

<b>Subject:</b>	Financial Monitoring Report 2020/21 Q1 & Q2	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	1 <sup>st</sup> December 2020
<b>Report of:</b>	Finance Manager	<b>Portfolio Holder:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
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<b>1.</b>	<b>RECOMMENDATION</b>
	<b>That Members note the current adverse variance in the council's revenue budget and the actions to address this before year end.</b>

**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.

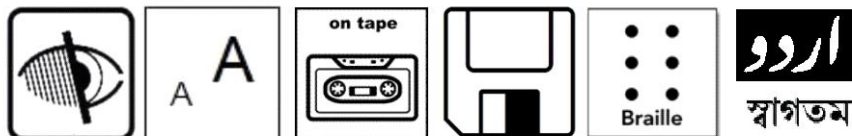
Within the scope of what the council has the power to control budgets are being effectively managed. However, some expenditure/loss of income is either very difficult to control (such as the Empty Homes project) or beyond our control (such as the impact of the Covid pandemic).

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
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 1<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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

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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 1<sup>st</sup> 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.

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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.

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## 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
<b>Communities Directorate</b>					
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
<b>Economic Development Directorate</b>					
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
<b>Corporate Management Directorate</b>					
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)
<b>TOTAL Service Cost</b>	<b>9,006.05</b>	<b>8,948.0</b>	<b>58.1</b>	<b>-</b>	<b>58.1</b>
<b>LESS Use of Earmarked Reserves</b>					
Retained Business Rates Reserve	(686.0)	(686.0)	-	-	-
Transitional Budgetary Reserve	-	58.1	(58.1)	-	(58.1)
<b>LESS Use of New Homes Bonus Grant</b>					
	(302.0)	(302.0)	-	-	-
<b>Net Service Cost</b>	<b>8,018.1</b>	<b>8,018.1</b>	<b>-</b>	<b>-</b>	<b>-</b>

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)	
<b>Customer Services and e-Government</b>			
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
<b>Operations</b>			
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
<b>Public Protection</b>			
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
<b>Economic Development</b>			
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
<b>Corporate Management</b>			
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
<b>Non-Distributed Costs &amp; Capital Financing</b>			
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)
<b>Favourable/(adverse) variance</b>	<b>58.1</b>	<b>58.1</b>	<b>58.1</b>

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## Monthly Financial Monitoring Report 2020/21 Q1 June 2020

### 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
<b>Customer Services</b>					
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
<b>Strategic Functions</b>					
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	-	-	-
<b>ICT Support</b>	621.0	614.0	7.0		7.0
<b>Leisure Services</b>	71.0	71.0	-	-	-
<b>Pest Control</b>	(0.7)	-	(0.7)	-	(0.7)
<b>Total</b>	<b>1,424.8</b>	<b>1,417.6</b>	<b>7.2</b>	<b>-</b>	<b>7.2</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
Staff	-	2.7	2.7	G
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)	(20.0)	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	-	1,158.0	1,158.0	G
Business Rates transfer to Retained Business Rates Reserve	-	(1,331.0)	(1,331.0)	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)	(0.4)	A
<b>TOTAL</b>	<b>-</b>	<b>7.2</b>	<b>7.2</b>	<b>G</b>

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## Monthly Financial Monitoring Report 2020/21 Q1 June 2020

### 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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# Monthly Financial Monitoring Report 2020/21 Q1 June 2020

## 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
<b>Operational Functions</b>					
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
<b>Communities</b>					
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	-	-	-
<b>Total</b>	<b>2,928.8</b>	<b>2,899.1</b>	<b>29.7</b>	<b>-</b>	<b>29.7</b>

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

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# Monthly Financial Monitoring Report 2020/21 Q1 June 2020

## 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 (1<sup>st</sup> 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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# Monthly Financial Monitoring Report 2020/21 Q1 June 2020

## 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)
<b>Strategic Housing</b>					
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
<b>Total</b>	<b>621.9</b>	<b>498.6</b>	<b>123.3</b>	<b>-</b>	<b>123.3</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	-	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	
<b>TOTAL</b>	<b>-</b>	<b>123.3</b>	<b>123.3</b>	

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# Monthly Financial Monitoring Report 2020/21 Q1 June 2020

## 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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## Monthly Financial Monitoring Report 2020/21 Q1 June 2020

### 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
<b>Planning</b>					
Development Control	157.8	159.2	(1.4)	-	(1.4)
Forward Planning	151.0	129.4	21.6	-	21.6
<b>Building Control</b>					
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
<b>Regeneration</b>					
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)
<b>Property Services</b>					
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
<b>Total</b>	<b>1,199.9</b>	<b>1,154.5</b>	<b>45.4</b>	<b>-</b>	<b>45.4</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
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)	A
Valuation Fees (Taylor Weaver)	-	(5.5)	(5.5)	A
Area Forums	-	(6.0)	(6.0)	A
Other Miscellaneous Variances	-	0.4	0.4	G
Planning/Forward Planning Consultancy fees/ Legal fees	-	(36.9)	(36.9)	A
Planning Application Fee Income (excluding additional 20% broken housing market)	-	11.3	11.3	G
Building Control Fees	-	(26.5)	(26.5)	A
Office savings	-	1.6	1.6	G
Property Running Costs: Repairs & Maintenance	-	0.3	0.3	G
Electricity, Gas & Water	-	(13.6)	(13.6)	A
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)	A
MRP charge for Futures Park Plot 5	-	(68.9)	(68.9)	A
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)	A
<b>TOTAL</b>	<b>-</b>	<b>45.3</b>	<b>45.3</b>	<b>G</b>

