(0.7)	4.6	
Democratic Services and Member costs	11.5	-	11.5	
Land Charges income	(12.4)	(2.2)	(14.6)	
Corporate Subscriptions	(4.5)	-	(4.5)	
Other minor variances	(1.0)	(2.2)	(3.2)	2.1
Non-Distributed Costs & Capital Financing				
Original staff savings target (actuals now above)	(150.0)	-	(150.0)	
Purchase of additional leave	20.0	-	20.0	
Historical pension commitments	11.2	-	11.2	
Interest	(24.7)	(73.8)	(98.5)	
Doubtful Debt Provision	(20.0)	-	(20.0)	
Empty Homes Recovery Scheme costs	-	(155.0)	(155.0)	
Other minor variances	1.0	1.0	2.0	(390.3)
Favourable/(adverse) variance	58.1	-594.5	-536.4	-536.4

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Communities Directorate

Period 6 (Sept)

Customer Services & ICT	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
Customer Services					
Benefits Administration	(246.3)	(258.1)	11.8	13.3	(1.5)
Benefits Granted	(23.7)	(25.4)	1.7	1.7	-
Local Tax Collection	(378.6)	(159.1)	(219.5)	(17.5)	(202.0)
Revenues & Benefits Partnership	1,171.0	1,170.9	0.1	0.1	-
Strategic Functions					
Management and Support	74.5	74.8	(0.3)	0.3	(0.6)
Service Assurance Team	127.5	125.1	2.4	3.3	(0.9)
Central Telephones	5.2	5.5	(0.3)	(0.3)	-
Central Printing	3.9	3.9	-	-	-
ICT Support	621.0	616.0	5.0	7.0	(2.0)
Leisure Services	71.0	71.0	-	-	-
Pest Control	(0.7)	-	(0.7)	(0.7)	-
Total	1,424.8	1,624.6	(199.8)	7.2	(207.0)

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	2.7	(2.8)	(0.1)	A
Housing Benefit administration grant	-	-	-	G
Housing Benefit Subsidy (net grant position)	2.3	-	2.3	G
Housing Benefit Local Council Tax support grant	(4.0)	-	(4.0)	A
Housing Benefit bailiff fees	18.3	-	18.3	G
Revenues & Benefits administration contract	0.0	-	0.0	G
CTax & BRates - court costs (net of bad debt provision)	(20.0)	(200.0)	(220.0)	A
Business Rates - net costs of collection	2.4	-	2.4	G
Renewable Energy Business Rates income	173.0	-	173.0	G
Business Rates S31 Grants	3,121.0	2,616.0	5,737.0	G
Business Rates transfer to Retained Business Rates Reserve	(3,294.0)	(2,616.0)	(5,910.0)	A
SAT Team counter fraud work	0.1	-	0.1	G
SAT Team Grants received (incl Universal Credit)	98.9	-	98.9	G
SAT Team additional costs (incl Universal Credit) funded by grants	(98.9)	-	(98.9)	A
Central IT Costs	5.8	-	5.8	G
Other minor variances	(0.4)	(4.2)	(4.6)	A
TOTAL	7.2	(207.0)	(199.8)	A

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Customer Service & ICT Highlight Report – Q2 (end Sept 2020)

Historic Issues

- None.

Current Quarter's Issues

At Q2 the forecast variance has reduced to £199.8k unfavourable, the main changes being: -

- A favourable forecast of £20.6k on the benefit subsidy is mainly due to a saving of £18.3k on housing benefit bailiff fees, this is because bailiff activity was put on hold throughout quarter one. It is expected that there will be a rise in housing subsidy claims as a result of Covid, this continues to be closely monitored.
- In terms of business rates, the renewable energy income of £173k and budgeted S31 grants will be transferred into the Retained Business Rates Earmarked Reserve
- Central Government gives authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the NNDR1 estimate those grants totalled £1,292k, but the total level of additional reliefs given mean grant is likely to be £5,737k. Officers have presumed that the £4,174k additional grant will be used to compensate the net liability due on the Collection Fund (see page 28)
- Members should be aware that to date there have been no court sessions, so court cost income has been pulled back from £300k at Q1 to £100k at Q2. An adverse variance of £200k. The Council has put a temporary hold on pursuing both NNDR and Council Tax debt, however the Courts are currently closed. This budget is expected to show a shortfall at year end.
- The Service Assurance Team has received new burdens and Universal Credit introduction grants of £99k 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 2020/21 or the beginning of 2021/22, so the net variance being predicted is £nil.
- The Central IT costs are showing a £5.8k favourable forecast at Q2. This is due to computer software costs coming slightly under budget.

Future Issues

- None

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Communities Directorate

Period 6 (Sept)

Operations & Communities	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Operational Functions					
Operations Admin & Vehicle Maintenance	344.9	279.0	65.9	31.2	34.7
Refuse & Recycling	1,500.5	1,615.8	(115.3)	(103.9)	(11.4)
Street Sweeping	369.8	419.0	(49.2)	27.0	(76.2)
Markets	4.1	(23.7)	27.8	26.4	1.4
Communities					
Parks & Open Spaces	930.2	892.5	37.7	55.5	(17.7)
Cemeteries	(222.7)	(215.6)	(7.1)	(6.6)	(0.5)
Dog Warden	0.0	0.0	-	-	-
Total	2,926.8	2,966.9	(40.1)	29.7	(69.8)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancies at Operations Admin Offices	40.9	30.8	71.7	
Parks Salary Variances (Including temporary gardeners)	66.2	6.0	72.2	
Street Sweeping Salaries	27.3	(22.0)	5.3	
Refuse Salaries and Agency	(42.3)	29.8	(12.5)	
Fleet Management Vacancy and Agency	(5.1)	(18.0)	(23.1)	
Markets Salary Vacancies	26.6	-	26.6	
Overtime Budgets	(18.7)	(1.5)	(20.2)	
Vehicle Maintenance (including tyres/ parts)	(41.1)	(22.9)	(64.0)	
Vehicle Hire	-	(50.0)	(50.0)	
Actions re variances - MRP Savings on Vehicles	-	-	-	
Fuel	-	(8.0)	(8.0)	
Fleet Running Costs	(1.0)	-	(1.0)	
Extra Costs / Saving on Bags	-	(4.0)	(4.0)	
Fly Tipping Costs	(4.2)	-	(4.2)	
Garden Waste income	17.0	14.6	31.6	
General Garden Waste Expenditure	(3.4)	-	(3.4)	
Purchase of Equipment extra cost for Waterproofing Roof Recycling	(16.0)	6.0	(10.0)	
Trade Waste Services credited due to Closure & COVID19	-	(25.0)	(25.0)	
Cemeteries Net income	-	-	-	
Cemeteries Contractor Costs	-	3.5	3.5	
Crematorium Feasibility Study	(6.6)	-	(6.6)	
Markets Income & Running expenses	(0.7)	-	(0.7)	
Parks & Open Spaces	(14.3)	(16.7)	(31.0)	
General other Park Running Costs	-	-	-	
Parks Income	10.0	-	10.0	
Other Variances	(4.9)	7.6	2.7	
TOTAL	29.7	(69.8)	(40.1)	

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Operations Highlight Report – Q2 (end of Sept 2020)

Historic Issues The vehicle replacement plan is in progress for 20-21. There will also be some additional maintenance and hire costs in the interim to keep services running.

Current Quarter Issues:

At the end of Q2 the Operations and Communities forecast shows an adverse variance of £40k with the main movements being:

- Overall staffing costs including agency and overtime are projected to underspend by £118k. This is due to a number of vacancies at the start of the year totalling 7. During the year it is expected that 6 posts will be filled between September - December 2020. There is also a member of staff on maternity who will return. One post which has not yet been filled is the Head of Service position generating savings of £70k for the full year. There have been two posts dis-established which have also generated contributions to this underspend.
- Due to Covid19 the vehicle replacement plan lead times from raising the purchase order to delivery has increased to 8-10 Months. For the Workshop maintenance this will benefit the MRP line positively but will have a negative impact on the maintenance budget for running the older vehicles for a longer time period totalling an extra projected cost of £41k. Fuel cost pressure for 20-21 currently is within Refuse and is estimated that this may turn out to cost an extra £10k. Vehicle hire costs in 20-21 in line with the 3-year agreement will amount to £50k for the two leased vehicles on Street Sweep.
- The Garden Waste service is growing. The original budget for income in 20-21 is £240k based upon 6,857 subscriptions. To date officers have taken around 7,365 applications which has resulted in £272k in income for 2020/21, leading to a favourable variance of £32k.
- Within Refuse there has been additional pressure associated with Agency up to Month 6 of £31k. In Quarter 2 - It is found that there has been an increase on agency spend. This is due to an increase on bulky item collections. The budget for private contractors that was previously outsourced has been used against this spend.
- A new Bin Cleaning Service Trial is going to commence for Resident across the Borough and equipment has been invested into costing £10k.
- Also within Refuse the Trade Waste Sector has been significantly affected with COVID19 due to having to credit Trader due to closure of their Business. The Council took a decision to credit the Trader for charges at the start of the year for their Bulk Waste Containers which could cost up to £32k for the year.
- Within Parks there have been extra maintenance costs incurred on Parks of £12k.
- Cemeteries at the end of quarter one appear to be on track to budget, however, this will be reviewed at the end of quarter three to reassess. Cemeteries have completed the crematorium service feasibility study which has cost a one off £6.6k.

Futures Issues

- Recycling Arrangements – RBC are currently in the process of creating the facility to transfer recycling material at the main operating depot which will allow these to be passed into the LCC network. This will ensure that the Council eliminates the risk of high disposal costs within these volatile markets. There will be some additional costs once the facility begins operating. However, due to Covid19 there has been delays with the project. However, due to Covid19 there has been delays with the project. It is now envisaged that this will be finished at the end of October 2020.
- Agency Costs – The Council will be looking at tendering for the provision of agency workers in 2020/21.
- Commercial Waste – The Council has now recruited the Commercial Waste Officer, with targets to boost the Council's commercial waste customer base. The increase in the number of customers will lead to the requirement of additional stock of commercial waste/recycling bins, but this should be recovered from additional revenue income.
- Vehicle Replacement Programme – There are two vehicles scheduled for 2020/21 which are A Luton Van and a Parks Vehicle that were outstanding from 19/20. Any delay in purchasing these will lead to increased vehicle maintenance costs.
- A feasibility exercise is under way now for the Bin Cleaning Service as mentioned above with investment being put into equipment needed to do the service. A separate cost centre has been set up to monitor the success of the 3-month pilot which is imminent.

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Communities Directorate

Period 6 (Sept)

Public Protection & Housing	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Public Protection Unit	157.8	156.9	0.9	2.1	(1.2)
Environmental Health	140.5	117.9	22.6	42.4	(19.8)
Licensing & Enforcement	123.0	123.1	(0.1)	(3.1)	3.0
Strategic Housing					
Housing Strategy	93.5	54.8	38.6	50.0	(11.4)
Private Sector Housing Renewals	0.8	1.7	(0.9)	(0.2)	(0.6)
Homelessness	108.3	79.5	28.8	32.1	(3.3)
Total	623.9	533.9	90.0	123.3	(33.3)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	14.2	3.8	18.0	
Public Protection Unit - staffing and Direct Costs	2.1	-	2.1	
Housing Strategy - staffing	39.0	-	39.0	
Homelessness - staffing	0.3	-	0.3	
Licensing & Enforcement - staffing	0.4	-	0.4	
Environmental Health administration (Abandoned Vehicle)	(1.3)	-	(1.3)	
Provisions Bfwd Rogue Landlord	29.5	(29.5)	-	
Provisions Bfwd Local Integration Fund	10.9	(10.9)	-	
Provisions Bfwd Balance remaining on Domestic Abuse	5.1	(5.1)	-	
Funeral Fees	(3.0)	(3.0)	(6.0)	
Extra Income Received on Homelessness (Flexible Homelessness Grant)	23.1	1.4	24.5	
Extra Income on Administration Costs	-	8.0	8.0	
Extra Cost on Homelessness (Professional Fees)	(2.3)	-	(2.3)	
Bond Payments - (PCC Funded Homelessness - Ex Offenders)	5.6	1.5	7.1	
Other Variances	3.2	0.5	3.7	
Private Hire income & expenditure	(13.0)	-	(13.0)	
Hackney income & expenditure	(11.8)	-	(11.8)	
Taxi misc income	(3.5)	-	(3.5)	
Animal Licensing income	1.7	-	1.7	
Skills Test	0.7	-	0.7	
Computer Software costs	3.7	-	3.7	
Professional Fees, DVLA checks, Translation services	7.6	-	7.6	
Office - General and stationery cost	6.7	-	6.7	
Other Variances	4.4	-	4.4	
TOTAL	123.3	(33.3)	90.0	

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Public Protection and Housing Highlight Report – Q2 (end September 2020)

Historic Issues

- Nothing reported

Current Quarter Issues

At the end of Q2 the Public Protection Unit and Housing Services budgets shows a favourable variance of £90k, with the main movements being: -

- There is currently a vacancy in Environmental Health generating a saving of £17k. The position has been advertised and is likely to be filled by October 2020. Within PPU there are staff savings of £1k.
- There is also currently a vacancy within Housing Strategy generating a full year saving £39k. A decision is required for the budget on this post as it is not a Statutory Duty.
- In Environmental Health administration under funeral fees there has been income generated of £6k.
- Within Housing Options for Homelessness there has been extra income received for the Flexible Homelessness Grant £23.1k.
- We have also received Bond Payments within the PCC Funded Homelessness for Ex-Offenders £4k. There are also recovered Costs on Kay Street of £1.5 off-setting the budget.

Licensing:

- The Licensing Salary costs are projecting to be within budget
- Taxi Licencing income and expenditure has shown an under achievement of £28.3k. 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.
- Professional fees, DVLA checks and translations services are projecting an under spend of £7.6k due to a slow decline in licenses issued
- Animal Licensing income is projected to forecast a favourable variance of £1.7k
- There are office cost savings of c£6.7k due to slow decline in licenses issued and home working

Future Issues

None

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Economic Development Directorate

Period 6 (Sept)

Economic Development & Regeneration Services	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Planning					
Development Control	157.8	163.5	(5.7)	(1.4)	(4.3)
Forward Planning	151.0	128.3	22.7	21.6	1.1
Building Control					
Building Control - Fee Earning Account	(44.2)	(25.2)	(19.0)	(26.6)	7.7
Building Control - Statutory Function	31.5	31.4	0.1	0.4	(0.2)
Building Control - Street Signs	4.0	0.5	3.5	3.5	-
Regeneration				0.0	-
Regeneration Mangement	92.9	94.1	(1.2)	(14.2)	13.0
Economic Regeneration and Rawtenstall Market	139.8	123.2	16.6	28.3	(11.7)
Whitaker Park Museum	71.4	71.4	0.0	0.0	(0.0)
Tourisms	40.0	40.0	(0.0)	(0.0)	(0.0)
Area Forums	62.0	62.0	-	(6.0)	6.0
Property Services				0.0	-
Property Services Team	195.3	173.9	21.3	22.4	(1.0)
Corporate Estates	(171.2)	(165.4)	(5.8)	38.1	(43.9)
Non Domestic Estates	(117.4)	(112.8)	(4.6)	(6.4)	1.8
Office Accommodation	31.9	33.0	(1.2)	3.1	(4.2)
Operational Properties	358.2	343.6	14.6	(5.3)	19.9
Leisure Properties	54.0	44.7	9.3	13.2	(3.9)
Bus Shelters	10.0	69.1	(59.1)	(53.9)	(5.2)
Business Centre	133.0	122.7	10.3	28.8	(18.5)
Total	1,199.9	1,198.1	1.8	45.4	(43.6)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Communities Staffing	5.8	(8.8)	(3.0)	
Economic Development staffing	8.7	11.3	20.0	
Planning / Forward Planning staffing	43.4	3.2	46.5	
Building Control staffing	2.0	-	2.0	
Property Services staffing	(3.2)	-	(3.2)	
Valuation Fees (Taylor Weaver)	(5.5)	-	(5.5)	
Area Forums	(6.0)	6.0	-	
Other Miscellaneous Variances	0.4	(2.0)	(1.6)	
Planning/Forward Planning Consultancy fees/ Legal fees	(36.9)	(11.2)	(48.1)	
Planning Application Fee Income (excluding additonal 20% broken housing market	11.3	10.2	21.5	
Building Control Fees	(26.5)	8.7	(17.8)	
Office savings	1.6	-	1.6	
Property Running Costs: Repairs & Maintenance	0.3	(1.2)	(0.9)	
Electricity, Gas & Water	(13.6)	(11.4)	(25.0)	
NNDR - excluding Spinning Point bus station	19.3	-	19.3	
Estates Income - old Town Hall (Together Homes)	59.5	-	59.5	
Estates Income - Futures Park Plot 5	(0.8)	(73.0)	(73.8)	
MRP charge for Futures Park Plot 5	(68.9)	-	(68.9)	
Estates Income - Knowsley Depot	109.9	39.5	149.4	
All other Estates income COVID)	(17.8)	-	(17.8)	
Spinning Point Bus Station running costs	(53.9)	(5.3)	(59.2)	
Business Centre rentals	7.3	-	7.3	
Business Centre running costs	3.5	-	3.5	
Victoria Way Storm damage costs to date	(6.2)	(3.5)	(9.7)	
Bus Shelters, Pool Car, Emergency Planning	10.2	0.5	10.7	
Other Miscellaneous Variances	1.5	(6.6)	(5.1)	
TOTAL	45.4	(43.6)	1.8	

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Economic Development & Regeneration Highlight Report – Q2 (end September 2020)

Historic Issues

- COVID - Small businesses were given a 3 month 50% rent reduction with a resulting loss of rent of £17.8k, this will be funded by the Covid funding received from Government.

Current Quarter Issues

Economic Development and Regeneration are currently forecasting a favourable variance of £16.6k, which is broken down as detailed below: -

- Staff have returned fully to Regeneration and Partnership from their secondments to the Bacup 2040 project. Within Economic Development there has been a number of movements between the staff and projects along with the temporary reduction in hours to 0.60 of a member of staff who has come back from maternity on a phased return. This is being reviewed ongoing with the Manager but has generated overall savings of £17.7k. This has been offset by Professional Fees on the Futures Park Study £1.1k.
- Area Forums for Grants are overspent by £6k due to a purchase order for the Domestic Abuse Grant. At Q2 this has been adjusted and when the charge comes in it will be reallocated accordingly with Alison and Michael.

