

<b>Subject:</b>	Financial Monitoring Report 2020/21 Q3	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	10 <sup>th</sup> February 2021
<b>Report of:</b>	Finance Manager	<b>Portfolio Holder:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
<b>Contact Officer:</b>	Adil Ahmed	<b>Telephone:</b>	01706 252467
<b>Email:</b>	adilahmed@rossendalebc.gov.uk		

<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 Quarter 3 point of 2020/21, compared to the original budget set back in February 2020.

## 3. BACKGROUND

The full 2020/21 Q3 Monitoring Report is attached to the report as Appendix 1.

## 4. 2020/21 QUARTER 3 REVENUE BUDGET

4.1 This third monitoring report of the financial year 2020/21 is showing an expected unfavourable variance of £260k, 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 1). The main changes in Q3 being:

### Favourable one-off variances

- Staff cost reductions are already forecasting a favourable £265k against the required £150k of vacancy savings, plus staff have bought £21k 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 7,800 applications which will result in £273k in income for 20-21, leading to a favourable variance of £33k.
- Additional unbudgeted income of £147k from leasing the Rosso depot.
- A favourable forecast of £20k on the benefit subsidy including housing benefit bailiff fees.
- During Q3 the MHCLG has allowed the Council to claim grants for the loss of fees and income due to the Covid 19 pandemic. This is forecast to be a favourable variance of £189k.
- A saving of £19.4k on Internal Audit costs due to reduced Audit plan in place because of the pandemic.
- Estates income is showing a favourable variance of £118.3k.

### Adverse one-off variances

- Vehicle maintenance costs and temporary vehicle hires are projected to overspend

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by £108k 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 revenue costs forecast have reduced from £455k in Q2 to £339k in Q3. This is however £39k over and above the £300k included in the original budget. The capital costs of the scheme are shown separately on page 25.
- Interest income forecast has fallen to £3.8k, an adverse variance of £72.6k 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 £15.6k 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 £59k deficit on the Council Tax Collection Fund, currently leaving a net balance of £1,388k 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 1), 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. In Q3 a new earmarked reserve was set up for the Rawtenstall Bus Station. Rossendale Borough Council received £517k from LCC for the commuted sum for ongoing maintenance.

5.4 The closing balance at the 31st March 2021 is now predicted to be £6,609k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £4,085k 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 received £19.08m to provide grant support to businesses, the scheme closed on 30<sup>th</sup> September with the Council having paid £16.78m to local businesses. It is anticipated that the remaining £2.30m 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 31<sup>st</sup> December c£605k has been allocated.

7.2 In addition, the Council has received £1,408k towards additional costs and lost income as a result of the Covid pandemic. As at 31<sup>st</sup> December £446k has been allocated. The Council is due to receive further Covid related Government funding in Q4.

## **8. OTHER ISSUES**

### **8.1 Staff Monitoring**

The table on page 20 shows the cash saved on salaries between April and Dec was £162k. This is made up of around £147k from general staff turnover and vacancies, plus £15k from additional leave purchased by staff in the first 9 months of the year.

### **8.2 Treasury and Cash Management**

At the end of December, the bank balances were £17,469k, up from the Q2 balance of £8,367k. 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 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 £3.8k.

### **8.3 Debt Monitoring**

Of the £2,151k sundry debts raised in 2019/20 the collection rate has now risen to 98.5% with the remaining debt at £36k. Of the £2,815k of debt raised in 2020/21 so far, £400k has not been collected or is being collected monthly on instalment plans. The downturn in the collection rate from 55 to 78 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 £244k 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 Q4.

### **8.4 Capital Resources and the Capital Programme**

The Usable Capital Receipts brought forward at the 1st April totalled £2,733. Capital Grants due for projects in 2020/21 were expected to total £4,494k. 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 £3,433k 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 2019/20 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, Empty Homes Scheme renovation costs and the Victoria way storm damage.

The revised capital programme for 2020/21 is £10,162k.

#### 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 December £58.1k of new s106 charges have been received and invoices issued for a further £342k.

8.6 Quite predictably collection rates are lower compared to this time last year. Whilst Business Rates have caught up since Q2 to 3.22% up, Council Tax collections have continued to lag behind 2019/20 moving from 1.72% down at Q2 to 2.42% by the end of December.

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 £300k 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.

### 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 Council's 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.

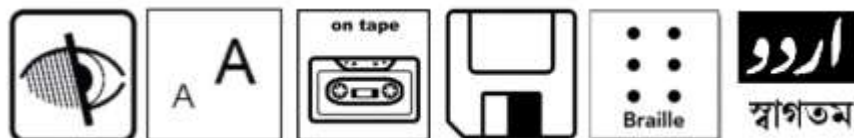
Within the scope of what the Council has the power to control budgets are being effectively managed. However, some expenditure/loss of income is either very difficult to control (such as the Empty Homes project) or beyond our control (such as the impact of the Covid pandemic).