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## Monthly Financial Monitoring Report 2020/21 Q1 June 2020

### 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 31<sup>st</sup> 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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## Monthly Financial Monitoring Report 2020/21 Q1 June 2020

### 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
<b>Corporate Management</b>					
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	-	-	-	-	-
<b>Legal Services</b>	176.3	174.1	2.2	-	2.2
<b>Land Charges</b>	(20.1)	(7.6)	(12.4)	-	(12.4)
<b>Democratic Services</b>					
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
<b>Financial Services</b>					
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
<b>People &amp; Policy</b>					
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
<b>Total</b>	<b>2,299.8</b>	<b>2,284.8</b>	<b>15.1</b>	<b>-</b>	<b>15.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
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)	
<b>TOTAL</b>	<b>-</b>	<b>15.1</b>	<b>15.1</b>	

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# Monthly Financial Monitoring Report 2020/21 Q1 June 2020

## 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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## Monthly Financial Monitoring Report 2020/21 Q1 June 2020

### 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
<b>Non Distributed Costs</b>					
Employee & Pension Costs	94.1	212.9	(118.8)	-	(118.8)
Other Non-distributed Costs	19.5	39.4	(19.9)	-	(19.9)
<b>Capital Financing</b>					
Minimum Revenue Provision	371.3	371.3	-	-	-
Interest (net)	45.9	69.7	(23.8)	-	(23.8)
<b>Total</b>	<b>530.8</b>	<b>693.3</b>	<b>(162.5)</b>	-	<b>(162.5)</b>

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

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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
<b>Balance at 01/04/2020</b>	<b>815.7</b>	<b>35.6</b>	<b>2,639.9</b>	<b>1,729.8</b>	<b>232.8</b>
<b>Funds Received 2020/21</b>					
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	
<b>Total Funds Available</b>	<b>815.7</b>	<b>35.6</b>	<b>3,878.9</b>	<b>2,029.9</b>	<b>232.8</b>
<b>2020/21 Published Budget Utilisation</b>					
Retained Business Rates			(686.0)		
New Homes Bonus				(302.0)	
General budget support					
<b>2020/21 Other Utilisation Plans</b>					
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					
<b>Reserve Estimates 31/3/2021</b>	<b>(0.0)</b>	<b>0.0</b>	<b>3,192.9</b>	<b>1,704.3</b>	<b>78.2</b>
<b>Future Contributions/Utilisation Plans</b>					
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
<b>Potential Reserve Balances</b>	<b>(0.0)</b>	<b>0.0</b>	<b>2,392.9</b>	<b>526.3</b>	<b>0.0</b>

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
<b>Total 20/21 projects</b>	<b>839.3</b>

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<b>Earmarked Reserves (cash-backed items only)</b>	Vehicle Reserve	Leisure Reserve	Directorate Reserves	General Reserve	<b>Total</b>
	AN060130	AN060118	AN060121		
<b>Balance at 01/04/2020</b>	<b>189.0</b>	<b>64.2</b>	<b>745.0</b>	<b>1,000.0</b>	<b>7,452.0</b>
<b>Funds Received 2020/21</b>					
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
<b>Total Funds Available</b>	<b>189.0</b>	<b>64.2</b>	<b>745.0</b>	<b>1,000.0</b>	<b>8,991.1</b>
<b>2020/21 Published Budget Utilisation</b>					
Retained Business Rates			0.0		(686.0)
New Homes Bonus			0.0		(302.0)
General budget support			0.0		0.0
<b>2020/21 Other Utilisation Plans</b>					
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)
<b>Reserve Estimates 31/3/2021</b>	<b>149.0</b>	<b>63.3</b>	<b>633.9</b>	<b>1,000.0</b>	<b>6,821.5</b>
<b>Future Contributions/Utilisation Plans</b>					
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
<b>Potential Reserve Balances</b>	<b>84.0</b>	<b>63.3</b>	<b>230.6</b>	<b>1,000.0</b>	<b>4,297.0</b>

### 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				
<b>Balance at 01/04/2020</b>	<b>1,183.7</b>	<b>52.9</b>	<b>6.8</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>38.4</b>	<b>1,285.2</b>
<b>New Funds Received 2020/21</b>								
Grant due/received	1,022.4				1,908.0	734.0	842.7	4,507.1
<b>Total Funds Available</b>	<b>2,206.1</b>	<b>52.9</b>	<b>6.8</b>	<b>2.1</b>	<b>1,908.0</b>	<b>734.0</b>	<b>881.1</b>	<b>5,791.0</b>
<b>Utilisation in 2020/21</b>								
DFGs allocation 2020/21 - <i>forecast</i>	(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)
<b>Anticipated Balance 31/03/2020</b>	<b>1,206.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,206.1</b>
<b>Future Utilisation Plans</b>								
2021/22 plans	(1,000.0)		0.0	0.0				(1,000.0)
2022/23 plans	(206.1)							(206.1)
<b>Potential Reserve Balances</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>