Property Services is currently showing an adverse variance of £15.3k

- Salary costs are showing an adverse variance of £3.2k. A new post has been created within Property with the anticipated new income streams within the next 2 years
- Property running costs are showing an adverse variance of £6.5k. This has moved adversely by £10.6k relating to back dated Gas charges at Knowsley Depot. This excludes Business Rates at Spinning Point
- Estates income is showing a favourable variance of £47.8k. Futures Park plot 5 tenant has been granted a reduced rental income until November. Knowsley Depot tenant who is on a rolling monthly contract has given notice to quit effective from 31/10/20.
- Spinning Point bus station is running at a cost of £59.2k includes Electric, R&M, Business Rates, Cleaning

Planning and Building Control are showing a favourable variance of £1.5k

- Salary costs are showing a saving of £46.5k Conservation Officer Post has been disestablished and external specialists appointed to provide advise as needed
- Planning consultancy/professional fees are likely to over spend by £48.2k in part relating to point above
- Planning / Building Control income is projected to meet the set budget

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.

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Corporate Services Directorate

Period 6 (Sept)

Corporate Management	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Corporate Management					
Executive Office	352.9	351.9	1.0	4.0	(3.0)
Corporate Contingency	50.0	50.0	-	-	-
Exec Support & Corporate Subscriptions	64.1	68.8	(4.7)	(4.4)	(0.3)
Community Safety			-	-	-
Legal Services	176.3	177.4	(1.1)	2.2	(3.3)
Land Charges	(20.1)	(5.4)	(14.7)	(12.4)	(2.2)
Democratic Services				-	-
Electoral Registration	73.4	73.4	0.0	0.0	0.0
Elections	78.8	78.8	0.0	(0.6)	0.6
Democratic Support	374.9	362.8	12.0	12.7	(0.6)
Mayoralty & Civic Events	53.0	46.7	6.3	7.0	(0.7)
Town Twinning	2.5	2.5	0.0	0.0	-
Financial Services				0.0	-
Treasury Management	80.9	80.2	0.7	0.7	-
Insurance, Risk & Audit Fees	64.7	66.8	(2.1)	(2.1)	-
Financial Services Team	358.3	360.6	(2.3)	2.5	(4.8)
People & Policy				0.0	-
Human Resources	393.6	388.6	5.0	0.6	4.4
Corporate Support	192.4	193.9	(1.5)	1.4	(2.9)
Publicity	4.0	0.6	3.4	3.4	-
Total	2,299.8	2,297.8	2.1	15.1	(13.0)

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	16.2	(7.9)	8.3	G
Corporate Subscriptions - Local Govt Information Unit	(4.5)	-	(4.5)	A
Legal - Professional Fees & Reference Books	5.3	(0.7)	4.6	G
Legal office costs	0.6	(0.5)	0.1	G
Office savings	3.4	-	3.4	G
Members costs	5.0	-	5.0	G
Office savings	3.8	-	3.8	G
Democratic & Mayoralty savings	2.7	-	2.7	G
Elections	(0.6)	-	(0.6)	A
Land Charges Income	(12.4)	(2.2)	(14.6)	R
External Audit - Accountancy	4.5	-	4.5	G
Bank Charges	(4.0)	-	(4.0)	A
Bank Interest	-	-	-	G
Other Misc under / (over) spends	(5.0)	(1.7)	(6.7)	A
TOTAL	15.1	(13.0)	2.1	G

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Corporate Management Highlight Report – Q2 (end Sept 2020)

Historic Issues

- None reported.

Current Quarter Issues

The Corporate Management Q2 variance is currently standing at £2.1k favourable, the main movements being: -

- Staff changes are £8.3k favourable.
 - Corporate Management - forecasted saving of £2k
 - Legal Services – increase in work responsibility, unfavourable variance of £10.4k
 - Democratic Services - member of staff on reduced hours, forecasted saving of £7k
 - Financial Services – forecasted saving of £2.3k
 - People & Policy - following the recent restructure the part-year reductions are leading to an expected £7.4k saving in 2020/21
- Legal Services and Democratic Services are showing an under spend of £8.2k and £11.5k respectively in part due to COVID and home working
- Local Land Charges income has seen a further drop in recent years and this adverse £14.6k is consistent with the experience in previous years. COVID has had an impact in the early months.

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 cost of a stand-alone Local Election is around £63k compared with a shared election cost of around £51k. Budgets may need to be revised for 2021/22

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Corporate Services Directorate

Period 6 (Sept)

Non-Distributed Costs & Capital Financing	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	94.1	212.9	(118.8)	(118.8)	-
Other Non-distributed Costs	19.5	39.2	(19.7)	(19.9)	0.2
Capital Financing					
Minimum Revenue Provision	371.3	526.3	(155.0)	-	(155.0)
Interest (net)	45.9	142.8	(96.9)	(23.8)	(73.1)
Total	530.8	921.2	(390.4)	(162.5)	(227.9)

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	11.2	-	11.2	■
Doubtful Debts Provision	(20.0)	-	(20.0)	■
Interest expenditure/income from bank accounts	(24.7)	(73.8)	(98.6)	■
Empty Homes Recovery Scheme costs	-	(155.0)	(155.0)	■
Other minor variances	1.0	1.0	2.0	■
TOTAL	(162.5)	(227.8)	(390.4)	■

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Non-Distributed Costs & Capital Financing Highlight Report – Q2 (end Sept 2020)

Historic Issues

- None

Current Quarter Issues

This Q2 report is forecasting a net adverse variance of £390.4k, with the main movements being:-

- The original budget staff savings target was £150k. Total savings in staff costs being predicted at Q2 are £247.8k 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 £117.8k over and above the total original budget.

Staffing Variances	Q1	Cum Q2
Customer Services	2.7	(0.1)
Operations	94.9	120.0
Public Protection	56.0	59.8
Economic Development	36.6	59.8
Corporate Management	6.7	2.0
Legal & Democratic	(0.7)	(3.5)
Financial Services	3.8	2.3
People & Policy	6.3	7.4
Savings in staff costs	206.4	247.8
Additional Leave	20.0	20.0
Total staff savings	226.4	267.8
Original savings target	(150.0)	(150.0)
Staff Variance	76.4	117.8

- Empty Homes cost forecast at Q2 are £455k, which is £155k over and above the £300k included in the original budget
- Interest income is expected to be below the budget by £98.6k. Due to the Coronavirus Pandemic banking institutions have cut the interest rates from March 2020. The council have also had to remain more liquid and have access to instant funds as the Council were instructed to pay out business loans as some income had stagnated. This has prompted officers to keep cash flow mainly with instant accounts throughout Q2. Consequently, the interest income forecast below has reduced
- The Sundry Debt analysis on page 23 is forecasting a doubtful debt level of £243k, though £52k of this is still being pursued through the courts. The current doubtful debt provision is £163k. An additional £20k provision was added at Q1. 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 Q3.

Future Issues

- None

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention Reserve	Transitional Budgetary Support	Planning Reserve
	AN060103	AN060123	AN060144	AN060129	AN060145
Balance at 01/04/2020	815.7	35.6	2,639.9	1,729.8	232.8
Funds Received 2020/21					
Collection Fund - Deficit 2020/21			(799.0)	(60.0)	
Collection Fund - S31 Grants			1,563.0		
Collection Fund - Renewable Energy			173.0		
New Homes Bonus				302.0	
Other Revenue income received					
General Fund Deficit - 2020/21 forecast				(536.4)	
Total Funds Available	815.7	35.6	3,576.9	1,435.4	232.8
2020/21 Published Budget Utilisation					
Retained Business Rates			(686.0)		
New Homes Bonus				(302.0)	
General budget support					
2020/21 Other Utilisation Plans					
Transfers between Reserves	23.6			(23.6)	
IER					
Support Forward Plan					(154.6)
Economic Development Projects	(839.3)				
Brexit Grant Spend		(35.6)			
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					
Property-related projects					
Reserve Estimates 31/3/2021	(0.0)	0.0	2,890.9	1,109.8	78.2
Future Contributions/Utilisation Plans					
2021/22 Plans	0.0	0.0	(200.0)	(312.0)	(43.2)
2022/23 Plans	0.0	0.0	(200.0)	(346.0)	(35.0)
2023/24 Plans	0.0	0.0	(200.0)	(260.0)	0.0
2024/25 Plans	0.0	0.0	(200.0)	(260.0)	0.0
Potential Reserve Balances	(0.0)	0.0	2,090.9	(68.2)	0.0

Employment & Transport Reserve usage	2020/21 £k
Whitaker HLF RIBA design process	10.7
Whitaker HLF Match Funding (Full Council July 2018 £190k less above 70k)	183.7
Invest in Rossendale Webpage	3.3
Rossendale Works- Employability - April 2018	10.5
Rossendale Works- Employability - April 2020 -22	30.0
Haslingden Town Centre- external funding bid	160.0
Haslingden National Lottery Heritage Fund Officer (Jan 2020)	15.0
Bacup Future High Street Project	200.1
Bacup Heritage Action Zone Officer SOD 31/03/19	87.5
Establishment of second Economic Development Officer Town Ctr and Comm	
Buildings - 18 Month fixed term contract	45.4
Plot 1, Plot 5 and Junction Works (Cabinet 27/01/20)	75.0
Rawtenstall Market 2020 tender exercise	10.0
Drawings for Bacup 2020 Heritage Action Zone Match	2.2
Economic Development Officer - Extra Staff	6.0
Total 20/21 projects	839.3

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Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserve	Directorate Reserves	General Reserve	Total
	AN060130	AN060118	AN060121		
Balance at 01/04/2020	189.0	64.2	745.0	1,000.0	7,452.0
Funds Received 2020/21					
Collection Fund - Surplus 2019/20			0.0		(859.0)
Collection Fund - S31 Grants			0.0		1,563.0
Collection Fund - Renewable Energy			0.0		173.0
New Homes Bonus			0.0		302.0
Other Revenue income received			0.0		0.0
General Fund Deficit - 2019/20			0.0		(536.4)
Total Funds Available	189.0	64.2	745.0	1,000.0	8,094.6
2020/21 Published Budget Utilisation					
Retained Business Rates			0.0		(686.0)
New Homes Bonus			0.0		(302.0)
General budget support			0.0		0.0
2020/21 Other Utilisation Plans					
Transfers between Reserves			0.0		0.0
IER			(12.4)		(12.4)
Support Forward Plan			(28.5)		(183.1)
Economic Development Projects			0.0		(839.3)
Brexit Grant Spend			0.0		(35.6)
Legionella Risk Assessment			0.0		0.0
Living Well, Living Better Project			(30.9)		(30.9)
Spinning Point Phase 1			0.0		0.0
Spinning Point Phase 2 development			0.0		0.0
Haslingden Task Force			(8.8)		(8.8)
Homelessness Projects			0.0		0.0
Operational Vehicle Maintenance	(40.0)		0.0		(40.0)
Property-related projects		(0.9)	(21.5)		(22.4)
Reserve Estimates 31/3/2021	149.0	63.3	633.9	1,000.0	5,925.0
Future Contributions/Utilisation Plans					
2021/22 Plans	0.0		(156.3)		5,213.5
2022/23 Plans	(30.0)		(155.0)		4,447.5
2023/24 Plans	(35.0)		(50.0)		3,902.5
2024/25 Plans	0.0		(42.0)		3,400.5
Potential Reserve Balances	84.0	63.3	230.6	1,000.0	3,400.5

Current issues

As noted on page 2, officers expect the draft adverse variance on the General Fund of £536k to be funded from Transitional Reserve in 2020/21 along with the deficit of £60k from the Council Tax collection fund. This will leave the Reserve with £1,110k once the planned MTFs support is applied up to 2021/22.

Agreed detail of the usage of the Employment & Transport Reserve can be seen in the table on page 18.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Hoarding Grant	Covid Business Grants	Covid Hardship Support	Covid LA Support	Total
	£000	£000	£000	£000	£000	£000	£000	
	AL030132	AL030127	AL030130	AL030129				
Balance at 01/04/2020	1,183.7	52.9	6.8	3.4	0.0	0.0	38.4	1,285.2
New Funds Received 2020/21								
Grant due/received	1,022.4				1,908.0	734.0	974.4	4,638.7
Total Funds Available	2,206.1	52.9	6.8	2.1	1,908.0	734.0	1,012.8	5,922.6
Utilisation in 2020/21								
DFGs allocation 2020/21 - forecast	(1,000.0)							(1,000.0)
Transforming Lives/Hoarding Projects				(2.1)				(2.1)
Homelessness Project		(52.9)						(52.9)
Domestic Abuse Projects			(6.8)					(6.8)
Covid related expenditure					(1,908.0)	(734.0)	(1,012.8)	(3,654.8)
Anticipated Balance 31/03/2020	1,206.1	0.0	0.0	0.0	0.0	0.0	0.0	1,206.1
Future Utilisation Plans								
2021/22 plans	(1,000.0)		0.0	0.0				(1,000.0)
2022/23 plans	(206.1)							(206.1)
Potential Reserve Balances	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)

In addition to the £1,184k of unspent DFG grant brought forward, the 2020/21 allocation is £1,022k, giving total DFG resources of over £2,206.1k. Total expenditure in 2019/20 was just under £890k, less than half of the funds available. It is to be expected that there will be some slippage into 2021/22 and possibly 2022/23 as the occupational health referrals continue to progress. It is anticipated that all of the Covid related grants will be spent in 2020/21.

Staff Costs, including agency

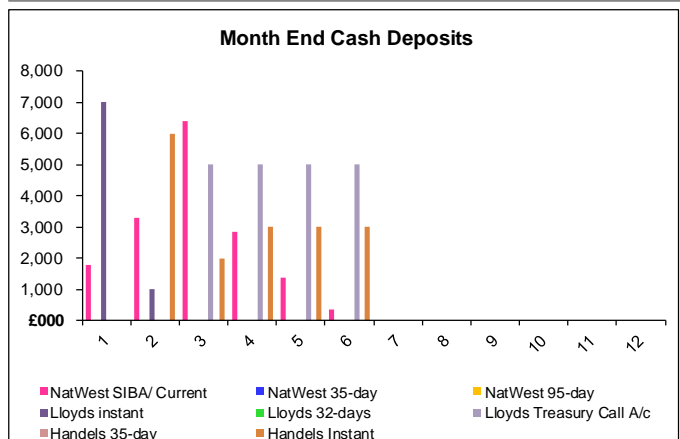
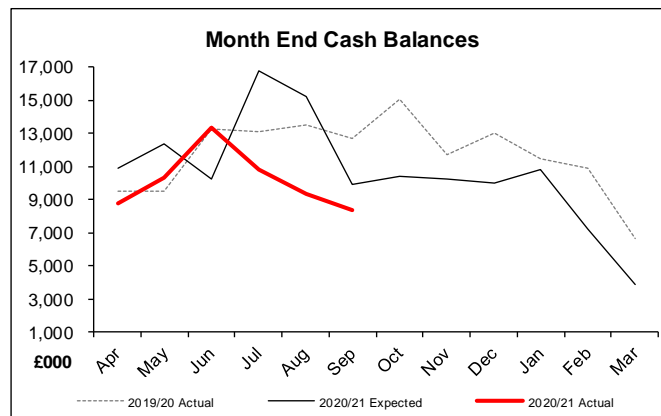
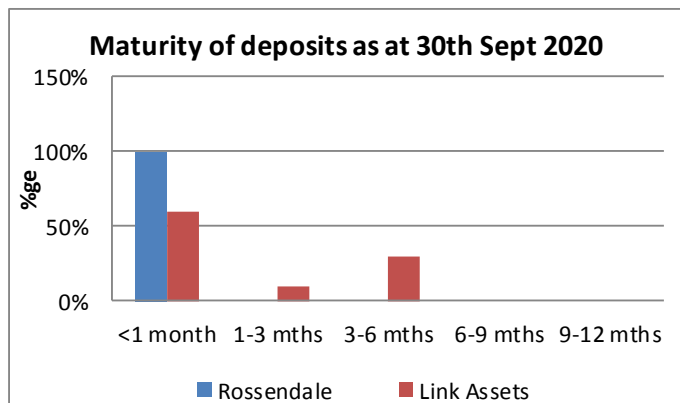
Employment Costs 2020/21 to end Sept	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2020/21	FTE Changes during 2020/21	Current Vacant Posts
Communities Directorate								
Customer Services	169	169	0	3	(2)	7.8	0.0	0
Operations Service	837	826	11	42	(31)	52.3	0.0	6
Communities	351	303	48	25	23	25.2	0.0	1
Environmental Health	92	68	24	12	12	7.0	0.0	1
Licensing & Enforcement	158	154	5	8	(3)	6.0	0.0	1
Housing	141	138	2	3	(1)	7.0	0.0	1
Economic Development Directorate								
Planning Services	230	200	31	18	13	11.5	0.0	1
Building Control Services	59	59	0	1	(1)	3.0	0.0	0
Regeneration	105	159	(54)	(22)	(33)	4.0	0.0	0
Property Services	35	30	5	3	2	4.4	0.0	0
Corporate Services								
Corporate Management	186	178	8	5	4	4.0	0.0	0
Legal Services	78	77	2	8	(6)	3.0	0.0	0
Local Land Charges	19	19	(0)	0	-	1.0	0.0	0
Democratic Services	136	126	10	4	5	7.6	0.0	0
Financial Services	166	166	(0)	3	(3)	7.8	0.0	0
People & Policy	280	230	50	15	35	14.6	0.0	1.2
Total	3,043	2,902	141	128	13	166.2	0.0	12.2

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Treasury Management & Cash Flow Monitoring

At the end of September, the bank balances were £8,367k down from the Q4 balance of £13,382k. The Council received £19.8m in April to fund Covid-19 Grants and to date has paid out over £16.7m. With the continuing uncertainty around Covid-19 support payments officers have kept these funds liquid throughout the year to enable the Council to respond rapidly to the pandemic for the residents of the borough.



Balances & Interest Rates at 30/09/2020	Current Balance £k	Interest Rate %
NatWest SIBA	367	0.01
NatWest 35 day account	-	0.10
NatWest 95 day account	-	0.15
Handelsbanken instant	3,000	0.00
Handelsbanken 35-day	-	0.25
Lloyds instant access	-	0.00
Lloyds 32-day notice	-	0.10
Lloyds Treasury Call A/c	5,000	0.05
Lloyds 12mth Deposit	-	-
Total Bal & Avg interest	8,367	0.03

Due to the Coronavirus Pandemic banking institutions cut the interest rates from March and the Handelsbanken 35-day account is due to reduce to 0.1% in mid October. As noted above, officers have kept funds liquid to ensure rapid response for payments to businesses and residents. Officers have placed £5m in a Lloyds Treasury Call Account in order to maintain access whilst earning 0.05% interest. Consequently, the interest income forecast below has reduced again since the Q1 forecast.