<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 Q3	RBC website – Cabinet 10/02/2021

# Financial Monitoring Report

**2020/21 Q3 as at end of December 2020**

*Including a Glossary of terms on page 29*



## Monthly Financial Monitoring Report 2020/21 Q3 December 2020

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

This Q3 report on the General Fund for 2020/21 is showing a decrease in the adverse variance from £536k to £260k 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 £260k will be funded from the Transitional Reserve, along with the predicted £59k deficit on the Council Tax Collection Fund, leaving a net balance of £1,388k 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 £182k of costs in relation to the current Local Plan, leaving £51k to fund further costs beyond 2021/22.

In Q3 a new earmarked reserve was set up for the Rawtenstall Bus Station. Rossendale Borough Council received £517k from LCC for the commuted sum for ongoing maintenance.

The closing balance at the 31<sup>st</sup> March 2021 is now predicted to be £6,609k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £4,085k 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 19** - 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 £16.78m to local businesses. It is anticipated that the remaining £2.30m 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 31<sup>st</sup> December c£605k has been allocated.

In addition, the Council has received £1,219k (£38k in 2019/20) towards additional costs and lost income as a result of the Covid pandemic, as at 31<sup>st</sup> December £470k has been allocated. Any underspend at year end will be placed in an earmarked reserve for use next financial year.

### Staff Monitoring – page 20

The table on page 20 shows the cash saved on salaries between April and Dec was £162k. This is made up of around £147k from general staff turnover and vacancies, plus £15k from additional leave purchased by staff in the first 9 months of the year.

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

At the end of December, the bank balances were £17,469k, up from the Q2 balance of £8,367k. These resources are higher than normal due to the level of covid related Government grants

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being received for distribution to businesses. Due to the pandemic banking institutions have continued to reduce interest rates. With the uncertainty around income and Covid-19 response requirements, and interest rate levels across the board, Council officers have in the main retained funds in instant access accounts. Consequently, the interest income forecast has reduced to just £3.8k

Of the £2,151k sundry debts raised in 2019/20 the collection rate has now risen to 98.5% with the remaining debt at £36k. Of the £2,815k of debt raised in 2020/21 so far, £400k has not been collected or is being collected monthly on instalment plans. The downturn in the collection rate from 55 to 78 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 £244k 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 Q4.

### Capital Receipts – page 24

The Usable Capital Receipts brought forward at the 1<sup>st</sup> April totalled £2,733.

Capital Grants due for projects in 2020/21 were expected to total £4,494k. 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 £3,433k 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 2019/20 was £5,573k, the bulk relating to Spinning Point, Operational vehicles and the DFGs. Additions to the programme have been Futures Park Plot 1 and Infrastructure, repayment of the Spinning Point LEP grant, the Henrietta Street depot waste transfer refurbishment, Empty Homes Scheme renovation costs and the Victoria way storm damage.

The revised capital programme for 2020/21 is £10,162k

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

Quite predictably collection rates are lower compared to this time last year. Business Rates is estimated to be c25 less than last year, Council Tax collections also continue to lag behind 2019/20 moving from 1.72% down at Q2 to 2.42% by the end of December.

The Council Tax account is showing an 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 £300k on page 6.

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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 9 (Quarter 3)

Service Area	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 2 (Adv)/Fav £000
<b>Communities Directorate</b>					
Customer Services and E-Government	1,424.8	1,734.3	(309.5)	(199.8)	(109.7)
Operational Functions	2,219.3	2,295.7	(76.4)	(70.8)	(5.6)
Communities	707.6	663.8	43.7	30.7	13.1
Public Protection Unit	157.8	159.3	(1.5)	0.9	(2.4)
Environmental Health	140.5	85.8	54.7	22.6	32.1
Licensing & Enforcement	123.0	120.1	2.8	(0.1)	3.0
Housing	202.6	133.5	69.1	66.6	2.5
<b>Economic Development Directorate</b>					
Planning Services	308.7	308.3	0.5	16.9	(16.5)
Building Control Services	(8.6)	8.4	(17.1)	(15.4)	(1.7)
Regeneration	406.1	373.7	32.4	15.4	17.0
Property Services	493.7	506.0	(12.3)	(15.2)	2.9
<b>Corporate Management Directorate</b>					
Corporate Management	467.0	470.1	(3.1)	(3.7)	0.6
Legal Services	176.3	179.9	(3.6)	(1.1)	(2.5)
Local Land Charges	(20.1)	(4.5)	(15.6)	(14.7)	(0.9)
Democratic Services	582.7	558.7	24.0	18.3	5.6
Financial Services	503.9	490.9	13.0	(3.7)	16.7
People and Policy	590.0	565.1	24.9	6.9	18.0
Non Distributed Costs	113.6	62.7	50.9	(138.5)	189.4
Capital Financing and Interest	417.2	553.8	(136.6)	(251.9)	115.3
<b>TOTAL Service Cost</b>	<b>9,006.02</b>	<b>9,265.6</b>	<b>(259.6)</b>	<b>(536.4)</b>	<b>276.8</b>
<b>LESS Use of Earmarked Reserves</b>					
Retained Business Rates Reserve	(686.0)	(686.0)	-	-	-
Transitional Budgetary Reserve	-	(259.6)	259.6	536.4	(276.8)
<b>LESS Use of New Homes Bonus Grant</b>	<b>(302.0)</b>	<b>(302.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Service Cost</b>	<b>8,018.0</b>	<b>8,018.0</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Q3 report for 2020/21 is showing a predicted adverse variance of £260k.