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

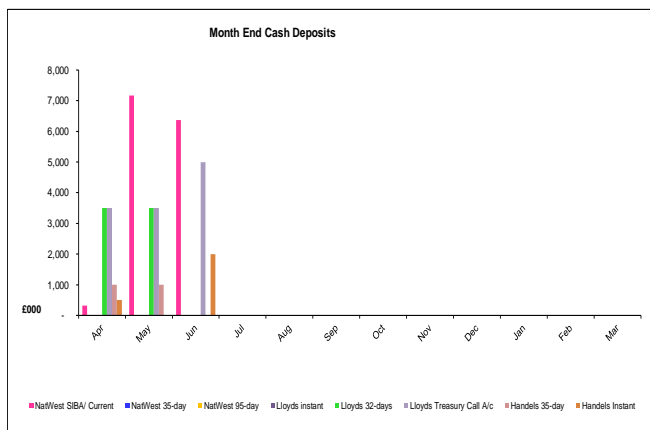
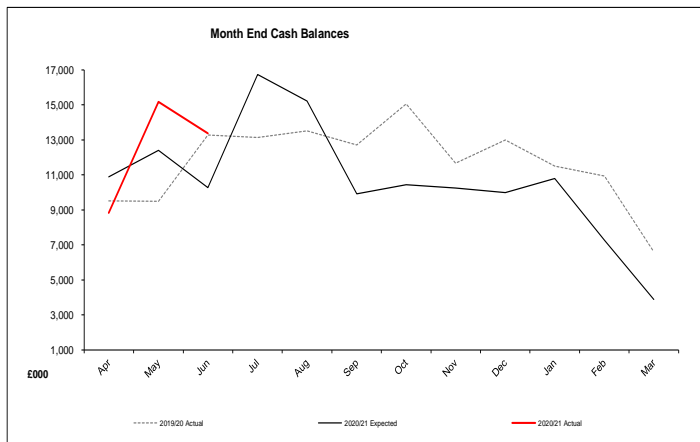
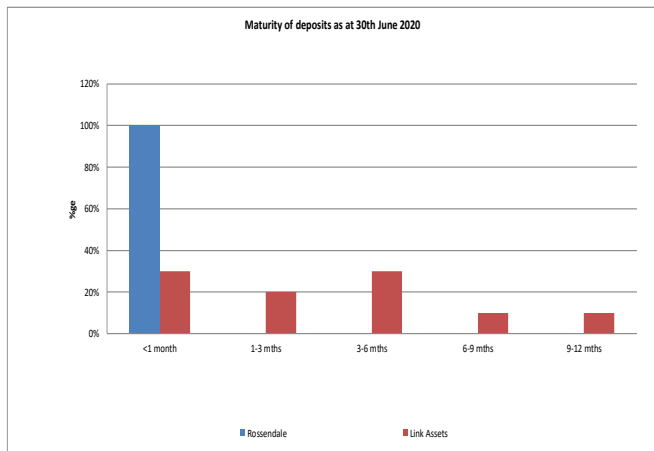
Employment Costs 2020/21 to end June	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2020/21	FTE Changes during 2020/21	Current Vacant Posts
<b>Communities Directorate</b>								
Customer Services	84	82	3	-	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
<b>Economic Development Directorate</b>								
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
<b>Corporate Services</b>								
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
<b>Total</b>	<b>1,526</b>	<b>1,398</b>	<b>128</b>	<b>-</b>	<b>128</b>	<b>166.2</b>	<b>0.0</b>	<b>12.2</b>

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# Monthly Financial Monitoring Report 2020/21 Q1 June 2020

## 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
<b>Total Bal &amp; Avg interest</b>	<b>13,382</b>	<b>0.05</b>

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)
<b>Revenue</b>				
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)
<b>Net Interest</b>	<b>(79.6)</b>	<b>(94.0)</b>	<b>(14.4)</b>	<b>(14.4)</b>

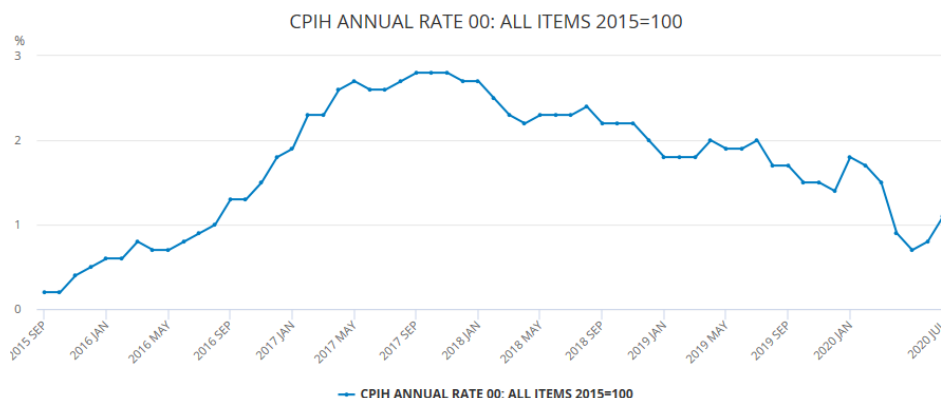
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## Monthly Financial Monitoring Report 2020/21 Q1 June 2020

### 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
<b>Base Rate est</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
<b>25yr PWLB est</b>	2.56%	2.50%	2.50%	2.50%	2.60%	2.60%	2.60%
<b>25yr PWLB Rev</b>	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 1<sup>st</sup> April 2019.