The average effective interest rate at the end of Q2 was 0.03%, compared to a target of 0.9%

Interest Paid/Received

The budget for interest in 2020/21 is a net cost of £46k.

At Q2, the forecast for interest income is now showing an adverse variance of £73.8k, down a further £32.1k since Q1.

Interest Forecast	Budget 2020/21	Forecast 2020/21	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(121.4)	(149.8)	(28.4)	(28.4)
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	76.4	2.6	(73.8)	(32.1)
Net Interest	(46.0)	(148.2)	(102.2)	(60.5)

Also PWLB interest payable on the loan taken in August 2019 is £28.4k more than allowed for in the original budget. This makes a total adverse variance of £102.2k.

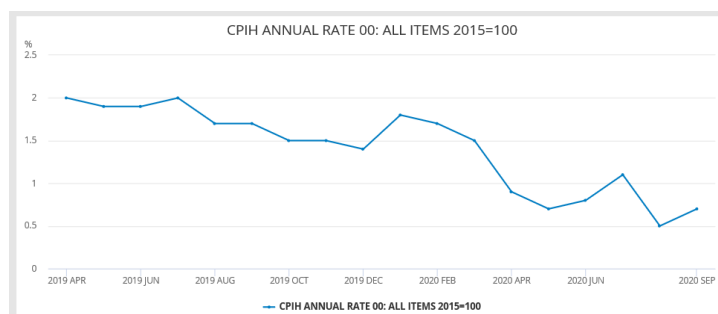
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Economic Outlook

(issued 21st October)

The Consumer Prices Index including owner occupier's housing costs (CPIH) 12-month rate had fallen to 0.7% in September 2020, the lowest it had been in four years.



- The largest contribution to the CPIH 12-month inflation rate in September 2020 came from recreation and culture (0.31 percentage points).
- Transport costs, and restaurant and café prices, following the end of the Eat Out to Help Out scheme, made the largest upward contributions (of 0.23 and 0.21 percentage points, respectively) to the change in the CPIH 12-month inflation rate between August and September 2020.
- This was partially offset by smaller downward contributions from furniture, household equipment and maintenance; games, toys and hobbies; and food and non-alcoholic beverages.

For the Council's the inflation 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. CPIH in September 2019 was 1.7%.

The outlook for the global economy is highly uncertain. It will depend on how restrictive the shutdowns are and how long these are in effect for, the pace at which these containment measures are lifted, the extent to which voluntary social distancing continues, and the effects of the current response to a second wave of infections.

Interest rate forward predictions

The Council's treasury management advisors, Link Asset Services, have issued a very caution forecast for the Base Rate in the coming year, though they warn that the possibility of a negative interest rate is very real.

at 30th Sept 2020	Current Rates	Dec 2020	Mar 2021	Jun 2021	Sept 2021	Dec 2021
Base Rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
25yr PWLB	2.50%	2.50%	2.50%	2.50%	2.60%	2.60%

The PWLB loan that officers arranged in August 2019 has locked in £2m at 1.34% for 20 years to facilitate the building project on Plot 5 Futures Park.

Treasury Management Practices (TMPs) and Prudential Indicators

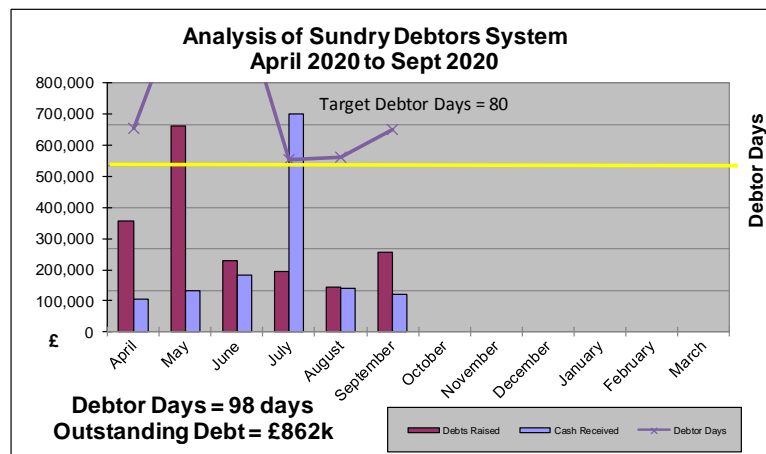
The Council's bank resources have seen some extraordinary movements during 2020/21 which were not anticipated when Members approved the Treasury Management Strategy back in February. Resources rose to £33.1m in early April and officers kept £15m of this in a DMO over the long Easter weekend. The need for the Council to respond quickly to paying out these loans has meant that the TMPs have been breached quite heavily this year.

During Q2 the TMPs have been complied with as resources ranged from a high of £15.8m on 1st July to a low of £8.2m on 25th September.

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Sundry Debts Monitoring



Invoices raised to the end of Q2 totalled £2,091k, of which £1,559k has already been collected and a further £131k is being collected in instalments throughout the year.

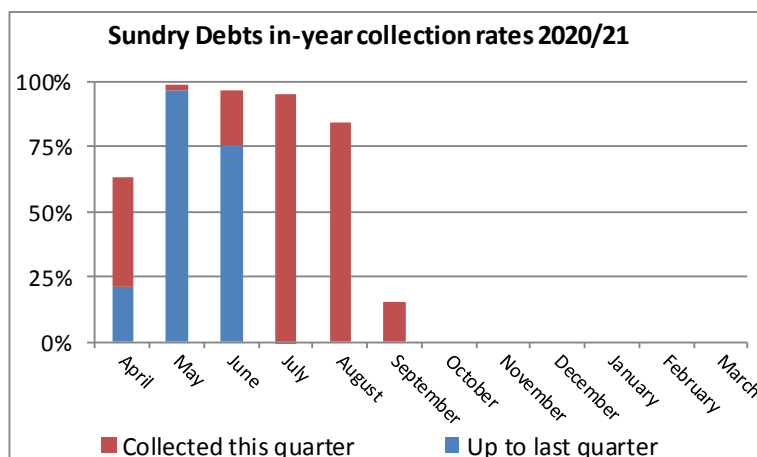
Another £18k of the 2019/20 outstanding debt has now been collected. The 2019/20 year outstanding debt has now dropped to £49k, representing a collection rate for that year of 98.5%.

Housing Rent Debts

Of the £324k of housing rent debts brought forward in April 2020 the Council has a provision of £288.5k brought forward for doubtful debts, leaving a net £36k debt still to chase.

Doubtful debts

The debtor days in Q1 hit 165 due principally to one large invoice issued in May and collected in July. However, the coronavirus pandemic has affected local businesses paying charges such as trade waste and commercial rent, resulting in a current collection debtor days of 98, compared to 55 in Sept 2019 and 45 at the end of March.



Of the £863k outstanding, the doubtful element is now £243k of which £52k is owner contributions due from Bacup THI property owners.

Debts Outstanding	Mar 2018	Mar 2019	30 Jun 2020		30 Sept 2020		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	60.5	60.2		59.1		58.2	100%	39.4
2016/17 Debt	32.2	19.7		19.7		19.7	100%	19.7
2017/18 Debt	73.5	71.9		71.9		71.3	100%	44.5
2018/19 Debt	415.8	72.8		72.8		73.5	100%	73.5
2019/20 Debt								
Q1		8.0		7.0		5.0	100%	5.0
Q2		10.0		6.8		6.0	100%	6.0
Q3		13.1		9.2		7.2	75%	5.4
Q4		107.8		26.3		14.5	50%	7.3
2020/21 Debt								
Q1 Apr			296.9		136.9		10%	13.7
Q1 May			23.9		8.3		10%	0.8
Q1 Jun			60.5	381.3	8.9	154.1	10%	0.9
Q2 Jul			33.6		13.1		10%	1.3
Q2 Aug			0.0		22.8		10%	2.3
Q2 Sept			0.0	33.6	341.6	377.5	10%	15.6
Q3 Oct			0.0		75.6		10%	7.6
Q3 Nov			0.0		0.0		10%	0.0
Q3 Dec			0.0	0.0	0.0	75.6	10%	0.0
Total Debt o/s	582.0	363.5		687.7		862.6		243.0

The general impairment provision brought forward in April 2020 was £162.6k, with an additional £5.4k for Licensing debts. An additional £20k provision was added at Q1.

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 Q3.

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Capital Resources

Table 1 - 2020/21 receipts

Major Receipts:	Original Budget £000	Year to Date £000	Forecast £000
Capital Receipts			
Land & Property Sales	50	-	50
Obsolete refuse vehicles	53	-	53
Net receipts to table 2	103	-	103

Current issues

There has been no sale of Land or Buildings during to the end of Q2.

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 1st April 2020 was £2,639k.

The original capital programme for 2020/21 approved in February was £1,526k, to which £5,573k of slippage was added from ongoing projects at the end of March 2020. This included £1,222k for Futures Park Plot 5 building works, £1,855k for Whittaker Park Museum Refurbishment and £355k for replacement vehicles.

New projects during Q1 and Q2 added £743k, mainly the addition of the Waste Transfer Station refurbishment at Henrietta Street depot, the Empty Homes Scheme renovation costs and the DFG's, to give a revised capital programme of £7,842k

The total grant income expected for the revised capital programme is £4,419k. The slippage being brought forward will be funded by £4,474k of grant. Revenue resources being applied in 2020/21 are expected to be £424k, but £191k of which relates to slippage brought forward.

The total in the Useable Capital Receipts Reserve at the end of 2020/21 is currently expected to be £1,694k, of which £367k is still ring-fenced for housing schemes and £1,327k is required for slippage items.

Future issues

None

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2020	2,639
Capital Grants in 2020/21	4,457
Capital Receipts in 2020/21	103
	7,199
Revenue Contributions	
from Earmarked Reserves	236
from S106 agreements	17
from Revenue Operations	100
Total Capital Resources 2020/21	7,552
Capital Prog funding applied	(5,858)
Total Capital Resources March 2020	1,694
Capital Receipts Reserve (housing)	64
Capital Receipts Reserve (unalloc)	1,630

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Capital Programme Spending

Capital Programme 2020/21	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
Communities Directorate									
IT Software & Equipment	0	0	0	0	0	0	0	0	0
Operations	352	899	201	899	70	106	0	723	132
Communities	30	656	168	656	211	357	88	0	0
Housing	1,000	2,498	734	2,498	2,195	303	0	0	0
Economic Dev Directorate									
Bacup THI	0	0	0	0	0	0	0	0	0
Whitaker	0	1,855	1,360	1,855	1,670	0	186	0	0
Ski Rossendale	0	5	0	5	5	0	0	0	0
Plot 5 Futures Park	0	1,240	1,035	1,240	0	0	0	1,240	50
Spinning Point Ph1 & 2	0	323	323	323	323	0	0	0	0
12 Market Street	0	0	0	0	0	0	0	0	0
Property Repairs & Maint	144	234	99	234	0	134	100	0	0
Other minor projects	0	132	42	111	0	61	50	0	0
	1,526	7,842	3,962	7,821	4,474	961	424	1,963	182

Capital Programme 2020/21	£000	Funded by
Original Capital Programme	1,526	
Slippage from 2019/20	5,573	see list
New capital projects in 2020/21		
Additional DFGs Grant	22	Extra 2020/21 DFG Grant
Wheeled & Litter Bins	17	Internal Borrowing
Whitworth Pool - Boilers	14	Capital Receipts
Demolish Waterside Mill	31	Capital Receipts
Rising Bridge play area	54	from external grants
Waste Transfer Station Henrietta	175	external grant and internal
Rock View culvert head rebuild	39	Capital Receipts
Plot 1 Futures Park building	70	construction, internal
Spinning Point contingency	39	external grant
Empty Homes Renovation	282	Capital Receipts
Revised Capital Programme	7,842	

Slippage items fwd at end of 2019/20	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
Operational Vehicles	355				355
Playgrounds (community projects)	276	188		88	
Cemeteries	50		50		
Pathways	40		40		
Sports Playing Fields	206		206		
DFGs	1,173	1,173			
CPOs	21		21		
Economic Development Directorate					
Ski Rossendale	5		5		
Spinning Point Phase 1	284	284			
Futures Park Plot 5	1,222				1,222
Emergency Works	6		6		
Building Maint (uncommitted)	0				
Whitworth land remediation	21		21		
CCTV	59		54		5
	3,452	2,034	6	191	1,222
	5,573	3,395	323	279	1,577

Capital Programme

The original Capital Programme was £1,526k, including £352k of vehicles and £1,000k of DFGs.

To this was added £5,573k of slippage, including the balances of Spinning Point Phase 1 & DFG's.

The addition of the Henrietta Street depot waste transfer refurbishment of £175k during Q1 and the Empty Homes Scheme renovation costs, bringing the revised capital programme up to £7,842k.

Capital project activity

- Total DFG spend to Q12 was £451k
- Total spend to Q2 on the construction of Plot 5 Futures Park was £1,035k
- Parks projects ongoing include, Staghills, Rising Bridge play area and Whitworth wild play
- The Spinning Point works are being finalised
- Total spend to Q2 Whittaker Park Museum Refurbishment was £1,360k
- Emergency demolition works to Waterside Mill costs spent to Q2 are £39k and Rock View Whitworth culvert head rebuilding costs are £31k to Q2.

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Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	Revised	Potential	
	MRP Budget 2020/21	MRP Required 2020/21	(Additions) / Savings 2020/21
Refuse Collection	315	315	0
Street Sweeping	0	0	0
Parks	20	20	0
IT	0	0	0
Facilities/Property	0	93	-93
Leisure Investment	126	126	0
Corporate Services	4	0	4
Housing	300	455	-155
Non-distributed Costs	71	76	-5
	836	1,085	-249

Capital Financing Requirement	Net Additions	MRP 2020/21	CFR 2020/21
Whitworth Civic Hall	0	-29	815
Marl Pits investment	0	-66	1,986
Whitworth Pool extension	0	-60	745
Rawtenstall Town Centre	0	-26	941
Other buildings	0	-113	1,410
Operations vehicles etc	491	-376	1,281
Housing (inc Empty Homes)	0	-300	0
Other assets	17	-2	16
	508	-972	7,193

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

Delays in purchasing operational vehicles in 2020/21 will lead to MRP savings at the end of 20/21 (see page 8 & 9).

Section 106 Receipts Monitoring

Section 106 Agreements 2020/21	Third Party Projects	RBC Revenue Projects	RBC Capital projects	RBC Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2020	276.5	117.8	509.8	904.1
Deposits received in 2020/21	43.8	1.1		44.9
Deposits applied in 2020/21	(6.5)	(10.0)	(31.2)	(41.2)
Current Balance	313.8	108.9	478.7	901.4

The value of S106 agreements brought forward on the 1st April was £904.1k. To the end of Sept £44.9k of new S106 charges have been received and invoices issued for a further £342k but funds of £18k 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	Currant Balance
RBC Maintenance:-					
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	104,846
2006/696	Whitewell Bot	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
					107,791
RBC Capital:-					
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public Open Spaces	Exp July 2020 / May 2021	69,461
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)	Legal to determine 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 Cribden Ave, R's	Affordable Housing	Exp March 2024	162,893
2015/334	Rawtenstall	Land off Oaklands Drive & Lower Cribden Ave, R's	Affordable Housing	Exp June 2024	165,886
2016/0228	Edenfield	Land at Croft End Mill, Stubbins	Public Open Spaces - Edenfield Play area	Exp Oct 2023	15,852
2016/0563	Newchurch	Dark Lane	Replacement Football Pitch	tba	
					478,618

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Council Tax & NNDR Collection Rates

Collection Rates	Council Tax					Business Rates				
	2016/17	2017/18	2018/19	2019/20	2020/21	2016/17	2017/18	2018/19	2019/20	2020/21
April	10.60	10.39	10.41	10.51	10.04	11.25	10.34	11.26	12.22	10.24
May	19.73	19.53	19.72	19.70	18.96	19.20	19.14	18.93	21.07	18.89
June	30.12	28.81	28.79	28.63	27.62	28.26	27.51	27.28	28.68	25.62
July	37.97	37.91	37.97	37.86	36.56	35.55	36.85	36.25	37.37	33.92
August	47.21	47.10	47.03	46.90	45.24	43.60	48.98	49.93	50.82	48.55
September	56.35	56.20	56.05	56.01	54.29	58.92	57.60	58.43	58.34	57.84
October	65.58	65.58	65.32	65.23		67.00	65.57	67.95	67.52	
November	74.73	74.81	74.52	74.78		74.40	74.28	74.77	74.26	
December	83.85	84.03	83.55	83.33		82.08	82.46	83.00	82.70	
January	93.01	92.93	92.72	92.48		90.20	91.18	91.11	90.91	
February	94.84	94.90	94.90	94.60		94.06	95.10	95.73	95.00	
March	96.20	96.40	96.70	96.32		97.20	98.40	98.47	97.78	

Quite predictably collection rates are lower compared to this time last year. Whilst Business Rates have caught up a little since Q1 to 0.5% down, Council Tax collections have continued to lag behind 2019/20 moving from 1.01% down at Q1 to 1.72% by the end of September.

Council Tax Collection Fund

At this Q2 report the Council Tax collection fund looks to be heading towards a deficit of around £407k, this is after factoring in the impact of the Hardship Fund. This year RBC's share is 14.61%, so this is around £59k deficit for RBC.

Members should be aware that to date there have been no court sessions, so court cost income has been pulled back from £250k at Q1 to £100k at Q2. The original budget income on page 6 was £300k, but with the continued impact of Covid-19 even this £200k adverse could be optimistic.

Council Tax Forecast 2020/21	Q1 £'000	Q2 £'000
Council Tax Collectable (after Discounts & Exemptions)	40,430	40,439
less Doubtful Debt Provision	(300)	(300)
	40,130	40,139
less Precepts for 2020/21		
Lancashire County Council	(28,896)	(28,896)
Police	(4,363)	(4,363)
Fire	(1,462)	(1,462)
Rossendale Borough Council	(5,826)	(5,826)
	(40,547)	(40,547)
Surplus / (Deficit)	(417)	(407)
RBC Share = 14.61%	(60)	(59)

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 2020/21 the Lancashire Business Rates Pool has reverted to 50% local retention of business rates.