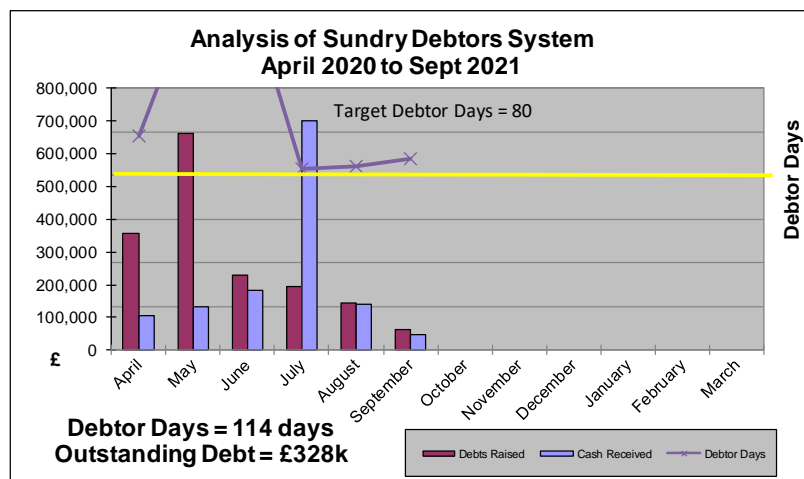
The lowest the Council's instant access cash resources reached in Q1 was £3,310k on the 29<sup>th</sup> May between the precepts of over £3.6m going out on the 27<sup>th</sup> and the Collection Fund Revenues of £2.2m coming in on the 1<sup>st</sup> June. The highest that the instant resources reached was between £21,173k. up to the 8<sup>th</sup> 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 9<sup>th</sup> April before the Business grant and precepts were paid the following week.

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# Monthly Financial Monitoring Report 2020/21 Q1 June 2020

## 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%.

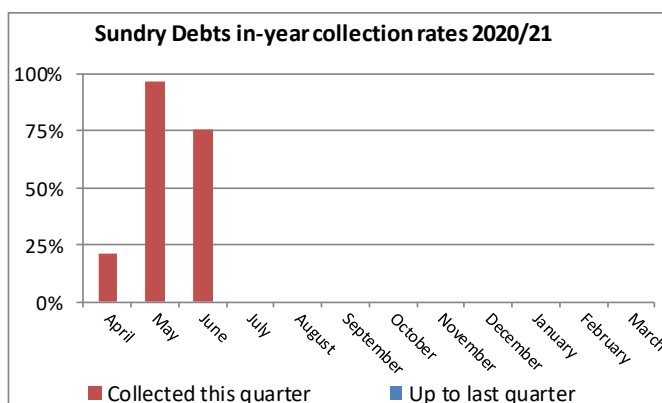
## Housing Rent Debts

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
<b>Total Debt o/s</b>	<b>633.0</b>	<b>582.0</b>		<b>362.4</b>		<b>655.6</b>		<b>257.6</b>

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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## Monthly Financial Monitoring Report 2020/21 Q1 June 2020

### Capital Resources

**Table 1 - 2020/21 receipts**

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

### 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 1<sup>st</sup> 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
	<b>7,144</b>
Revenue Contributions	
from Earmarked Reserves	236
from S106 agreements	17
from Revenue Operations	100
<b>Total Capital Resources 2020/21</b>	<b>7,497</b>
Capital Prog funding applied	(5,487)
<b>Total Capital Resources March 2020</b>	<b>2,010</b>
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	Revised Cap Prog	Spent/ Ordered	Full-Year Forecast	Forecast Funding Arrangements				
	£000	£000	£000	£000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Impact
<b>Communities Directorate</b>									
IT Software & Equipment	0	0	0	0	0	0	0	0	0
Operations	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
<b>Economic Dev Directorate</b>									
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
	<b>1,526</b>	<b>7,471</b>	<b>1,883</b>	<b>7,450</b>	<b>4,419</b>	<b>645</b>	<b>424</b>	<b>1,963</b>	<b>182</b>

Capital Programme 2020/21	£000	Funded by
Original Capital Programme	1,526	
Slippage from 2019/20	5,573	see list
<b>New capital projects in 2020/21</b>		
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
<b>Revised Capital Programme</b>	<b>7,471</b>	

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
<b>Communities Directorate</b>					
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		
<b>Economic Development Directorate</b>					
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
	<b>3,452</b>	<b>2,034</b>	<b>6</b>	<b>191</b>	<b>1,222</b>
	<b>5,573</b>	<b>3,395</b>	<b>323</b>	<b>279</b>	<b>1,577</b>

### 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

<u>Section 106 Agreements 2020/21</u>	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)
<b>Current Balance</b>	<b>320.3</b>	<b>108.9</b>	<b>482.9</b>	<b>912.1</b>

The value of S106 agreements brought forward on the 1<sup>st</sup> 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
<b>RBC Maintenance:-</b>					
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
					<b>108,916</b>
<b>RBC Capital:-</b>					
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
					<b>515,446</b>

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

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

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

In 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)	Q1 (50% Pilot)
		£000	£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
<b>Net NNDR due</b>	<b>A</b>	<b>12,221</b>	<b>11,183</b>
Less Trans surcharge	B	0	15
Less Precepts		(12,236)	(12,236)
Cash Surplus/(Deficit)	C	(15)	(1,038)
<b>RBC Share = C x 40%</b>	<b>D</b>	<b>(6)</b>	<b>(415)</b>
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)	Q1 (50% Pool)
		£000	£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
<b>Surplus for Levy Calculations</b>	<b>F</b>	<b>1,293</b>	<b>1,148</b>
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)	Q1 (50% Pool)
		£000	£000
Business Rates Surplus/(Deficit) 2020/21	F	1,293	1,148
less Lancashire Pooling Levy	G	(65)	(57)
Renewable Energy		173	173
<b>Pooling Gain</b>	<b>H</b>	<b>1,401</b>	<b>1,264</b>
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)
<b>Total Retained Business Rates Resources C fwd</b>		<b>3,739</b>	<b>3,193</b>

£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 دیا جا سکتا ہے۔  
میریٹائی میں یا نہیں، ہم خوشی آپ کے لئے اس کا انتظام کریں گے۔  
ہمارے میرٹائی 01706 217777 پر ٹیلیفون کریں یا بھرنے والی ٹیکسٹ پیغام سے اس سے رابطہ قائم 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।

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Other formats available on request.

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Rossendale Borough Council

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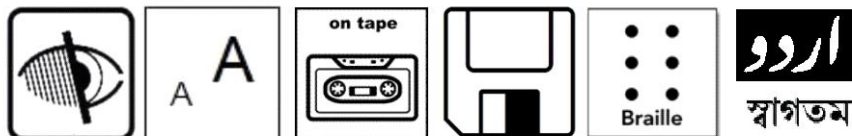
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# Financial Monitoring Report

**2020/21 Q2 as at end of September 2020**

*Including a Glossary of terms on page 29*



## Monthly Financial Monitoring Report 2020/21 Q2 September 2020

### 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 1<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 1<sup>st</sup> 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
<b>Communities Directorate</b>					
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)
<b>Economic Development Directorate</b>					
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)
<b>Corporate Management Directorate</b>					
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)
<b>TOTAL Service Cost</b>	<b>9,006.05</b>	<b>9,542.5</b>	<b>(536.4)</b>	<b>58.1</b>	<b>(594.5)</b>
<b>LESS Use of Earmarked Reserves</b>					
Retained Business Rates Reserve	(686.0)	(686.0)	-	-	-
Transitional Budgetary Reserve	-	(536.4)	536.4	(58.1)	594.5
<b>LESS Use of New Homes Bonus Grant</b>	<b>(302.0)</b>	<b>(302.0)</b>	-	-	-
<b>Net Service Cost</b>	<b>8,018.1</b>	<b>8,018.1</b>	-	-	-

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.

<b>Annual Variances</b>	<b>Q1 Fav/(Adv)</b>	<b>Q2 Fav/(Adv)</b>	<b>Total Fav/(Adv)</b>	
<b>Customer Services and e-Government</b>				
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)
<b>Operations</b>				
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)
<b>Public Protection</b>				
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
<b>Economic Development</b>				
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
<b>Corporate Management</b>				
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
<b>Non-Distributed Costs &amp; Capital Financing</b>				
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)
<b>Favourable/(adverse) variance</b>	<b>58.1</b>	<b>-594.5</b>	<b>-536.4</b>	<b>-536.4</b>

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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
<b>Customer Services</b>					
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	-
<b>Strategic Functions</b>					
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	-	-	-
<b>ICT Support</b>	621.0	616.0	5.0	7.0	(2.0)
<b>Leisure Services</b>	71.0	71.0	-	-	-
<b>Pest Control</b>	(0.7)	-	(0.7)	(0.7)	-
<b>Total</b>	<b>1,424.8</b>	<b>1,624.6</b>	<b>(199.8)</b>	<b>7.2</b>	<b>(207.0)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
Staff	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
<b>TOTAL</b>	<b>7.2</b>	<b>(207.0)</b>	<b>(199.8)</b>	<b>A</b>

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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
<b>Operational Functions</b>					
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
<b>Communities</b>					
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	-	-	-
<b>Total</b>	<b>2,926.8</b>	<b>2,966.9</b>	<b>(40.1)</b>	29.7	<b>(69.8)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
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	
<b>TOTAL</b>	<b>29.7</b>	<b>(69.8)</b>	<b>(40.1)</b>	

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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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# Monthly Financial Monitoring Report 2020/21 Q2 September 2020

## 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
<b>Strategic Housing</b>					
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)
<b>Total</b>	<b>623.9</b>	<b>533.9</b>	<b>90.0</b>	<b>123.3</b>	<b>(33.3)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	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	
<b>TOTAL</b>	<b>123.3</b>	<b>(33.3)</b>	<b>90.0</b>	

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## Monthly Financial Monitoring Report 2020/21 Q2 September 2020

### 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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# Monthly Financial Monitoring Report 2020/21 Q2 September 2020

## 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
<b>Planning</b>					
Development Control	157.8	163.5	(5.7)	(1.4)	(4.3)
Forward Planning	151.0	128.3	22.7	21.6	1.1
<b>Building Control</b>					
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	-
<b>Regeneration</b>				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
<b>Property Services</b>				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)
<b>Total</b>	<b>1,199.9</b>	<b>1,198.1</b>	<b>1.8</b>	<b>45.4</b>	<b>(43.6)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
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)	
<b>TOTAL</b>	<b>45.4</b>	<b>(43.6)</b>	<b>1.8</b>	

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## Monthly Financial Monitoring Report 2020/21 Q2 September 2020

### 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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## Monthly Financial Monitoring Report 2020/21 Q2 September 2020

### 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
<b>Corporate Management</b>					
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			-	-	-
<b>Legal Services</b>	176.3	177.4	(1.1)	2.2	(3.3)
<b>Land Charges</b>	(20.1)	(5.4)	(14.7)	(12.4)	(2.2)
<b>Democratic Services</b>				-	-
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	-
<b>Financial Services</b>				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)
<b>People &amp; Policy</b>				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	-
<b>Total</b>	<b>2,299.8</b>	<b>2,297.8</b>	<b>2.1</b>	<b>15.1</b>	<b>(13.0)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Staff Savings	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
<b>TOTAL</b>	<b>15.1</b>	<b>(13.0)</b>	<b>2.1</b>	<b>G</b>