Due to the coronavirus pandemic the Government extended the 100% Business Rate Relief scheme to include retail, hospitality and leisure businesses. At Q2 this was £5,580k, compared to the original estimate of £463k (an increase of £50k during Q2). This has reduced the NNDR due forecast considerably. However, the Government are issuing additional S31 grants to cover this lost income. We are anticipating that Government will introduce legislation allowing these to be transferred to the Collection Fund. The tables overleaf now include officer assumptions on how those grants may be applied to reduce the potential cash deficit on the Fund.

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During Q2 banding decreases have risen to £363k. Of the £608k issued in refunds, any related to the band decrease decisions will be paid from the Appeals Provision. Given the effects of the pandemic on businesses in the valley it would not be prudent to lower the Doubtful Debt Provision, but there could be at least a further £100k reduction in the Appeals Provision requirement if this year follows the pattern of 2019/20.

Business Rates Collection Fund 2020/21 (50% Pool)		NNDR1 £000	Q1 £000	Q2 £000
Net Liability Due		13,336	7,994	7,034
Less Transitional Payments due to MHCLG		(15)	(15)	(15)
Less Cost of Collection Allowance		(97)	(97)	(97)
Less Doubtful Debt Provision		(300)	(300)	(300)
Less Appeals Provision		(530)	(400)	(300)
Less Renewables 100% to RBC		(173)	(173)	(173)
Additional General S31 Grant for Covid Reliefs			4,174	4,174
Net NNDR due	A	12,221	11,183	10,323
Less Trans surcharge	B	0	15	15
Less Precepts		(12,236)	(12,236)	(12,236)
Cash Surplus/(Deficit)	C	(15)	(1,038)	(1,898)
RBC Share = C x 40%	D	(6)	(415)	(759)
Central Government share 50%			(519)	(949)
LCC and Fire share 10%			(104)	(190)

Central Government gives authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the NNDR1 estimate those grants totalled £1,292k, but the total level of additional reliefs given mean grant is likely to be £5,737k. Officers have presumed that the £4,174k additional grant will be used to compensate the overall Collection Fund (shown yellow above).

After factoring in the additional Section 31 grant of £4,174k (if legislation allows) the net effect is a cash deficit prediction of £1,898k, of which RBC's 40% share would be £759k.

Factoring in the estimated S31 Grants attributable to Rossendale Borough Council under normal conditions as £1,563k, there will be an additional Levy contribution to the Lancashire Pool of £40k. The net impact on the Council is therefore estimated to be a surplus of £805k.

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000	Q2 £000
Business Rates Income	A+B	12,221	11,198	10,338
RBC Share = 40%		4,894	4,479	4,135
less tariff paid to Lancashire Pool		(2,714)	(2,714)	(2,714)
add S31 Grants	E	1,293	1,563	1,563
Subtotal		3,473	3,329	2,985
RBC Baseline Funding Level used in Budget		2,180	2,180	2,180
Surplus for Levy Calculations	F	1,293	1,149	805
Levy due to Lancs Pool = F under 50% Pool	G	(65)	(57)	(40)

To summarise, this creates a net pooling gain of £938k over RBC's baseline funding. When added to the Reserve balance brought forward of £2,640k along with the £390k retained surplus from 2019/20, this gives £3,968k, this is then reduced by the 2020/21 Collection fund deficit of £759k and the £686k which has been budgeted to support the General Fund in 2020/21, giving total resources of £2,523k. From this there will be a pooling levy charge for 2019/20 to pay of £69k, leaving a predicted balance at March 2021 of £2,454k.

Business Rates Summary		NNDR1 £000	Q1 £000	Q2 £000
Business Rates Surplus/(Deficit) 2020/21	F	1,293	1,149	805
less Lancashire Pooling Levy	G	(65)	(57)	(40)
Renewable Energy		173	173	173
Overall Gain	H	1,402	1,264	938
Business Rates Retention Reserve Bfwd		2,640	2,640	2,640
Business Rates Surplus/(Deficit) 2019/20		390	390	390
Business Rates Cash Surplus/(Deficit) 2020/21	D	(6)	(415)	(759)
Business Rates Surplus/(Deficit) 2020/21	H	1,402	1,264	938
Less Budgeted Utilisation		(686)	(686)	(686)
Total Retained Business Rates Resources Cfwd		3,740	3,193	2,523

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Dates covered in this review	2020/21 Monitoring	Next review	15/01/2021

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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.

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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.

Reserve

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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.

Rossendale Borough Council

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آپ کو ان معلومات کا خلاصہ برائے صرف میں، ایک کیسٹ پر، انگریزی کے علاوہ کسی اور زبان میں درکار ہے۔ ہمارے
مہربانی نہیں تاہم، ہم خوشی آپ کے لئے اس کا انتظام کریں گے۔
ہمارے سربراہی 01706 217777 پر ٹیلیفون کریں یا بھرنے والی ٹیکسٹ پیغام سے اس سے رابطہ قائم کریں۔

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অন্য কোন ভাষায় পেতে চান তাহলে অনুগ্রহ করে আমাদেরকে জানালে আমরা অত্যন্ত খুশী মনে
তার ব্যবস্থা করব।

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Other formats available on request.

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Subject:	Annual Air Quality Report 2020	Status:	For Publication
Report to:	Cabinet	Date:	1 st December 2020
Report of:	Public Protection Manager	Portfolio Holder:	Communities
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Phil Morton	Telephone:	01706 252442
Email:	philmorton@rossendalebc.gov.uk		

1.	RECOMMENDATION(S)
1.1	That the content of the report be noted in relation to the Annual Air Quality report

2. PURPOSE OF REPORT

2.1 This report is to provide an update on air quality in the Rossendale Borough Council area for 2020 and actions being taken to improve the quality.

3. BACKGROUND

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 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.

3.2 As recently as the nineties it was felt that air pollution was no longer a major health issue in the United Kingdom. Priority had been given to tackling the biggest individual sources of air pollution and legislation had made the great smogs of the fifties a thing of the past. As these major sources of emissions decreased, the relative contribution of smaller and more dispersed sources of air pollution has increased, which requires new types of action.

In more recent years' evidence has emerged that small particles emitted to the air from various sources, such as road transport, industry, agriculture and domestic fires, are still having a considerable effect on health. This type of air pollution is so small that it can't be seen by the naked eye, but can affect the respiratory system.

Public Health England (PHE) estimates that poor air quality contributes to around 4.4% of all deaths across Lancashire. However, air pollution is likely to contribute a small amount to the deaths of a larger number of exposed individuals rather than being solely responsible for the calculated figure of attributable deaths.

3.3 A report by the Royal College of Physicians in February 2017 estimates that all forms of air pollution account for around 40,000 deaths annually with an associated annual social cost of £22.6 billion.

The annual health cost to society of the impacts of particulate matter alone in the UK is estimated to be around £16 billion.

3.4 Air pollution reduces life expectancy by increasing deaths from heart disease, lung disease

and circulatory problems. The majority of health problems result from long-term exposure to air pollution. In addition, air pollution can reduce lung development in children, which may increase symptoms in those young people who develop conditions like asthma.

- 3.5 Local authorities have a central role in achieving improvements in air quality. District councils have responsibility for monitoring air quality. Where places are found that have pollution levels higher than the national air quality objectives the local authority must declare an Air Quality Management Area (AQMA) and then put together a plan to bring about improvements.

In Rossendale Borough Council this work is carried out by Environmental Health staff in the Public Protection Unit. However, the work to improve air quality is the responsibility of a wide range of services, organisations and individuals.

Improving the quality of the air across the borough is at the heart of the Councils Climate Change Strategy.

- 3.6 Every year an Annual Status Report is submitted to the Department for Environment, Food and Rural Affairs (DEFRA) detailing the current position regarding air quality within the Borough.

A copy is attached as Appendix 1.

- 3.7 In summary, air quality is monitored in 20 locations within Rossendale. There are 2 areas where pollution from vehicles has been higher than the health based objective for nitrogen dioxide (NO₂). These are:

- Manchester Road, Haslingden
- Bacup Road, Rawtenstall

As a result, AQMAs were declared in 2013 and action plans have been written to deal with the pollution.

- 3.8 Work completed or in progress to improve air quality includes:

COMPLETED

- In early 2019 the emerging Local Plan for the borough 2019-20134 was submitted to the Secretary of State for examination
- In March 2019 a planning group was set up to try and move forward with a rail link to Rossendale
- In April 2019 the council had a meeting with Highways England who discussed their new document titled 'Strategy to Improve Air Quality '
- The Council supported National Clean Air day on 20th June 2019 and promoted it on social media channels
- In September 2019 the Council declared a Climate Emergency with the aim to become carbon neutral by 2030
- In September 2019 the latest section of the East Lancashire Cycleway Valley of Stone old railway tunnels at Stacksteads opened up to provide a safe off-road link for walkers and cyclists
- In November 2019 the Council hosted a discovery workshop developing and electric vehicle strategy plan hosted by Electric Blue. The session was open to the public

IN PROGRESS

- In July 2019 the old bus station which was located in the centre of the Rawtenstall Air Quality Management Area was demolished which should lead to an improvement in the air quality along Bacup Road during 2020/21
- Public electric charge points were installed and operational in Rossendale funded by Lancashire County Council.
- Further EV charge points will be installed on council owned sites by Dec 2020
- Work in progress to procure EV's for use by staff

4. RISK

4.1 There are no specific risk issues for members to consider arising from this report.

5. FINANCE

5.1 Any future financial implications arising will have to be assessed separately as part of the Council's budget setting and resource allocations

6. LEGAL

6.1 All legal implications are covered in the body of the report.

7. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

7.1 Consultation has taken place with statutory officers.

8. CONCLUSION

8.1 Work to identify air quality problems will continue to be a priority for the Council's Public Protection Unit. However, success in improving the air that we breathe relies on action by a wide range of organisations and individuals. This includes transport providers, Lancashire County Council and internal departments. The improvement in air quality is an integral part of the Council's Climate Change Strategy and actions to reduce the council's carbon footprint will have a subsequent beneficial impact on the quality of the air that we breathe.

No background papers



2020 Air Quality Annual Status Report (ASR)

In fulfilment of Part IV of the
Environment Act 1995
Local Air Quality Management

September 2020

Local Authority Officer	Lorna Robinson
Department	Public Protection Unit
Address	Rossendale Borough Council Futures Park Bacup Lancashire OL13 0BB
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Report Reference number	ASR2020
Date	September 2020

Executive Summary: Air Quality in Our Area

Air Quality in Rossendale Borough Council

Air pollution is associated with a number of adverse health impacts. It is recognised as a contributing factor in the onset of heart disease and cancer. Additionally, air pollution particularly affects the most vulnerable in society: children and older people, and those with heart and lung conditions. There is also often a strong correlation with equalities issues, because areas with poor air quality are also often the less affluent areas^{1,2}.

The annual health cost to society of the impacts of particulate matter alone in the UK is estimated to be around £16 billion³.

The main issue for air pollution in Rossendale is with nitrogen dioxide which comes from road vehicle emissions. Nitrogen dioxide levels are measured across the borough at 20 non-automatic (passive) diffusion tube locations. There are two air quality management areas in the valley which were declared in 2013.

The government's current limit for the annual mean is 40 µg/m³. During 2019 the air quality objective was breached at only one location which was outside the air quality management areas. This is tube 20 and the annual average was 46.6 µg/m³ which has shown a slight decrease from 2018 when it was 47.9 µg/m³. In 2019 three diffusion tubes were relocated into this area but all three tubes showed levels within the current limit. Tube 12 was 34.9 µg/m³, tube 18 was 27.9 µg/m³ and tube 19 was 21.9 µg/m³. These results show that the air quality exceedance at tube 20 is more localised so because of this for 2020 monitoring purposes two of those tubes have been relocated closer to tube 20.

The air quality in the two air quality management areas was below the annual mean which is positive news and which will hopefully continue.

Actions to Improve Air Quality

A wide variety of things have happened in Rossendale during 2019 to improve and incorporate air quality which are summarised here.

¹ Environmental equity, air quality, socioeconomic status and respiratory health, 2010

² Air quality and social deprivation in the UK: an environmental inequalities analysis, 2006

³ Defra. Abatement cost guidance for valuing changes in air quality, May 2013

In January 2019 Transport for the North produced its Strategic Transport Plan

<https://transportforthenorth.com/70-b-blueprint-transform-north-economy/>
<https://transportforthenorth.com/onenorth/>

In February 2019 the historic town hall building on Bacup Road was re-opened following extensive demolition and restoration of parts. This opens up the previous canyon that trapped air pollution along Bacup Road.

<http://www.rossendaleneews.org.uk/historic-town-hall-officially-re-opened-after-renovation-works/>

In February 2019 the Council was successful in its joint bid to the Department for Transport for four new taxi charging points in Rossendale

<http://www.rossendaleneews.org.uk/green-progress-for-taxi-trips-in-rossendale/>

In March 2019 the long awaited work on the new bus station started

<http://www.rossendaleneews.org.uk/ceremony-marks-progress-on-bus-station/>



Photograph of the new bus station under construction in March 2019

In early 2019 the emerging Local Plan for the borough 2019-20134 was submitted to the Secretary of State for examination <https://www.rossendale.gov.uk/localplan>

The link to the Sustainability Appraisal and Strategic Environmental Assessment of the Rossendale Borough Council local plan is here https://www.rossendale.gov.uk/downloads/file/14783/sustainability_appraisal_2018

In March 2019 a planning group was set up to try and move forward with a rail link to Rossendale <http://www.rossendalenews.org.uk/rail-link-on-track-as-planning-group-set-up/>

In April 2019 the council had a meeting with Highways England who discussed their new document titled 'Strategy to Improve Air Quality ' which is available here https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/634933/N160081_Air_Quality_Strategy_Final_V18.pdf

The Council supported National Clean Air day on 20th June 2019 and promoted it on social media channels.

The Council received a call from Highways England in July 2019 asking us to include two extra diffusion tubes at specific locations around the A56 in Haslingden. We agreed but their request was later withdrawn.

Also in July 2019 the old bus station which was located in the centre of the Rawtenstall Air Quality Management Area was demolished which should lead to an improvement in the air quality along Bacup Road <http://www.rossendalenews.org.uk/part-demolition-of-old-rawtenstall-bus-station-to-take-place-this-weekend/>

In September 2019 the Council declared a Climate Emergency with the aim to become carbon neutral by 2030 <http://www.rossendalenews.org.uk/4422-2/>

Also in September 2019 the latest section of the East Lancashire Cycleway Valley of Stone old railway tunnels at Stacksteads opened up to provide a safe off-road link for walkers and cyclists <http://www.rossendalenews.org.uk/council-leader-delight-at-opening-of-new-cycleway/>

In November 2019 the Council hosted a discovery workshop developing an electric vehicle strategy plan hosted by Electric Blue. The session was open to the public

<http://www.rossendalenews.org.uk/council-leading-the-charge-for-electric-cars/>

Also in November 2019 the new relocated bus station opened to the public. There are new traffic lights on this section of Bacup Road which will hopefully deter through vehicles from using Bacup Road as using Bocholt Way will now be more efficient and better for the environment. The work on this section of road finished in July 2019 when it was one way for a while and people commented that a one way system seemed to ease congestion. It's not been converted long term into one way but at least the addition of traffic lights will hopefully deter through traffic.

<https://www.lancs.live/news/lancashire-news/rawtenstalls-much-anticipated-new-bus-17302090>



Photograph of the new bus station on Bacup Road Rawtenstall which opened in November 2019

By the end of the year the first public electric charge points were installed and operational in Rossendale funded by Lancashire County Council. There are located at Kay Street Rawtenstall, top of Deardengate Haslingden and King Street Bacup.

This year also saw major supermarkets start to install electric charge points in customer car parks in Rossendale.



Photograph of the new electric charge points on Kay Street Rawtenstall

Conclusions and Priorities

Generally, the air quality is improving in the two AQMAs and the council will be looking at revocation of the AQMAs in the near future, if the level continues to fall.

The area we are going to have to focus on again in 2020 is the Grane Road area of Haslingden as again tube 20 showed an exceedance in 2019 of $46.6 \mu\text{g}/\text{m}^3$. It has however slightly reduced from the 2018 figure of $47.8 \mu\text{g}/\text{m}^3$

Two more tubes have been re-located into this area to give us a better understanding of the air quality levels in 2020 and will be reported on in the 2021 annual status report.

Rossendale Borough Council's priorities for the coming year are regenerating Rossendale, providing responsive and value for money local services and a clean and green Rossendale.

Local Engagement and How to get Involved

Thinking about air pollution on a worldwide or even country scale can be daunting because as individuals we can often feel insignificant. Yet if we all reduce the amount of fuel we use and the number of chemicals used at home, we will improve the quality of the air that we breathe and help the global and local problem. We can all contribute to improving the air quality by:

- Using public transport more
- Reducing car use and doing more car sharing
<https://liftshare.com/uk/community/sharedwheels>
- Changing to an electric vehicle see <https://www.gov.uk/plug-in-car-van-grants>
- Cycling and walking where possible
- Using less chemicals in the home to reduce the toxic load on your internal air quality
- Not having garden bonfires and only burning smokeless fuel on domestic stoves as the whole of Rossendale is a smoke control area (except for a few outlying rural properties) see <https://smokecontrol.defra.gov.uk/index.php>

There is no local air quality action group to the knowledge of the writer however there is an active Clean Air Parents Network public Facebook group.

Client Earth are activist lawyers committed to securing a healthy planet. Their website is <https://www.clientearth.org/>

Further information on air quality and air pollution forecasts can be found on the DEFRA website UK Air Quality Information Resource following this link <https://uk-air.defra.gov.uk/>

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1 Local Air Quality Management

This report provides an overview of air quality in Rossendale Borough Council during 2019. It fulfils the requirements of Local Air Quality Management (LAQM) as set out in Part IV of the Environment Act (1995) and the relevant Policy and Technical Guidance documents.

The LAQM process places an obligation on all local authorities to regularly review and assess air quality in their areas, and to determine whether or not the air quality objectives are likely to be achieved. Where an exceedance is considered likely the local authority must declare an Air Quality Management Area (AQMA) and prepare an Air Quality Action Plan (AQAP) setting out the measures it intends to put in place in pursuit of the objectives. This Annual Status Report (ASR) is an annual requirement showing the strategies employed by Rossendale Borough Council to improve air quality and any progress that has been made.

The statutory air quality objectives applicable to LAQM in England can be found in Table E.1 in Appendix E.

2 Actions to Improve Air Quality

2.1 Air Quality Management Areas

Air Quality Management Areas (AQMAs) are declared when there is an exceedance or likely exceedance of an air quality objective. After declaration, the authority must prepare an Air Quality Action Plan (AQAP) within 12-18 months setting out measures it intends to put in place in pursuit of compliance with the objectives.