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# Monthly Financial Monitoring Report 2020/21 Q2 September 2020

## 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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## Monthly Financial Monitoring Report 2020/21 Q2 September 2020

### 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
<b>Non Distributed Costs</b>					
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
<b>Capital Financing</b>					
Minimum Revenue Provision	371.3	526.3	(155.0)	-	(155.0)
Interest (net)	45.9	142.8	(96.9)	(23.8)	(73.1)
<b>Total</b>	<b>530.8</b>	<b>921.2</b>	<b>(390.4)</b>	<b>(162.5)</b>	<b>(227.9)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
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	■
<b>TOTAL</b>	<b>(162.5)</b>	<b>(227.8)</b>	<b>(390.4)</b>	■

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## Monthly Financial Monitoring Report 2020/21 Q2 September 2020

### 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.

<b>Staffing Variances</b>	<b>Q1</b>	<b>Cum Q2</b>
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
<b>Savings in staff costs</b>	<b>206.4</b>	<b>247.8</b>
Additional Leave	20.0	20.0
<b>Total staff savings</b>	<b>226.4</b>	<b>267.8</b>
Original savings target	(150.0)	(150.0)
<b>Staff Variance</b>	<b>76.4</b>	<b>117.8</b>

- 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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# Monthly Financial Monitoring Report 2020/21 Q2 September 2020

## 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
<b>Balance at 01/04/2020</b>	<b>815.7</b>	<b>35.6</b>	<b>2,639.9</b>	<b>1,729.8</b>	<b>232.8</b>
<b>Funds Received 2020/21</b>					
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)	
<b>Total Funds Available</b>	<b>815.7</b>	<b>35.6</b>	<b>3,576.9</b>	<b>1,435.4</b>	<b>232.8</b>
<b>2020/21 Published Budget Utilisation</b>					
Retained Business Rates			(686.0)		
New Homes Bonus				(302.0)	
General budget support					
<b>2020/21 Other Utilisation Plans</b>					
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					
<b>Reserve Estimates 31/3/2021</b>	<b>(0.0)</b>	<b>0.0</b>	<b>2,890.9</b>	<b>1,109.8</b>	<b>78.2</b>
<b>Future Contributions/Utilisation Plans</b>					
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
<b>Potential Reserve Balances</b>	<b>(0.0)</b>	<b>0.0</b>	<b>2,090.9</b>	<b>(68.2)</b>	<b>0.0</b>

<b>Employment &amp; Transport Reserve usage</b>	<b>2020/21 £k</b>
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
<b>Total 20/21 projects</b>	<b>839.3</b>

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<b>Earmarked Reserves (cash-backed items only)</b>	Vehicle Reserve	Leisure Reserve	Directorate Reserves	General Reserve	Total
	AN060130	AN060118	AN060121		
<b>Balance at 01/04/2020</b>	<b>189.0</b>	<b>64.2</b>	<b>745.0</b>	<b>1,000.0</b>	<b>7,452.0</b>
<b>Funds Received 2020/21</b>					
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)
<b>Total Funds Available</b>	<b>189.0</b>	<b>64.2</b>	<b>745.0</b>	<b>1,000.0</b>	<b>8,094.6</b>
<b>2020/21 Published Budget Utilisation</b>					
Retained Business Rates			0.0		(686.0)
New Homes Bonus			0.0		(302.0)
General budget support			0.0		0.0
<b>2020/21 Other Utilisation Plans</b>					
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)
<b>Reserve Estimates 31/3/2021</b>	<b>149.0</b>	<b>63.3</b>	<b>633.9</b>	<b>1,000.0</b>	<b>5,925.0</b>
<b>Future Contributions/Utilisation Plans</b>					
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
<b>Potential Reserve Balances</b>	<b>84.0</b>	<b>63.3</b>	<b>230.6</b>	<b>1,000.0</b>	<b>3,400.5</b>

### **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				
<b>Balance at 01/04/2020</b>	<b>1,183.7</b>	<b>52.9</b>	<b>6.8</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>38.4</b>	<b>1,285.2</b>
<b>New Funds Received 2020/21</b>								
Grant due/received	1,022.4				1,908.0	734.0	974.4	4,638.7
<b>Total Funds Available</b>	<b>2,206.1</b>	<b>52.9</b>	<b>6.8</b>	<b>2.1</b>	<b>1,908.0</b>	<b>734.0</b>	<b>1,012.8</b>	<b>5,922.6</b>
<b>Utilisation in 2020/21</b>								
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)
<b>Anticipated Balance 31/03/2020</b>	<b>1,206.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,206.1</b>
<b>Future Utilisation Plans</b>								
2021/22 plans	(1,000.0)		0.0	0.0				(1,000.0)
2022/23 plans	(206.1)							(206.1)
<b>Potential Reserve Balances</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>