A summary of the two AQMAs declared by Rossendale Borough Council in 2013 can be found in Table 2.1. Further information related to AQMAs, including maps of AQMA boundaries are available online at https://www.rossendale.gov.uk/info/210168/environment/10763/air_quality_in_rossendale or <https://uk-air.defra.gov.uk/aqma/list>. Alternatively, see Appendix D: Map(s) of Monitoring Locations and AQMAs, which provides for a map of air quality monitoring locations in relation to the AQMAs and the locations across the borough.

Table 2.1 – Declared Air Quality Management Areas

AQMA Name	Date of Declaration	Pollutants and Air Quality Objectives	City / Town	One Line Description	Is air quality in the AQMA influenced by roads controlled by Highways England?	Level of Exceedance (maximum monitored/modelled concentration at a location of relevant exposure)				Action Plan		
						At Declaration	Now		Name	Date of Publication	Link	
AQMA 1 Haslingden	08/01/2013	NO2 Annual Mean	Haslingden	An area comprising a number of residential properties on Haslingden Road	Yes	43	µg/m ³	32	µg/m ³	Air quality action plan	July 2016	https://www.rossendale.gov.uk/downloads/file/14091/air_quality_action_plan
AQMA 2 Rawtenstall	08/01/2013	NO2 Annual Mean	Rawtenstall	An area comprising residential property on Bacup Road	Yes	43	µg/m ³	32	µg/m ³	Air quality action Plan	July 2016	https://www.rossendale.gov.uk/downloads/file/14091/air_quality_action_plan

2.2 Progress and Impact of Measures to address Air Quality in Rossendale Borough Council

Defra's appraisal of last year's ASR concluded that the report was well structured, detailed and provided most of the information specified in the guidance. It commented that an overall map of the AQMAs would be a welcome addition and these have been attached in Appendix D. Also it noted that focus should be on DT20 to investigate the exceedance which has been done by relocating two diffusion tubes closer to it.

Rossendale Borough Council has taken forward a number of direct measures during the current reporting year of 2019 in pursuit of improving local air quality, see below. Details of all measures completed, in progress or planned are set out in Table 2.2.

Rossendale Borough Council expects the following measures to be completed over the course of the next reporting year: Further development of electric vehicle charging points within the borough. Procurement electric pool car for use of staff, application of a grant through Connecting east Lancashire for e-bikes for staff use. Rossendale Borough Council's priorities for the coming year in relation to climate change are efficient energy consumption, sustainable transport, working together in partnership and waste and the wider environment.

The principal challenges and barriers to implementation that Rossendale Borough Council anticipates facing are continuing reliance of the public on vehicle use for short journeys.

Rossendale Borough Council anticipates that the measures stated above on page 1 and in Table 2.2 will achieve continued compliance in both AQMAs.

As the County Council Lancashire lead on public health and have the responsibility for Highways and here's and update from them about their contribution to local air quality management during 2019:

Lancashire County Council Activity Update for Local Air Quality Management for the Annual Report

In Lancashire, the strongest evidence we have concerning the population health impacts of air pollution comes from Public Health England's Public Health Outcomes Framework. This Framework estimates ['the fraction of adult mortality attributable to particulate air pollution \(PM_{2.5}\)'](#) each year. It shows that, while the overall mortality rate

from particulate air pollution in Lancashire-12 (4.0%) is lower than the England average (5.2%), air pollution is still a significant public health issue for the county.

Working with district councils, Lancashire County Council has an important role to play in taking action to reduce these health impacts of air pollution. Responsible for transport planning, network management, highway maintenance, public health and procuring local vehicle fleets, there are a number of ways LCC can support local and county wide efforts to improve air quality. In summary, the following activities are underway or in development:

1. Encouraging the use of sustainable forms of travel

- Lancashire's cycling and walking strategy, [Actively Moving Forward](#), sets out an ambitious plan for increasing the number of people walking and cycling in the county by 2028. Through improving and increasing access to cycling and walking infrastructure, alongside training and promotional activities, it aims to significantly increase the amount of cycling and walking people do across the county.
- As part of Lancashire's cycling and walking strategy, work has now commenced on developing Local Cycling and Walking Infrastructure Plans (LCWIPs) for the five Lancashire Highway and Transport Masterplan areas. The Plans will include a network plan for cycling and walking infrastructure and a prioritised list of schemes for delivery over short, medium and long term timeframes. These plans will be used to support future infrastructure decisions and access new funding schemes as they become available.
- [Connecting East Lancashire](#) is a 'smarter travel choices' campaign designed to encourage healthier and greener ways of travelling in East Lancashire. A dedicated team of Business Travel Planners work with individuals and organisations across east Lancashire to support a shift towards more sustainable and active forms of travel.
- The Road Safety Team work with schools, workplaces and the community to encourage safe and sustainable modes of travel. Initiatives for schools are promoted through the [Safer Travel Moodle](#) and include: a series of cycling and walking safety training programmes; guidance and resources for teachers to encourage safe and active travel; and support for creating travel plans.

2. Supporting the transition to low emission vehicles

- The County Council is working with BP Chargemaster to deliver 150 electric vehicle charge points across the County. [The charging network](#) will be accessible to drivers

from all over the country, and will support local and national efforts to increase the number of drivers purchasing electric vehicles.

- The County Council is supporting six district councils with a low emission taxi infrastructure scheme. Funded by the Office for Low Emission Vehicles, the scheme will provide taxi drivers with access to 24 new rapid electric vehicle charge points across the six districts. This, alongside a series of promotional activities and suggested regulatory changes, is designed to produce a transition towards more low emission taxi vehicles across Lancashire.

3. Creating cleaner, healthier road networks

- Work to develop the next Local Transport Plan (LTP4) for Lancashire, Blackpool and Blackburn with Darwen is now underway. The Public Health team has submitted an evidence base to the process, highlighting transport related health challenges affecting the population of Lancashire and making recommendations about how local transport planning policy can make a contribution to addressing these. Air quality is one of the key themes of the evidence base and will be an identified priority in LTP4. The local [Highways and Transport Masterplans](#) will be refreshed to align with the priorities of LTP4, which will provide an opportunity to identify longer-term network solutions that address issues in AQMAs and have a positive impact on air quality generally.
- The Lancaster City Centre Movement Strategy is looking at how vehicular, public transport and pedestrian walking movements can be improved across the city. A key facet of the study is to examine what improvements can be implemented to prioritise public transport, reduce severance, improve air quality and effectively make the city centre a more welcoming environment for people. The intention is for a similar approach to be adopted as part of future Highways and Transport Masterplans.
- The County Council's vehicle fleet will be fitted with a driver behaviour tracking system to monitor and influence driver behaviour. The aim of the tracking system is to improve driver performance, reducing fuel costs, road accidents and vehicle emissions.

4. Embedding air quality into policy

- The County Council works with district planners to ensure air quality is a key consideration of Local Plans, alongside wider public health issues. It supports district councils in developing policies that seek to ensure new developments do not contribute to increasing levels of air pollutants and that requirements for appropriate mitigation are in place.

- The County Council, as part of its highways input into planning applications, actively encourages measures that aim to promote sustainable forms of travel. Working under the direction of the National Planning Policy Framework, the Council seeks measures that facilitate cycling and walking, increase the use of public transport and provide access to electric vehicle charge points. The County Council also seeks funding from developers, through section 106 contributions, to support existing bus services or to provide new bus services suitable to serve development sites once their built.
- The County Council is working with Lancaster and Birmingham Universities to develop evidence based guidance for the use of green infrastructure as an approach to mitigating the health impacts of road transport emissions. The guidance will enable organisations to introduce the most effective infrastructure at the most appropriate sites. In time, there may be opportunities for further projects around this work.

5. Raising awareness and increasing engagement

- The Lancashire Insight website provides information on the sources and health impacts of air pollution. Webpages include a [Summary of Emissions Data](#), [Monitoring of Air Quality and Health Impacts](#) and an [Air Quality and Health Dashboard](#).
- The County Council is the process of developing a clean air programme for schools. The toolkit will include: guidance and support for schools on developing a clean air strategy; lesson plans, activities and resources for teachers; provision of LCC's cycling and walking programmes; and resources for delivering a Clean Air Day event and creating a clean air banner.

Table 2.2 – Progress on Measures to Improve Air Quality

Measure No.	Measure	EU Category	EU Classification	Date Measure Introduced	Organisations involved	Funding Source	Key Performance Indicator	Reduction in Pollutant / Emission from Measure	Progress to Date	Estimated / Actual Completion Date	Comments / Barriers to implementation
1	Limit Council fleet use of Bacup Road for non-essential access	Traffic Management	Other	January 2019	Local Authority Fleet Management	NA	NA	NA	Borough Council fleet now do not use Bacup Road unless servicing the properties	January 2019	NA
2	No through access to HGVs or LDVs along Bacup Road unless deliveries	Traffic Management	Other	NA	NA	NA	NA	NA	NA	NA	Not deemed enforceable so this option will not be pursued
3	Road signage amended to reprioritise use of Bocholt Way and deprioritise Bocholt Way	Traffic Management	Other	Completed	Lancashire County Council	NA	NA	Reduced vehicle emissions	Completed September 2018	Completed September 2018	Completed September 2018
4	School travel plans to encourage alternative modes	Promoting Travel Alternatives	School Travel Plans	NA	Lancashire County Council	NA	NA	NA	NA	NA	Not pursued as the air quality in this area is again below actionable levels for another year
5	No through signage at road entry points to Haslingden	Traffic Management	Other	NA	Lancashire County Council	NA	NA	NA	NA	NA	Not pursued as the air quality in this area is again below actionable levels for another year
6	Apply Public Spaces Protection Orders to restrict idling on	Traffic Management	Anti-idling enforcement	NA	Lancashire County Council	NA	NA	NA	NA	NA	Not pursued as the air quality in this area is again below actionable levels for another year

	Manchester Road										
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2.3 PM_{2.5} – Local Authority Approach to Reducing Emissions and/or Concentrations

As detailed in Policy Guidance LAQM.PG16 (Chapter 7), local authorities are expected to work towards reducing emissions and/or concentrations of PM_{2.5} (particulate matter with an aerodynamic diameter of 2.5µm or less). There is clear evidence that PM_{2.5} has a significant impact on human health, including premature mortality, allergic reactions, and cardiovascular diseases.

Rossendale Borough Council do not currently measure for PM_{2.5} however all the actions listed on page i and 2.2 will be reducing PM_{2.5} as well as NO₂.

3 Air Quality Monitoring Data and Comparison with Air Quality Objectives and National Compliance

3.1 Summary of Monitoring Undertaken

3.1.1 Automatic Monitoring Sites

This section sets out what monitoring has taken place and how it compares with objectives.

Rossendale Borough Council undertook no automatic (continuous) monitoring at any sites during 2019.

3.1.2 Non-Automatic Monitoring Sites

Rossendale Borough Council undertook non- automatic (passive) monitoring of NO₂ at 20 sites during 2019. Table A.1 in Appendix A shows the details of the sites.

Maps showing the location of the monitoring sites are provided in Appendix D.

Further details on Quality Assurance/Quality Control (QA/QC) for the diffusion tubes, including bias adjustments and any other adjustments applied (e.g. “annualisation” and/or distance correction), are included in Appendix C.

3.2 Individual Pollutants

The air quality monitoring results presented in this section are, where relevant, adjusted for bias⁴, “annualisation” (where the data capture falls below 75%), and distance correction⁵. Further details on adjustments are provided in Appendix C.

3.2.1 Nitrogen Dioxide (NO₂)

Table A.2 in Appendix A compares the ratified and adjusted monitored NO₂ annual mean concentrations for the past 5 years with the air quality objective of 40µg/m³.

Note that the concentration data presented in Table A.2 represents the concentration at the location of the monitoring site, following the application of bias adjustment and annualisation, as required (i.e. the values are exclusive of any consideration to fall-off with distance adjustment).

⁴ <https://laqm.defra.gov.uk/bias-adjustment-factors/bias-adjustment.html>

⁵ Fall-off with distance correction criteria is provided in paragraph 7.77, LAQM.TG(16)

For diffusion tubes, the full 2019 dataset of monthly mean values is provided in Appendix B. Note that the concentration data presented in Table B.1 includes distance corrected values, only where relevant.

The graphs in Figure A.1 show the trends in NO₂ concentrations over the last 5 years of all the tubes. AQMA 1 which has diffusion tubes 3,5,6,7,8 and 9 are consistently below the 40µg/m³ and the Council will be looking to revoke it in the future if the trend continues.

AQMA 2 which has diffusion tubes 1,4,13,14,15,16 and 17 has slightly higher levels of NO₂ but again all the tubes are under the 40µg/m³ limit and have been for a number of years (with the exception of diffusion tube 17 which exceeded in 2018 and seems to be an anomaly)

The remaining tubes numbered 2, 10, 11, 12, 18, 19 and 20 which are measuring NO₂ at various locations across the borough are all under the 40µg/m³ with the exception of diffusion tube 20 on Grane Road which will have additional tubes located near it during 2020 to get a better understanding of the air quality in that area.

3.2.2 Particulate Matter (PM_{2.5})

Rossendale Borough Council do not currently measure for particulate matter PM_{2.5}

3.2.3 Sulphur Dioxide (SO₂)

Rossendale Borough Council do not measure for SO₂.

Appendix A: Monitoring Results

Table A.1 – Details of Non-Automatic Monitoring Sites

Site ID	Site Name	Site Type	X OS Grid Ref (Easting)	Y OS Grid Ref (Northing)	Pollutants Monitored	In AQMA?	Distance to Relevant Exposure (m) ⁽¹⁾	Distance to kerb of nearest road (m) ⁽²⁾	Tube collocated with a Continuous Analyser?	Height (m)
DT1	93-95 Bacup Road Rawtenstall	Roadside	381394	422756	NO ₂	YES AQMA 2	5	1	NO	1.8
DT2	235 Newchurch Road Stacksteads	Roadside	385579	421855	NO ₂	No	0	4	NO	1.8
DT3	349 Manchester Road Haslingden	Roadside	379153	422234	NO ₂	Yes AQMA 1	0	4	NO	1.8
DT4	83 Bacup Road Rawtenstall	Roadside	381325	422740	NO ₂	Yes AQMA 2	20	3.5	NO	1.8
DT5	377 Manchester Road Haslingden	Roadside	379209	422171	NO ₂	Yes AQMA 1	0	3	NO	1.8
DT6	359 Manchester Road Haslingden	Roadside	379175	422213	NO ₂	YES AQMA 1	0	4	NO	1.8

DT7	364-366 Manchester Road Haslingden	Roadside	379193	422216	NO ₂	YES AQMA 1	0	2	NO	1.8
DT8	Road sign near roundabout	Roadside	379197	422213	NO ₂	YES AQMA 1	4	2	NO	1.8
DT9	363 Manchester Road Haslingden	Roadside	379183	422200	NO ₂	YES AQMA 1	0	4	NO	1.8
DT10	2 Market Place Edenfield	Roadside	379983	419219	NO ₂	NO	0	3.5	NO	1.8
DT11	632 Bacup Road Waterfoot	Roadside	383506	421766	NO ₂	NO	0	2	NO	1.8
DT12	Rose Mount Grane Road Haslingden	Roadside	377528	422529	NO ₂	NO	0	3	NO	1.8
DT13	30/32 Bacup Road Rawtenstall	Roadside	381377	422756	NO ₂	YES AQMA 2	0	2	NO	1.8
DT14	24 Bacup Road Rawtenstall	Roadside	381358	422754	NO ₂	YES AQMA 2	0	2	NO	1.8
DT15	22 Bacup Road Rawtenstall	Roadside	381350	422754	NO ₂	YES AQMA 2	0	2	NO	1.8
DT16	2A Bacup Road Rawtenstall	Roadside	381161	422754	NO ₂	YES AQMA 2	0	6	NO	1.8
DT17	1-3 Bacup Road Rawtenstall	Roadside	381121	422725	NO ₂	YES AQMA 2	8	2	NO	1.8
DT18	222 Grane Road Haslingden	Roadside	378094	422560	NO ₂	NO	0	3	NO	1.8

DT19	323 Grane Road Haslingden	Roadside	377761	422514	NO ₂	NO	0	3	NO	1.8
DT20	264 Grane Road Haslingden	Roadside	377899	422488	NO ₂	NO	0	2	NO	1.8

Notes:

(1) 0m if the monitoring site is at a location of exposure (e.g. installed on the façade of a residential property).

(2) N/A if not applicable.

Table A.2 – Annual Mean NO₂ Monitoring Results

Site ID	X OS Grid Ref (Easting)	Y OS Grid Ref (Northing)	Site Type	Monitoring Type	Valid Data Capture for Monitoring Period (%) ⁽¹⁾	Valid Data Capture 2019 (%) ⁽²⁾	NO ₂ Annual Mean Concentration (µg/m ³) ^{(3) (4)}				
							2015	2016	2017	2018	2019
DT1	381394	422756	Roadside	Diffusion Tube	100	100	33	32.9	36.9	33.3	32
DT2	385579	421855	Roadside	Diffusion Tube	100	100	28	31.4	28.7	30.2	29.3
DT3	379153	422234	Roadside	Diffusion Tube	100	100	23	35.2	34.9	31.9	27.3
DT4	381325	422740	Roadside	Diffusion Tube	100	100	NA	29.9	35.4	27.8	27.6
DT5	379209	422171	Roadside	Diffusion Tube	67	67	35	31.8	38.6	31.8	35.8
DT6	379175	422213	Roadside	Diffusion Tube	100	100	36	33.5	39.2	31.2	30.8
DT7	379193	422216	Roadside	Diffusion Tube	83	83	38	33.5	NA	44.1	32.3
DT8	379197	422213	Roadside	Diffusion Tube	100	100	29	27.1	31.4	27.6	25.7
DT9	379183	422200	Roadside	Diffusion Tube	100	100	36	30.2	38.7	33.7	31.6
DT10	379983	419219	Roadside	Diffusion Tube	100	100	36	34.6	NA	24.5 new location	25.6
DT11	383506	421766	Roadside	Diffusion Tube	100	100	32	31.6	NA	31.4 new location	34.9
DT12	377528	422529	Roadside	Diffusion Tube	100	100	35	37.1	NA	23.9 new location	34.9
DT13	381377	422756	Roadside	Diffusion Tube	92	92	24	44.2 new location	42.4	40.9	32.2
DT14	381358	422754	Roadside	Diffusion Tube	92	92	36	38.9	41.5	36.8	31.9

DT15	381350	422754	Roadside	Diffusion Tube	100	100	37	42.6	46.2	39.6	32.2
DT16	381161	422754	Roadside	Diffusion Tube	100	100	22	30.6	33.8	28.4	26.6
DT17	381121	422725	Roadside	Diffusion Tube	58	58	33	30.6	NA	47.2	34.7
DT18	378094	422560	Roadside	Diffusion Tube	100	100	23	22.7	23.6	18.2 new location	27.9
DT19	377761	422514	Roadside	Diffusion Tube	100	100	27	30.1	30.4	24.6 new location	21.9
DT20	377899	422488	Roadside	Diffusion Tube	92	92	22	20.4	22.7	47.8	46.6

Diffusion tube data has been bias corrected

Annualisation has been conducted where data capture is <75%

Reported concentrations are those at the location of the monitoring site (bias adjusted and annualised, as required), i.e. prior to any fall-off with distance adjustment

Notes:

Exceedances of the NO₂ annual mean objective of 40µg/m³ are shown in **bold**.