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

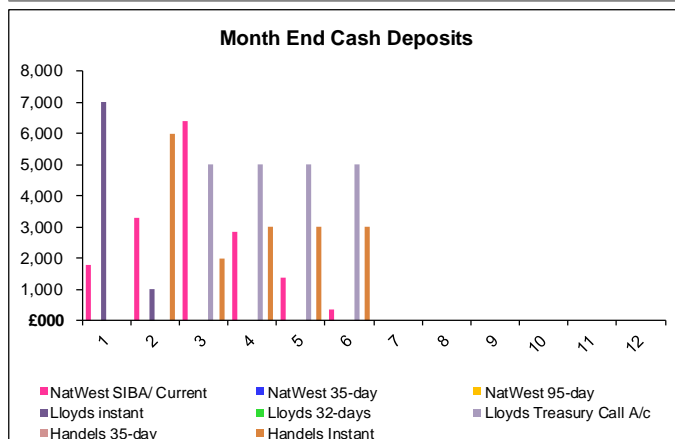
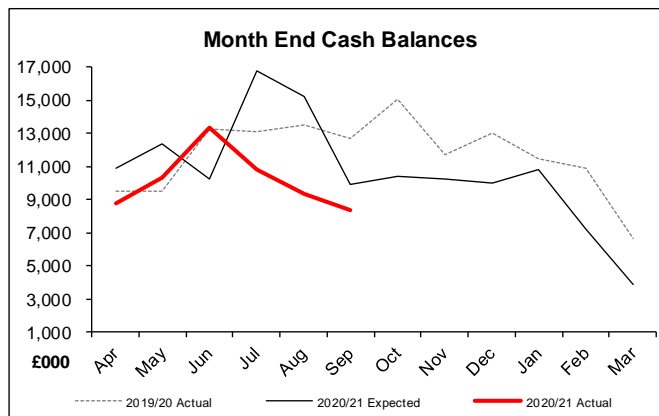
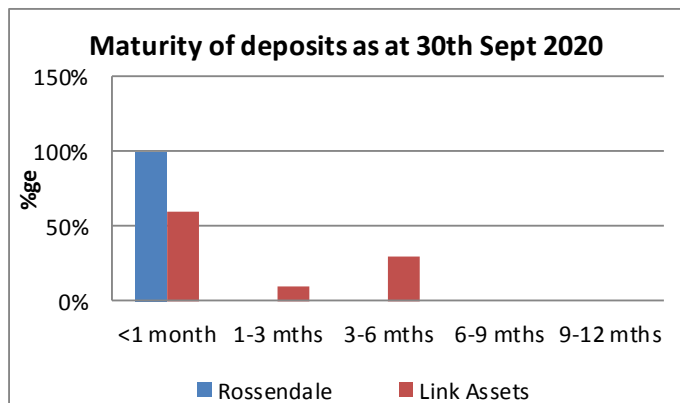
Employment Costs 2020/21 to end Sept	YTD	YTD	YTD	Variance	Change	FTE	FTE	Current Vacant Posts
	Budget	Actual	Variance (Adv)/Fav	last Qtr (Adv)/Fav	this Qtr (Adv)/Fav	Original Budget 2020/21	Changes during 2020/21	
	£000	£000	£000	£000	£000			
<b>Communities Directorate</b>								
Customer Services	169	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
<b>Economic Development Directorate</b>								
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
<b>Corporate Services</b>								
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
<b>Total</b>	<b>3,043</b>	<b>2,902</b>	<b>141</b>	<b>128</b>	<b>13</b>	<b>166.2</b>	<b>0.0</b>	<b>12.2</b>

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# Monthly Financial Monitoring Report 2020/21 Q2 September 2020

## 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	-	-
<b>Total Bal &amp; Avg interest</b>	<b>8,367</b>	<b>0.03</b>

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)
<b>Revenue</b>				
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)
<b>Net Interest</b>	<b>(46.0)</b>	<b>(148.2)</b>	<b>(102.2)</b>	<b>(60.5)</b>

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.

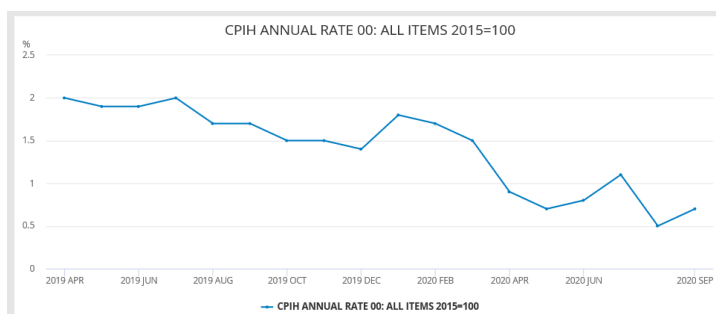
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## Economic Outlook

(issued 21<sup>st</sup> 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
<b>Base Rate</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
<b>25yr PWLB</b>	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

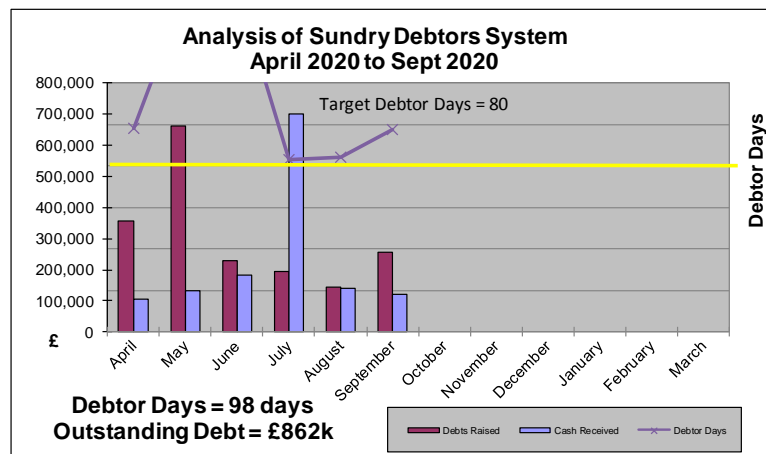
The Council's bank resources have seen some extraordinary movements during 2020/21 which were not anticipated when Members approved the Treasury Management Strategy back in February. Resources rose to £33.1m in early April and officers kept £15m of this in a DMO over the long Easter weekend. The need 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 1<sup>st</sup> July to a low of £8.2m on 25<sup>th</sup> September.

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# Monthly Financial Monitoring Report 2020/21 Q2 September 2020

## 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.

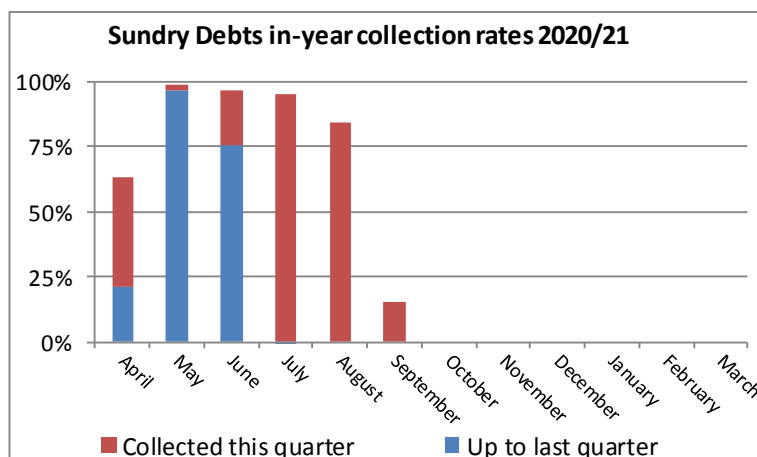
Another £18k of the 2019/20 outstanding debt has now been collected. The 2019/20 year outstanding debt has now dropped to £49k, representing a collection rate for that year of 98.5%.

## 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
<b>2019/20 Debt</b>								
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
<b>2020/21 Debt</b>								
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
<b>Total Debt o/s</b>	<b>582.0</b>	<b>363.5</b>		<b>687.7</b>		<b>862.6</b>		<b>243.0</b>

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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## Monthly Financial Monitoring Report 2020/21 Q2 September 2020

### Capital Resources

**Table 1 - 2020/21 receipts**

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

### 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 1<sup>st</sup> 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
	<b>7,199</b>
Revenue Contributions	
from Earmarked Reserves	236
from S106 agreements	17
from Revenue Operations	100
<b>Total Capital Resources 2020/21</b>	<b>7,552</b>
Capital Prog funding applied	(5,858)
<b>Total Capital Resources March 2020</b>	<b>1,694</b>
Capital Receipts Reserve (housing)	64
Capital Receipts Reserve (unalloc)	1,630

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## Monthly Financial Monitoring Report 2020/21 Q2 September 2020

### 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
<b>Communities Directorate</b>									
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
<b>Economic Dev Directorate</b>									
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
	<b>1,526</b>	<b>7,842</b>	<b>3,962</b>	<b>7,821</b>	<b>4,474</b>	<b>961</b>	<b>424</b>	<b>1,963</b>	<b>182</b>

Capital Programme 2020/21	£000	Funded by
Original Capital Programme	1,526	
Slippage from 2019/20	5,573	see list
<b>New capital projects in 2020/21</b>		
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
<b>Revised Capital Programme</b>	<b>7,842</b>	

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
<b>Communities Directorate</b>					
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		
<b>Economic Development Directorate</b>					
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
	<b>3,452</b>	<b>2,034</b>	<b>6</b>	<b>191</b>	<b>1,222</b>
	<b>5,573</b>	<b>3,395</b>	<b>323</b>	<b>279</b>	<b>1,577</b>

### 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)
<b>Current Balance</b>	<b>313.8</b>	<b>108.9</b>	<b>478.7</b>	<b>901.4</b>

The value of S106 agreements brought forward on the 1<sup>st</sup> 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
<b>RBC Maintenance:-</b>					
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
					<b>107,791</b>
<b>RBC Capital:-</b>					
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	
					<b>478,618</b>

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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)
	<b>40,130</b>	<b>40,139</b>
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)
	<b>(40,547)</b>	<b>(40,547)</b>
<b>Surplus / (Deficit)</b>	<b>(417)</b>	<b>(407)</b>
<b>RBC Share = 14.61%</b>	<b>(60)</b>	<b>(59)</b>

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

Under the new business rates scheme, variances from the original budgets fall into two categories – those arising from changes to the collection fund and those arising from grants and levies received or charged to the General Fund. In 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
<b>Net NNDR due</b>	<b>A</b>	<b>12,221</b>	<b>11,183</b>	<b>10,323</b>
Less Trans surcharge	B	0	15	15
Less Precepts		(12,236)	(12,236)	(12,236)
Cash Surplus/(Deficit)	C	(15)	(1,038)	(1,898)
<b>RBC Share = C x 40%</b>	<b>D</b>	<b>(6)</b>	<b>(415)</b>	<b>(759)</b>
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
<b>Surplus for Levy Calculations</b>	<b>F</b>	<b>1,293</b>	<b>1,149</b>	<b>805</b>
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
<b>Overall Gain</b>	<b>H</b>	<b>1,402</b>	<b>1,264</b>	<b>938</b>
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)
<b>Total Retained Business Rates Resources Cfwd</b>		<b>3,740</b>	<b>3,193</b>	<b>2,523</b>

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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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