NO₂ annual means exceeding 60µg/m³, indicating a potential exceedance of the NO₂ 1-hour mean objective are shown in **bold and underlined**.

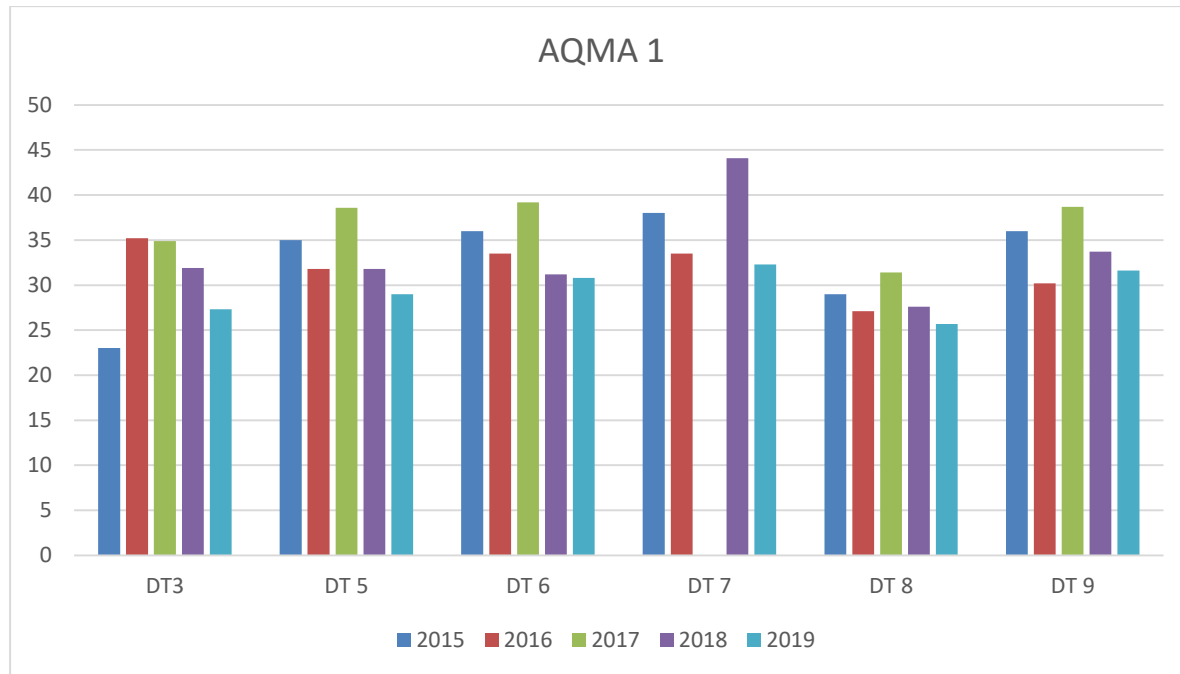
(1) Data capture for the monitoring period, in cases where monitoring was only carried out for part of the year.

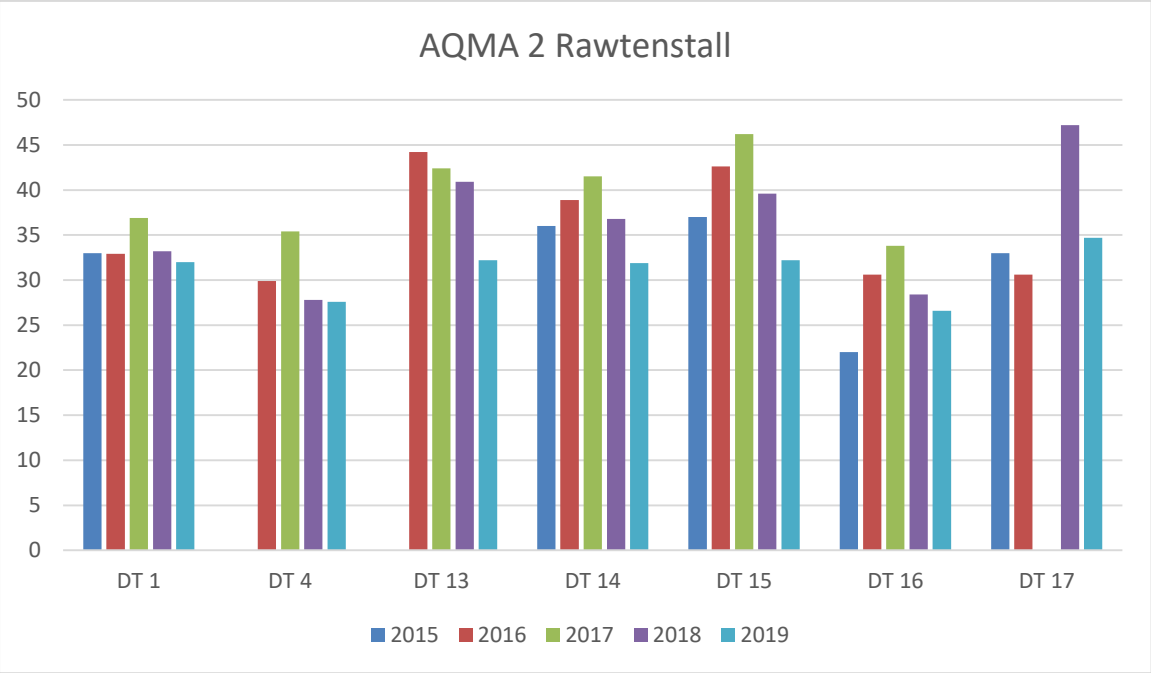
(2) Data capture for the full calendar year (e.g. if monitoring was carried out for 6 months, the maximum data capture for the full calendar year is 50%).

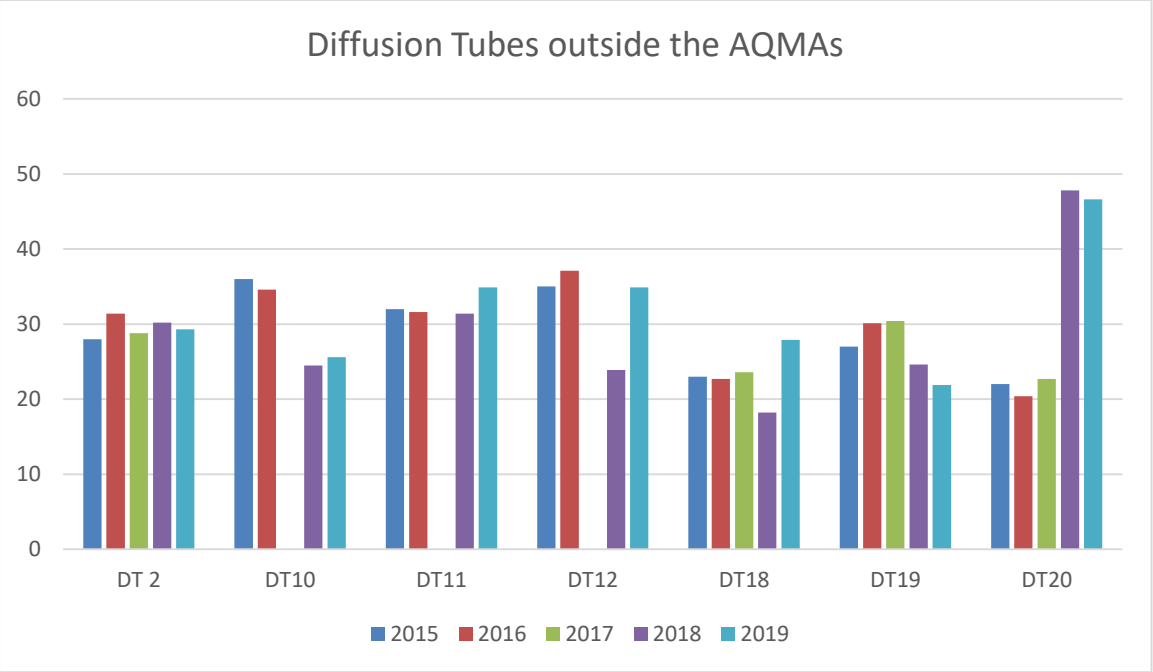
(3) Means for diffusion tubes have been corrected for bias. All means have been “annualised” as per Boxes 7.9 and 7.10 in LAQM.TG16 if valid data capture for the full calendar year is less than 75%. See Appendix C for details.

(4) Concentrations are those at the location of monitoring and not those following any fall-off with distance adjustment.

Figure A.1 – Trends in Annual Mean NO₂ Concentrations







Appendix B: Full Monthly Diffusion Tube Results for 2019

Table B.1 - NO₂ Monthly Diffusion Tube Results - 2019

Site ID	X OS Grid Ref (Easting)	Y OS Grid Ref (Northing)	NO ₂ Mean Concentrations (µg/m ³)												Annual Mean		
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Raw Data	Bias Adjusted (0.75) and Annualised ⁽¹⁾	Distance Corrected to Nearest Exposure ⁽²⁾
DT 1	381394	422756	54.1	51.7	42.7	41.5	44.9	35.0	31.3	34.6	42.8	44.0	45.3	48.2	43.0	32	-
DT 2	385579	421855	36.0	40.3	33.6	50.1	38.5	38.4	32.2	29.0	37.5	46.2	51.7	37.3	39.2	29.3	-
DT 3	379153	422234	50.5	49.3	35.6	31.1	28.5	23.1	23.7	30.4	37	43.2	44	40.7	36.4	27.3	-
DT 4	381325	422740	41.6	43.1	37.8	32.6	25.5	27.5	25.9	41.6	33.9	38.2	53.6	40.3	36.8	27.6	-
DT 5	379209	422171	Missing	53.8	missing	35.4	31	33.1	missing	32.1	missing	43.3	38.3	42.4	38.7	35.8	-
DT 6	379175	422213	49.1	57.1	37.9	37.2	31.6	34.8	35.1	36.8	39.5	44.8	48.6	44.3	41.4	30.8	-
DT 7	379193	422216	57.1	50.4	30.6	42.6	31.4	missing	32.9	29.9	missing	50	60.7	44.8	43.0	32.3	-
DT 8	379197	422213	42.2	46.1	30.4	26.2	25.7	26.9	25.7	26.5	31	40.4	47.7	41.3	34.2	25.7	-
DT 9	379183	422200	50.3	54.3	40.5	36.8	36.3	32.4	35.6	36.9	42.2	42.4	49.5	47.7	42.1	31.6	-

DT 10	379983	419219	43.2	47.5	30	28.7	26.5	29.3	25.8	24.4	31.5	36.1	47.3	38.7	34.1	25.6	-
DT 11	383506	421766	60.6	48.7	47.3	50.8	47.3	45.6	41.6	29.7	40.6	48.7	60.8	36.3	46.5	34.9	-
DT 12	377528	422529	52.7	44.2	35.2	31.2	26.6	29.4	27.4	28	33.5	38.9	41.8	36.9	34.7	34.9	-
DT 13	381377	422756	38.7	missin g	54.1	36.7	26.9	33.4	35.9	35.9	46.9	51.6	61.3	51	42.9	32.2	-
DT 14	381358	422754	61.9	51.2	44.4	30	28.4	32.5	missin g	30.9	42	47.2	58	41.9	42.6	31.9	-
DT 15	381350	422754	39.9	52.7	47.9	35.4	27.8	34.8	34.6	29.8	45.7	50	64.1	51.7	42.9	32.2	-
DT 16	381161	422747	27.8	50.3	40.7	26.5	22	28.4	27.8	33	36	40.4	43.3	48.6	35.4	26.6	-
DT 17	381121	422725	53.6	missin g	missin g	39.2	33.7	37.9	missin g	43	missin g	missin g	63.6	52.9	46.3	34.7	-
DT 18	378094	422560	40.9	40.4	28.6	48.7	29.7	34.9	26.1	28.9	30.8	44.8	49	44.8	37.3	27.9	-
DT 19	377761	422514	37.8	32	25.4	35.4	23.4	26	20.1	18.3	27.3	34.2	44.2	26.5	29.2	21.9	-
DT 20	377899	422488	68	75	missin g	66.9	56.2	58.1	29.4	51.5	63.4	71.9	80.2	62.8	62.1	46.6	-

- Local bias adjustment factor used
- National bias adjustment factor used
- Annualisation has been conducted where data capture is <75%
- Where applicable, data has been distance corrected for relevant exposure in the final column

Notes:

Exceedances of the NO₂ annual mean objective of 40µg/m³ are shown in **bold**.

NO₂ annual means exceeding 60µg/m³, indicating a potential exceedance of the NO₂ 1-hour mean objective are shown in **bold and underlined**.

(1) See Appendix C for details on bias adjustment and annualisation.

(2) Distance corrected to nearest relevant public exposure.

Appendix C: Supporting Technical Information / Air Quality Monitoring Data QA/QC

The diffusion tubes are supplied and analysed by Socotec Didcot. The preparation method used is 50% TEA in Acetone. ESG follows the procedures set out in the Harmonisation Practical Guidance and participates in both AEA solution and The Workplace Analysis Scheme for Proficiency (WASP) tube analysis trials. In the last round of WASP the laboratory was rated 'good'.

The bias adjustment factor being applied to the annual mean for the diffusion tubes is 0.75. This came from the Review and Assessment Helpdesk website V03/20 spreadsheet.

National Diffusion Tube Bias Adjustment Factor Spreadsheet Spreadsheet Version Number 03/20

Follow the steps below (in the correct order) to show the results of relevant co-location studies

Data only apply to tubes exposed monthly and are not suitable for correcting individual short-term monitoring periods

Whenever presenting adjusted data, you should state the adjustment factor used and the version of the spreadsheet

This spreadsheet will be updated every few months; the factors may therefore be subject to change. This should not discourage their immediate use.

The LAQM Helpdesk is operated on behalf of Defra and the Devolved Administrations by Bureau Veritas, in conjunction with contract partner REDCF and the National Physical Laboratory. Spreadsheet maintained by the National Physical Laboratory. Original compiled by Air Quality Consultants Ltd.

Step 1: Select the Location of the Analyzed Tube from the Data Overview

Step 2: Select the Preparation Method from the Data Overview

Step 3: Select the Year from the Data Overview

Step 4: Where there is only one study for a chosen combination, you should use the adjustment factor shown with caution. Where there is more than one study, use the overall factor shown in blue at the foot of the final column.

If you have your own co-location studies from new locations? If uncertain what to do then contact the Local Air Quality Management Helpdesk at LAQMhelpdesk@uk.bureauveritas.com or 0300 0321351

Analysed By	Method	Year	Site Type	Local Authority	Length of Study (months)	Diffusion Tube Mean Conc. (µg/m³)	NORMAN Monitor Mean Conc. (µg/m³)	Bias (%)	Tube Precision (%)	Bias Adjustment Factor (A)
Socotec Didcot	50% TEA in acetone	2009	R	Valley of Glamorgan	11	42	24	68.0%	0	0.68
Socotec Didcot	50% TEA in acetone	2009	R	Valley of Glamorgan Council	12	35	30	85.0%	0	0.85
Socotec Didcot	50% TEA in acetone	2009	R	Dumfries & Galloway Council	10	38	31	81.0%	0	0.81
Socotec Didcot	50% TEA in acetone	2009	RS	Margate Road Intercomparison	12	30	45	40.0%	0	0.71
Socotec Didcot	50% TEA in water	2009	RS	Margate Road Intercomparison	12	36	45	50.0%	0	0.70
Socotec Didcot	50% TEA in acetone	2009	UR	City of York Council	12	27	46	35.0%	0	0.74
Socotec Didcot	50% TEA in acetone	2009	R	City of York Council	11	23	26	28.0%	0	0.79
Socotec Didcot	50% TEA in acetone	2009	R	City of York Council	9	22	23	27.0%	0	0.73
Socotec Didcot	50% TEA in acetone	2009	R	City of York Council	11	49	28	43.0%	0	0.76
Socotec Didcot	50% TEA in water	2009	RS	Fife Council	12	28	21	30.0%	0	0.76
Socotec Didcot	50% TEA in water	2009	R	Fife Council	12	27	21	30.0%	0	0.76
Socotec Didcot	50% TEA in water	2009	R	Fife Council	12	25	16	62.0%	0	0.68
Socotec Didcot	50% TEA in water	2009	R	Fife Council	12	26	22	50.0%	0	0.84
Socotec Didcot	50% TEA in acetone	2009	R	Isle of Wight Borough Council	11	34	26	34.0%	0	0.75
Socotec Didcot	50% TEA in acetone	2009	R	Surrey BC	12	51	29	39.0%	0	0.76
Socotec Didcot	50% TEA in acetone	2009	R	Surrey BC	12	23	27	23.0%	0	0.81
Socotec Didcot	50% TEA in acetone	2009	R	Surrey BC	12	41	33	36.0%	0	0.79
Socotec Didcot	50% TEA in acetone	2009	R	Wrexham County Borough Council	10	29	16	22.0%	0	0.82
Socotec Didcot	50% TEA in acetone	2009	R	City of Wolverhampton Council	12	29	27	49.0%	0	0.67
Socotec Didcot	50% TEA in acetone	2009	R	North Herts DC	12	68	46	38.0%	0	0.78
Socotec Didcot	50% TEA in water	2009	R	Rhonda Gwynedd I CBC	11	31	26	29.0%	0	0.83
Socotec Didcot	50% TEA in acetone	2009	R	Horsesham District Council	12	39	24	24.0%	0	0.80
Socotec Didcot	50% TEA in acetone	2009	R	Horsesham District Council	11	31	22	44.0%	0	0.69
Socotec Didcot	50% TEA in acetone	2009	R	Horsesham District Council	11	22	24	34.0%	0	0.74
Socotec Didcot	50% TEA in acetone	2009	R	Medway Council	10	21	13	59.0%	0	0.63
Socotec Didcot	50% TEA in acetone	2009	R	Medway Council	12	22	24	39.0%	0	0.74
Socotec Didcot	50% TEA in acetone	2009	R	Waverley Borough Council	10	38	30	27.0%	0	0.79
Socotec Didcot	50% TEA in acetone	2009	R	Waverley Borough Council	12	35	24	44.0%	0	0.69
SOCOTEC Didcot	50% TEA in water	2009		Overall Factor* (8 studies)					Use	0.75
SOCOTEC Didcot	50% TEA in acetone	2009		Overall Factor* (24 studies)					Use	0.75

* For Capella Stages/Wareau Veritas (NOT Bureau Veritas) use Grade 0 50% TEA in Acetone

Collocation Data Revisions

Ready: 32 of 2984 records found

Annualisation

Tube 5 only had 67% data capture so needed to be annualised and here is the working out using Preston and Salford Eccles data from the national network for background urban figures

Start date	End date	B1 Preston	DT5	B1 when D1 available
10 January 2019	6 February 2019	36.9		
6 February 2019	6 March 2019	29.0	53.8	29.0
6 March 2019	3 April 2019	20.3		
3 April 2019	1 May 2019	20.0	35.4	20.0
1 May 2019	5 June 2019	18.3	31.0	18.3
5 June 2019	2 July 2019	14.9	33.1	14.9
2 July 2019	7 August 2019	12.6		
7 August 2019	3 September 2019	14.0	32.1	14.0
3 September 2019	2 October 2019	20.4		
2 October 2019	6 November 2019	25.1	43.3	25.1
6 November 2019	4 December 2019	34.5	38.3	34.5
4 December 2019	8 January 2020	26.0	42.4	26.0
Average		22.6Am	36.5M	22.7Pm

Am/Pm 22.6/22.7= 0.99

Start date	End date	B1 Salford Eccles	DT5	B1 when D1 is available
10 January 2019	6 February 2019	38.8		
6 February 2019	6 March 2019	31.7	53.8	31.7
6 March 2019	3 April 2019	22.9		
3 April 2019	1 May 2019	24.0	35.4	24.0
1 May 2019	5 June 2019	18.2	31.0	18.2
5 June 2019	2 July 2019	17.9	33.1	17.9
2 July 2020	7 August 2020	14.9		
7 August 2020	3 September 2020	16.4	32.1	16.4
3 September 2019	2 October 2019	22.4		
2 October 2019	6 November 2019	28.5	43.3	28.5
6 November 2019	4 December 2019	39.2	38.3	39.2
4 December 2019	8 January 2019	28.7	42.4	28.7
Average		25.3Am	36.5M	25.6Pm

Am/Pm 25.3/25.6 =0.98

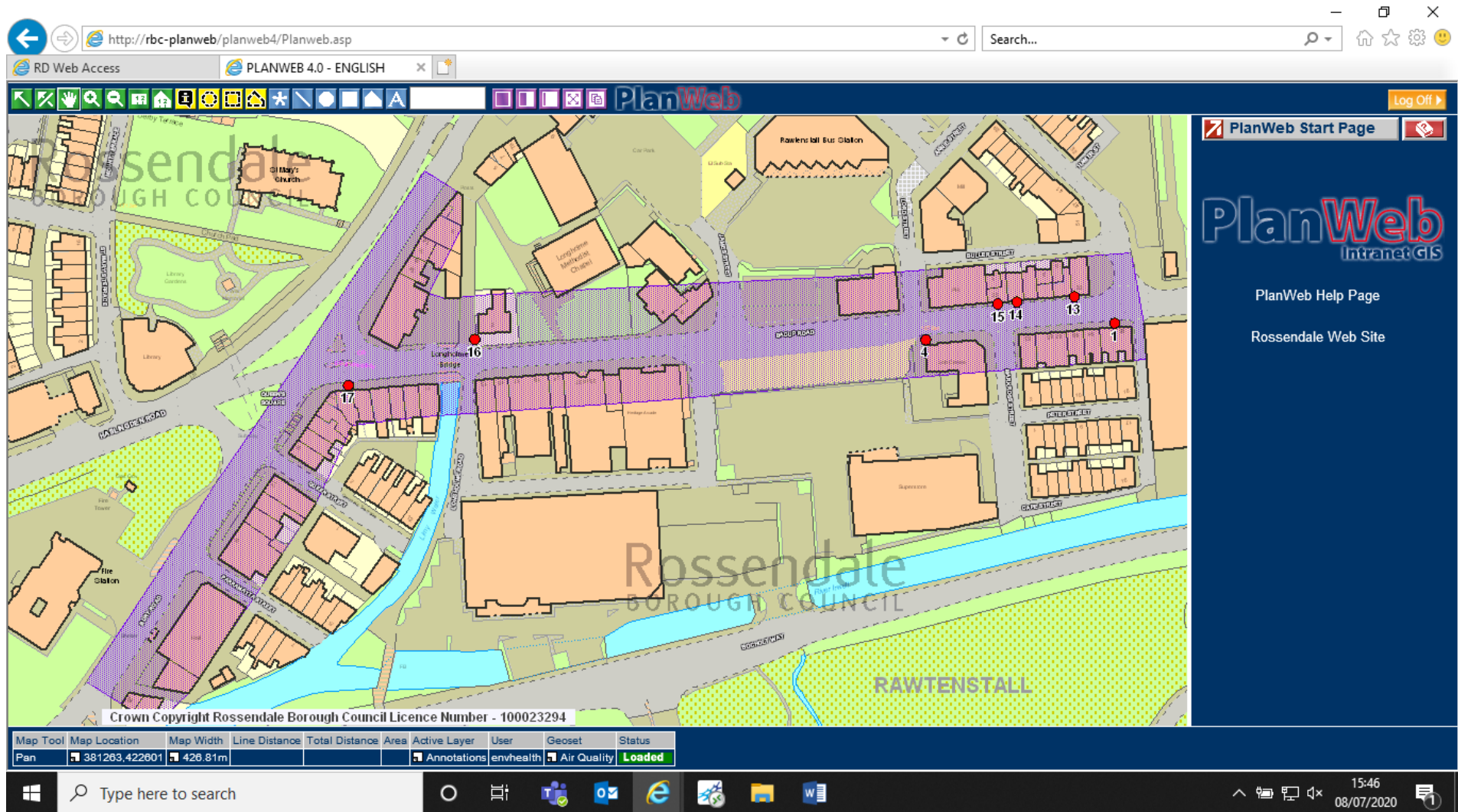
The average of 0.99 and 0.98 = Ra 0.98

Annualised average of D1 =M x Ra= 36.5 x 0.98 = 35.8

Appendix D: Map(s) of Monitoring Locations and AQMAs

AQMA 1 and diffusion tubes 3,5,6,7, 8 and 9

AQMA 2 and location of diffusion tubes 1,4,13,14,15,16 and 17



Tubes 2 and 11 (outside the AQMAs)

http://rbc-planweb/planweb4/Planweb.asp

RD Web Access PLANWEB 4.0 - ENGLISH

PlanWeb Log Off

PlanWeb Start Page

PlanWeb Intranet GIS

PlanWeb Help Page
Rossendale Web Site

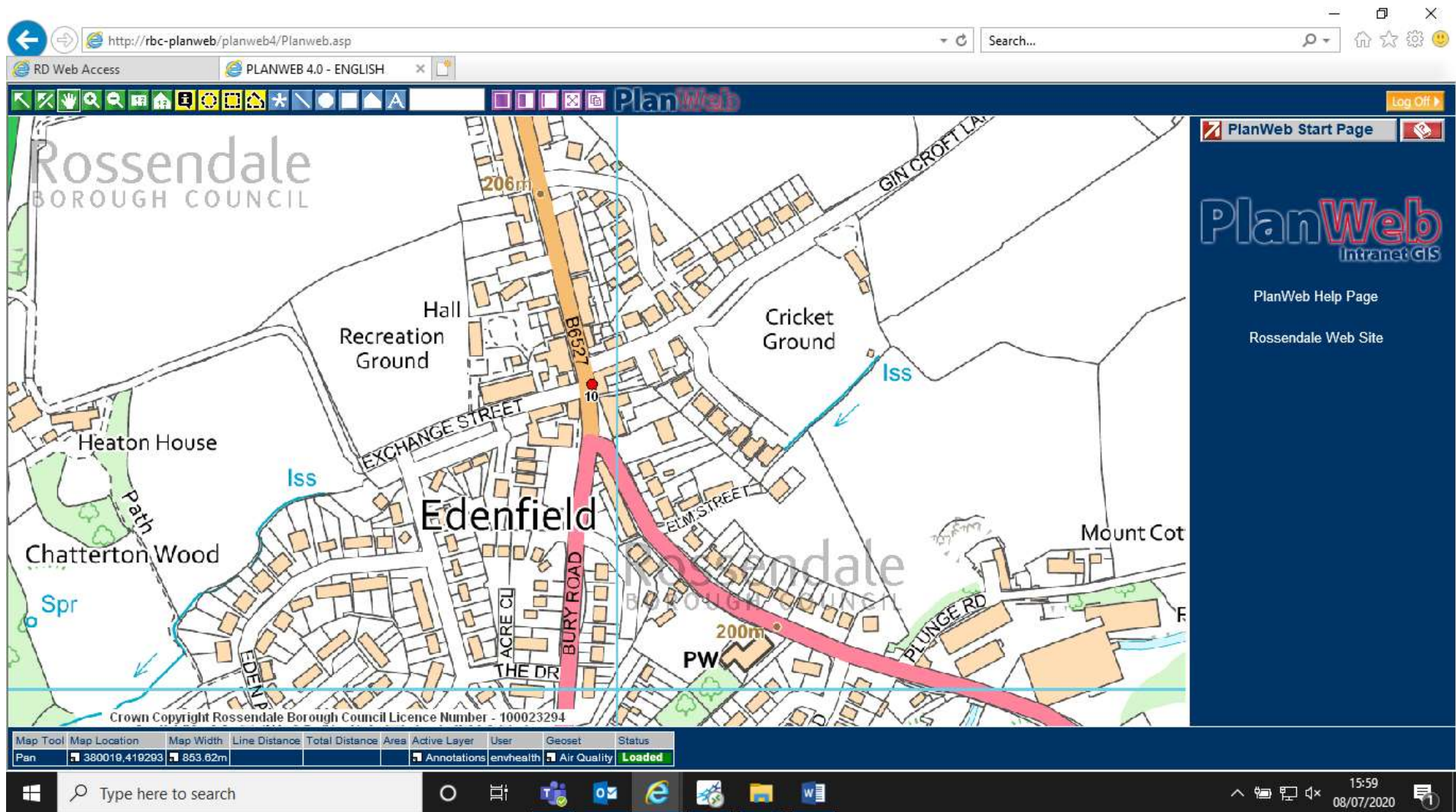
Crown Copyright Rossendale Borough Council Licence Number - 100023294

Map Tool	Map Location	Map Width	Line Distance	Total Distance	Area	Active Layer	User	Geoset	Status
Zoom Out	384300,421896	3414.5m				Annotations	envhealth	Air Quality	Loaded

Type here to search

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Diffusion Tube 10 (outside the AQMAs)



Diffusion Tubes 12, 18, 19 and 20 in Haslingden (outside the AQMAs)

http://rbc-planweb/planweb4/Planweb.asp

RD Web Access PLANWEB 4.0 - ENGLISH

PlanWeb Intranet GIS

PlanWeb Start Page

PlanWeb Help Page

Rossendale Web Site

Log Off

Holden Hall Path

Cemetery

Holden Wood

Waterfoot

GRANE ROAD B6232

WATERSIDE ROAD

ST CRIS

ANK ROAD

GAS STREET

HOLDEN PKWY

WEIR

JUBILEE

208m

209m

12

19

20

18

Crown Copyright Rossendale Borough Council Licence Number - 100023294

Map Tool	Map Location	Map Width	Line Distance	Total Distance	Area	Active Layer	User	Geoset	Status
Pan	377732.422571	853.62m				Annotations	envhealth	Air Quality	Loaded

Type here to search

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Appendix E: Summary of Air Quality Objectives in England

Table E.1 – Air Quality Objectives in England

Pollutant	Air Quality Objective ⁶	
	Concentration	Measured as
Nitrogen Dioxide (NO ₂)	200 µg/m ³ not to be exceeded more than 18 times a year	1-hour mean
	40 µg/m ³	Annual mean
Particulate Matter (PM ₁₀)	50 µg/m ³ , not to be exceeded more than 35 times a year	24-hour mean
	40 µg/m ³	Annual mean
Sulphur Dioxide (SO ₂)	350 µg/m ³ , not to be exceeded more than 24 times a year	1-hour mean
	125 µg/m ³ , not to be exceeded more than 3 times a year	24-hour mean
	266 µg/m ³ , not to be exceeded more than 35 times a year	15-minute mean

⁶ The units are in microgrammes of pollutant per cubic metre of air (µg/m³).

Glossary of Terms

Abbreviation	Description
AQAP	Air Quality Action Plan - A detailed description of measures, outcomes, achievement dates and implementation methods, showing how the local authority intends to achieve air quality limit values'
AQMA	Air Quality Management Area – An area where air pollutant concentrations exceed / are likely to exceed the relevant air quality objectives. AQMAs are declared for specific pollutants and objectives
ASR	Air quality Annual Status Report
Defra	Department for Environment, Food and Rural Affairs
DMRB	Design Manual for Roads and Bridges – Air quality screening tool produced by Highways England
EU	European Union
FDMS	Filter Dynamics Measurement System
LAQM	Local Air Quality Management
NO ₂	Nitrogen Dioxide
NO _x	Nitrogen Oxides
PM ₁₀	Airborne particulate matter with an aerodynamic diameter of 10µm (micrometres or microns) or less
PM _{2.5}	Airborne particulate matter with an aerodynamic diameter of 2.5µm or less
QA/QC	Quality Assurance and Quality Control
SO ₂	Sulphur Dioxide

Subject:	The Whitaker Progress Update and Heritage Fund Uplift	Status:	For Publication		
Report to:	Cabinet	Date:	1 st December 2020		
Report of:	Whitaker National Lottery Heritage Fund Project Manager	Portfolio Holder:	Leader of the Council and Portfolio Holder for Economic Development		
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
Equality Impact Assessment:		Required:	No	Attached:	No
Biodiversity Impact Assessment		Required:	No	Attached:	No
Contact Officer:	Charlotte Steels	Telephone:	07706297542		
Email:	charlottesteels@rossendalebc.gov.uk				

- 1. RECOMMENDATIONS**
- 1.1. **To note the project progress and National Lottery Heritage Fund uplift grant application.**
 - 1.2. **To authorise the Director of Economic Development in consultation with the Head of Legal (Monitoring Officer), Head of Finance and Portfolio Holder to enter into a grant funding agreement for the extra Heritage Fund uplift of c. £250k.**

- 2. PURPOSE OF REPORT**
- 2.1 For Cabinet to review the current progress and position with regards the Whitaker project; to note the request for an uplift in funds from the National Lottery Heritage Fund of c. £250k and authorise if successful.

- 3. BACKGROUND**
- 3.1 In July 2018 a report was presented to and approved by Council with the following recommendations:

- 1. Subject to receiving Heritage Lottery Fund (HLF) approval: Members to delegate authority to the Monitoring Officer in consultation with the Portfolio Holder and Director of Economic Development to enter into a grant funding agreement with HLF as detailed in this report.
- 2. Subject to receiving HLF approval: To approve £189,950 of match funding from the employment and transport reserve to support the implementation of the Whitaker HLF project delivery phase.
- 3. Subject to receiving HLF approval: To approve the creation of a Whitaker HLF Project Officer role (grade 6) on a fixed term contract for the length of the delivery phase.
- 4. For Members to approve the RBC transitional and long term financial arrangements outlined in this report.
- 5. For Members to approve the Council entering into a 25 year lease arrangement, such terms to be delegated to Director of Economic Development and Portfolio Holder.

In July 2019 £1,709,500 was confirmed to be awarded by the National Lottery Heritage Fund towards the Whitaker project. The Council's match funding contribution of £189,950

brought the cash total of the project to £1,899,450. In addition, non-cash contributions and volunteer time of £112k saw a total project value of £2,011,450.

The project has six approved purposes which form part of the contractual agreement with the Heritage Fund to:

- appoint four Part-Time posts of: Heritage Programme Manager; Heritage & Activity Coordinator; Community Development & Volunteer Coordinator; and Project Manager
- refurbish the existing museum and redevelop the barn/stables building and courtyard area to create a new multi-use space via a new-build glazed and timber entrance lobby extension to link with and physically extend the museum
- reimagine/refurbish existing galleries and further refine content for new interpretation and co-curated exhibition space, utilising digital technology where appropriate, reflecting the themes of Nature, Society and Creativity
- create a new shop and expanded eatery/bar offer
- involve 30 volunteers and provide training opportunities for 100 people including placements through Blackburn College
- deliver a programme of ten strands of activity and events as presented in the submitted Activity Plan.

Following the main contract tender stage and the return of tenders, a thorough value engineering process took place with the preferred contractor to ensure an affordable scheme, within approved funding parameters.

In order to get the budget within scope, an extensive value engineering exercise was undertaken before the project could proceed. Encouragement was given to the Whitaker and Rossendale Council to explore additional funds to supplement the Heritage Fund grant.

A small contingency was written into the contract in relation to Covid-19 delays, however at that time, no one was aware of the full implications of the Covid pandemic and the implications that this would have for additional fundraising and sponsorship opportunities.

During the value engineering process, a number of elements were removed from the scheme, with some assigned as areas to be fundraised for by the Whitaker CIC including aspects such as blinds and landscaping. Pre-existing elements of the scheme were already to be undertaken by the Whitaker such as an under 5s targeted “Explore” room and café furniture. However, with the loss of income generation following the full closure of the museum from mid-March due to the Covid-19 pandemic, anticipated income was lost. This coupled with a significant extension of the closure period from what had been anticipated to be 2 months, to what will likely be 13 months minimum, has greatly impacted the Whitaker’s income streams. With the Covid-19 pandemic and both the inappropriateness of approaching local businesses for sponsorship and the closure or reallocation of grant schemes to emergency funds, this has restricted the opportunities and vastly increased the competition faced by the Whitaker to raise grant funding.

The Whitaker have submitted a small number of applications to enhance the museum offer and to replace elements that were unable to be funded by the museum themselves. This

includes the “Explore” room, café furniture and renovations to out-buildings. An application to the Arts Council England Cultural Recovery Fund has now been secured by the museum. This will bring in c. £155k additional income to the Whitaker CIC. Further applications have also been made to grant bodies, the outcome of which is pending.

Given the challenges of the year, the Heritage Fund have recognised the strain that projects are under and has created the opportunity for live projects to access additional funding to enable them to better deliver against the approved outcomes. Given the value engineering required, the Council’s grant officer and Heritage Fund appointed mentors / monitors, have all been very supportive of us seeking additional funding from the Heritage Fund. Officers are applying for just under £250k and this will enable the Council to add value back into the scheme following removal of elements through the value engineering process, and will also improve how the Whitaker are able to respond to the increased challenges presented by Covid.

3.2 **BUILD PROGRESS UPDATE**

The main contractor B&E Boys have made good headway on the capital build works since commencing on site on 29 June 2020. Swift progress was made with demolitions and clearance within the barn and stables and original features are being retained for re-use.

During August and September the structure of the barn was reinforced with steelwork and concrete floors poured. New internal walls were built to form the kitchen, bar and toilet facilities and a new staircase installed.

The foundations were prepared for the new link building and steelwork framing has now been assembled.

Drainage installation has commenced and first fix mechanical, electrical and joinery works are in progress.

Due to the age of the barn and stables building there have been items discovered that were not anticipated which have added pressure to the budget and these are addressed within the scope of the uplift application.

3.3 **CAPITAL CHALLENGES AND VARIATIONS**

There has been an increase in unexpected costs within the contract including:

- the building being found to be in a poorer state of repair than expected with additional structural survey fees and associated works and roof / floor timber repairs being required
- increased costs associated with the commercial kitchen and bar
- increased drainage requirements to alleviate surface water flooding at the rear of the barn and stables which was impacting the building
- alterations requested by Building Control to ensure compliance
- creation of a plant room
- revisions to the external hard landscaping to incorporate a ramp and steps

3.4 HERITAGE FUND UPLIFT PROPOSAL

With regards to items previously omitted from the contract through value engineering processes, it is proposed to fund the following capital related items:

- Renovation of the museum toilets to enable an upgrade of facilities and introduction of an additional accessible WC.
- Blackout blinds to facilitate film screenings
- Hard landscaping
- Additional kitchen fit out costs
- Production and fit out of the interactive “Explore” room for under 5s
- Additional drainage works
- Additional building improvement works

Extending the four project related contracts is also felt to be an important element of the uplift request. This will allow the team to deliver public facing activity over an extended period of time following reopening. This element also has support from the Heritage Fund who recognise the benefits of this extension. This would mean that whilst the build would complete in spring 2021, the activity and engagement side of the project would extend by a full 12 months to the end of December 2022.

4. RISK

- 4.1 The application for uplift is unsuccessful - Officers believe that the Council has a strong case for uplift based on the level of value engineering required to ensure that the scheme was within budget parameters and the impact of the Covid-19 economic climate which has impacted the Whitaker CIC’s ability to access funding and support through the number and variety of channels that were expected. Should funding be unsuccessful, activity will be scaled back again accordingly in line with approved budgets.
- 4.2 Project contingency is insufficient – additional contingency is being included in the uplift application. All big ticket costs have now been identified and costs are being closely monitored by the project team to ensure they remain on target.
- 4.3 Unforeseen additional costs arise – contingency allowances are in place. The build phase has progressed beyond the stage where significant new costs are expected to arise. The project team and main contractor are working closely together to ensure that the project remains on target.
- 4.4 Covid-19 resurgence leads to a disruption of the building works or supply chain – mitigation measures are in place in terms of a specific Covid contingency for items thought to be at risk within the supply chain. Regular reviews of government guidance and safety measures are in place to ensure a safe working environment and to reduce the risk of infection.
- 4.5 The build phase is extended, delaying reopening – regular meetings are being held between the project team and main contractor to ensure that timeframes and critical paths are monitored to prevent significant delays occurring.

5. FINANCE

- 5.1 If the uplift application is successful it will increase the Heritage Fund contribution to £1,959,389, bringing the overall project total to £2,261,339.

5.2 Whilst we anticipate a positive outcome of the Heritage Fund application, this is still a bidding process, therefore the Whitaker should continue to explore alternative funding opportunities.

5.3 Were the bid to be unsuccessful the project will be required to undergo another value engineering process to ensure it remains within the existing budget, unless alternative funding is secured.

6. LEGAL

6.1 The project team continue to monitor the contract to ensure compliance and maintain traction keeping the programme of works in line with the terms and conditions. In the event that the Council is successful in its request for the additional funding it is anticipated that the uplift will be added to the original grant agreement. Any additional requirements will be considered as and when the offer letter is received. In the event that the uplift is not successful the project team will continue to ensure that the scheme is delivered in accordance with both the grant terms and the build contract.

7. POLICY AND EQUALITIES IMPLICATIONS

7.1 As per the initial EIA assessment carried out there are no disproportional impacts. The benefits of the scheme to the wider community are significant and will improve the Whitaker's ability to cater to visitors in a Covid safe environment.

8. CONCLUSION

8.1 By securing an uplift in funding from the Heritage Fund, the project will add value back into the scheme and improve visitor facilities in line with best practice and government / public health guidelines.

To approve the recommendations as detailed:

1. To note the project progress and National Lottery Heritage Fund uplift grant application.
2. To authorise the Director of Economic Development in consultation with the Head of Legal (Monitoring Officer), Head of Finance and Portfolio Holder to enter into a grant funding agreement for the extra Heritage Fund uplift of c. £250k.

Background Papers	
Document	Place of Inspection
Whitaker HLF Council Report July 18	https://www.rossendale.gov.uk/meetings/meeting/1096/council

Subject:	Empty Homes project budget	Status:	Public
Report to:	Cabinet	Date:	1 st December 2020
Report of:	Chief Executive	Portfolio Holder:	Leader of the Council
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input checked="" type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment	Required: No	Attached:	No
Contact Officer:	Chief Executive	Telephone:	01706 252447
Email:	neilshaw@rossendalebc.gov.uk		

1. RECOMMENDATION

That Cabinet approves a revenue increase to the Empty Homes project budget for 2020/21 of £650k, increasing the in-year revenue budget to £950k, funded from the transitional budgetary support reserve.

2. PURPOSE OF THE REPORT

- 2.1 To seek Cabinet approval of an amendment to the Empty Homes project budget for this financial year. The report explores the budgetary pressures on the project and the rationale for an increase in the project budget for this financial year.

3. BACKGROUND

- 3.1. Since 2015 the council has been managed the legacy of the collapse of AAW. AAW were commissioned to act as the managing agent to bring empty homes back into usage across East Lancashire. With the demise of AAW, the council became responsible for managing the remaining properties on the scheme. All of which were leased to AAW by their owners.
- 3.2. On 28 July 2020 the council's Audit & Accounts Committee received a detailed report on the background to the project and its management. In February 2020, as part of the council agreeing its 2020/21 budget it agreed a project budget for Empty Homes of £300k.

4. THE PROJECT IN 2020/21

- 4.1. Currently 112 properties remain in the scheme. Managing the project remains extremely challenging. In recent months a number of improvements have occurred, including:
- Calico relationship – regular meetings are taking place with Calico and a number of operational issues have been resolved around finance information, end of lease processes and overall the relationship is improving
 - Relationship with contractors – on-going savings are being made through negotiation with contractors undertaking repair/improvement works
 - Loan repayment – new process introduced to better notify owners of any outstanding loan at handback and seeking greater clarity on repayment schedule of the loan
- 4.2. During 2020 a legal firm have been pursuing legal claims against the council in respect of both properties still in the scheme and some properties which have now been handed back to owners. Dealing with these claims has proven very time consuming and

challenging. Settling these claims is significantly increasing the costs associated with the project.

- 4.3. As at the end of quarter 2, total costs for 2020/21 are £369k. A further £153k anticipated costs are already committed for the remainder of the year and this is set to increase through the second half of the year. The total net cost of the project (from 2015/16) to the end of September 2020 is £6.50m.
- 4.4. The table, below, outlines the 2020/21 costs to date:

<i>Description</i>	<i>Actual</i>	<i>Commitment</i>	<i>Total</i>
Building Renovation Costs ¹	179,017	103,331	282,349
General Repairs ²	44,910	46,283	91,194
Rent	86,428	0	86,428
Council Tax	21,743	0	21,743
Professional Fees ³	22,729	450	23,179
Door Security	2,110	427	2,537
Settlement Payments to Owners ⁴	24,635	0	24,635
Legal Fees	7,760	2,690	10,450
Provision for Bad Debt	2,128	0	2,128
Repayment of Principal	36,467	0	36,467
Other Costs Recovered	-36,467	0	-36,467
Rental income ⁵	-21,929	0	-21,929
TOTAL	369,535	153,182	522,718

¹ Costs associated with significant end of lease property improvements to ensure they meet the Decent Homes Standard

² Day to day repairs including tenant damage (beyond 'wear and tear')

³ Primarily building surveyor costs for the 19 Newgreen properties

⁴ Legal settlement with owners, primarily back rent previously withheld

⁵ This does not include rental income received by Calico for the 87 properties they manage, as part of the agreement to cover their tenant management costs

- 4.5. The costs have been greater than anticipated when the budget was set in February 2020. 32 properties have (or are) being dealt with this year where normal repair/tenant damage issues apply. £215k has been spent to date on 25 properties and we anticipate a further £60k for 7 properties before year end.
- 4.6. However, the biggest contributor to the increased cost relates to properties already handed back at end of lease (when they expired in 2018/19). Legal claims have been submitted to the council based on:
- Original AAW works not being completed
 - Deterioration over the lease period
 - Tenant damage
- 4.7. Not all legal claims are likely to fall into this financial year. This is outside of the normal property repair issues for properties still under lease. This year we have paid out either via a court order of mutual agreement £46k (an average £9k per property). The initial claims average £18k per property, but to date the council has settled at an average of

£9k. In summary, in the year to date we have handed back 38 properties costing an average of £9k each (totalling £342k).

- 4.8. Given the significant cost related to the settlement on properties subject to legal claims the project budget has been exceeded. The projected costs over the remainder of the year will bring the anticipated cost for 2020/21 to £950k.
- 4.9. The conditions of the lease are extremely restrictive. As a result, the council has no legal grounds to dispute a large proportion of the claims. It is actively challenging individual claims as well as day-to-day on-going repairs on the 115 remaining leased properties. This is reducing the scale of the liability, but the scale of this is very limited given the overall scale of both current works and claims related to historical leases.

5. RISK

- 5.1. The project's risk register identifies seven current significant risks. The cost of repairs/works to properties exceeding the annual budget and the extent and impact of legal action taken against the council, both financial and reputational are two of these risks. The council has been using its agreed approach to mitigating these risks throughout the year. This includes; challenging Calico on the standard of repairs required, negotiating with contractors to ensure value for money is obtained and ensuring and end of repairs check is undertaken. However, as outlined in section 4.9 the conditions of the lease are extremely restrictive giving the council very limited scope to control costs related to legal claims.
- 5.2. The five other significant risks identified in the project risk register are monitored by the project team on an on-going basis. This includes, for example, ensuring the percentage of tenanted properties does not decline reducing rental income and properties not being returned at end of lease increasing liability.

6. COMMENTS FROM STATUTORY OFFICERS:

6.1. SECTION 151 OFFICER

The financial monitoring of the project is summarised in sections 4.3 to 4.8 of this report.

The council's 2020/21 revenue budget allocated £300k to the project. This report requests that the budget is increased to £950k and the associated adjustments made to the council's overall budget. The additional budget of £650k will be funded from the transitional budgetary support

Whilst this report is requesting an additional £650k revenue funding, wherever possible expenditure will be capitalised e.g. for renovation works, this will give the council the option to borrow to fund these costs, thus spreading the cost over several years and alleviating the adverse impact on the council's 2020/21 revenue budget.

6.2. MONITORING OFFICER

The legal issues including the property leases are explored in the report.

7. CONCLUSIONS

- 7.1. The council has made a provision of £300k in the Medium Term Financial Strategy for 2020/21 for the project. The project team monitor the cost and have projected the future costs of the project, to year end. This totals an anticipated £950k. The council will work hard to minimise on-going and future costs associated with the project. Whilst it is more

able to do this in relation to future discussions related to repairs and rental payments, it is much more restricted in its ability to mitigate costs associated with historic legal claims

Background Papers	
Document	Place of Inspection
2020/21 Corporate Priorities, Council Tax and the Medium Term Financial Strategy Council (26 February 2020)	https://www.rossendale.gov.uk/meetings/meeting/1184/council
Empty Homes project Audit & Accounts Committee (28 July 2020)	https://www.rossendale.gov.uk/meetings/meeting/1208/audit_and_accounts_committee
Management response to the Lancashire County Council Internal Audit report: "Bringing Empty Homes into Use" (inc the LCC Internal Audit report)	https://www.rossendale.gov.uk/meetings/meeting/874/council
Council (9 December 2015)	

Subject:	Disposal of The Former Liberal Club	Status:	Report for Publication
Report to:	Cabinet	Date:	1 st December 2020
Report of:	Director of Economic Development	Portfolio Holder:	Resources
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATIONS
1.1	Cabinet to authorise the disposal of The Former Liberal Club (Lord Street, Rawtenstall) terms to be delegated to the Director of Economic Development in consultation with the portfolio holder.
1.2	Cabinet approve the award of the disposal of The Former Liberal Club to Bidder 1 (Appendix II)
1.3	Cabinet to authorise a legal covenant be placed on the building, terms of which to be delegated to the Director of Economic Development in consultation with the portfolio holder.

2. PURPOSE OF REPORT

2.1 The purpose of this report is to request approval in order to proceed with the disposal of The Former Liberal Club, Lord St, Rawtenstall; and approval of the terms of a deed of covenant.

3. BACKGROUND

3.1 The Former Liberal Club, was purchased by the Council to provide additional office accommodation. It is situated in a prominent location within Rawtenstall Town Centre. The property is now an unused asset that is deemed surplus to requirements.

3.2 In order to consider potential use of the building, the Planning Department have provided a constraints checklist which summarises that the property lies within the Rawtenstall Town Centre Conservation Area (CA) and therefore, any external alterations will need to be sympathetic to the character of the building itself and its position within the CA. Being in a town centre location a number of uses would be appropriate, including residential.

3.3 An external RICS accredited valuation has been undertaken to determine the market value of the property (confidential Appendix I) for residential and / or commercial use. Bidders 1 and 2 are within the tolerance of the RICS valuation.

3.4 In order to market the property for disposal, three independent quotes were obtained from local commercial agents to assess the most cost effective and pragmatic approach. Following this process Taylor Weaver were instructed to market the property. To ensure compliance a non-domestic EPC report has been undertaken prior to the property being listed.

3.5 The property has been listed on the open market and advertised extensively including an online listing and physical sale board affixed to the building.

Due to the levels of interest received, two subsequent open days were scheduled and held on an appointment basis. All appointments were held within COVID-19 guidelines. Following the opportunities to view, interested parties were advised to undertake any due diligence required and were invited to submit offers through a tender process. Three bids were received with a further fourth bid arriving after the deadline and therefore excluded. A table of the bids received is within Appendix III

- 3.6 It has been agreed in principle with the best price bidder that a deed of covenant will be produced that ensures continued appropriate use of the building. This will include a best endeavours clause to bring the building into meaningful use and will restrict the future use to retail, restaurant / takeaway or residential; all development will need to comply with planning permission and the conservation area status of the location.
- 3.7 The highest bidder, bidder 1 has a successful track record of property conversion within a conservation area and has provided a reference and supporting documentation. If Bidder 1 withdraws, further due diligence will be undertaken with the remaining bidders within the RICs valuation range. If this is unsatisfactory then the project will be re tendered.
- 3.8 The tender process was undertaken in line with the constitution and on a best price basis.
- 3.9 Due diligence has been undertaken with the best price bidder who has provided evidence of financial credibility and evidence of a successful scheme previously undertaken within a conservation area.

4. RISK

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- There is an opportunity cost of retention of the asset as the building is not in use and could be used for employment and residential purposes.
 - The bidder pulls out of the sale before exchange. The Council would then approach remaining bidders or alternatively can re tender and advertise the property on the open market again.
 - The sales fall through after exchange and agency fees and legal costs are payable. This is a commercial risk and officer will work closely with all parties to mitigate any possibilities of this happening.
 - The successful bidder does not commence refurbishment. This has been mitigated by a best endeavors clause within the covenant; the Council also has statutory powers when necessary.
 - The risk of a future owner developing the property unsympathetically. The position of the property within the Rawtenstall Town Centre Conservation Area ensures that from a Planning perspective any external alterations will need to be sympathetic to the character of the building itself and its position.

5. FINANCE

- 5.1 The Council is required to ensure best value when disposing of unused assets, in order to achieve this the Council engaged external RIC's accredited valuers to determine the market value of the asset. The winning bid received is within the tolerance of RICs

Valuation.

The sale will result in a capital receipt for the Council.

- 5.2 The property will bring a capital receipt to the council and this will be allocated to the Useable Capital Receipts Reserve.

6. LEGAL

- 6.1 Cabinet has authority to deal with assets valued at over £100,000.01 by the Council's external Valuer and all acquisitions and disposals of land, buildings or other property where the Council's external Valuer values the land, buildings or other property at more than £250,000 but less than £1 million and it is proposed to accept the highest bid and the highest bid matches or exceeds the valuation of the Council's external Valuer.

It is proposed to accept the highest bid which falls within the tolerance of the Council's external valuer and therefore complies with the Constitution.

The legal contracts will reflect the Heads of Terms raised within the body of this report and include a covenant around the restriction on use of the building and bringing the same back into use within a reasonable timescale. This will secure an appropriate redevelopment of a surplus dilapidated building in a timely manner.

7. POLICY AND EQUALITIES IMPLICATIONS

- 7.1 No Human Resources Implications Arising from the report.

8. CONCLUSION

- 8.1 The Former Liberal Club is an underused asset that will require future Council investment if it remains out of use. A disposal of the asset will provide an opportunity for an underutilised building to be developed and will provide a capital receipt to the council and adding benefit to the local area.

Background Papers	
Document	Place of Inspection
Appendix I	<i>Futures Park – Confidential</i>
Appendix II	<i>Futures Park – Confidential</i>
Appendix III	<i>Futures Park – Confidential</i>