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

- Staff cost reductions are forecasting a favourable £265.4k against the required £150k of vacancy savings, plus staff have bought £20.5k of additional leave.
- Members should be aware that to date there have been no court sessions and it appears there will be none this financial year, so court cost income has been pulled back from £300k at Q1 and £100k at Q2 to nil at Q3. An adverse variance of £300k. However the Council is able to claim c75% of its 2020/21 irrecoverable Fees & Charges income losses due to Covid from Government. This is estimated to be £189k overall and is included within non-distributed costs on page 18.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £108k 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 revenue costs forecast have reduced from £455k in Q2 to £339k in Q3. This is £39k over and above the £300k included in the original budget. However in December 2020 the Cabinet approved a 2020/21 £950k budget increase in to the scheme. The capital costs of the scheme are shown separately on page 25.
- Income is down in the trade waste, markets, cemeteries, taxis and local land charges, and planning applications. During Q3 the MHCLG has allowed the Council to claim

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grants for the loss of fees and income due to the Covid 19 pandemic. This is forecast to be a favourable variance of £189k.

- Interest income forecast has fallen to £3.8k an adverse variance of £72.6k.

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Annual Variances	Q1	Q2	Q3	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	
<b>Customer Services and e-Government</b>					
Staff costs	2.7	(2.8)	(1.4)	(1.5)	
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)	(100.0)	(320.0)	
Business Rates - net costs of collection	2.4	-	1.0	3.4	
Central IT Costs	5.8	-	(5.8)	(0.0)	
Other minor variances	(0.3)	(4.2)	(3.5)	(8.0)	(309.5)
<b>Operations</b>					
Staff costs (including agency and overtime)	94.9	25.1	31.3	151.3	
Fuel	-	(8.0)	(2.0)	(10.0)	
Vehicle maintenance incl hire of temporary vehicles	(41.1)	(72.9)	6.2	(107.8)	
General parks and street sweep running costs	(4.3)	(16.7)	4.6	(16.4)	
Garden Waste Income	17.0	14.6	1.4	33.0	
Markets Income & Running expenses	(0.7)	-	(1.4)	(2.1)	
Trade Waste & Bulks Net income	(24.6)	(25.0)	(12.0)	(61.6)	
Cemeteries Net income	(6.6)	3.5	(21.6)	(24.7)	
Other minor variances	(4.9)	9.6	0.9	5.6	(32.7)
<b>Public Protection</b>					
Staff costs	56.0	3.8	(5.8)	54.0	
Environmental Health administration expenses	41.2	-	-	41.2	
Strategic Housing, Housing Options and Private Ren.	29.6	(37.1)	-	(7.5)	
Extra Income for Enforcement within Environmental Health from MHCLG	-	-	37.0	37.0	
Hackney income	(11.8)	-	-	(11.8)	
Private hire income	(13.0)	-	-	(13.0)	
Other Licensing income/costs	19.6	-	-	19.6	
Other minor variances	1.7	-	4.0	5.7	125.2
<b>Economic Development</b>					
Staff costs (net of grant & fee income)	53.5	3.2	(18.0)	38.7	
Planning Application Fee Income	11.3	10.2	(14.3)	7.2	
Planning Consultancy Professional fees	(31.9)	(11.2)	(5.3)	(48.4)	
Building Control Fee Income	(26.5)	8.7	(2.4)	(20.2)	
Economic development admin costs and Markets	(8.3)	-	18.5	10.2	
Childrens Partnership Board Grant income	-	-	7.5	7.5	
Other Property Running costs	6.1	(12.6)	(9.8)	(16.3)	
Spinning Point bus station	(53.9)	(5.3)	(20.2)	(79.4)	
Estates Income (Excluding Town Hall, Futures Park, Knowsley Depot)	(17.8)	-	(1.0)	(18.8)	
Town Hall income	59.5	-	-	59.5	
Futures Park Plot 5	(0.8)	(73.0)	73.3	(0.5)	
MRP charge for Futures Park Plot 5	(68.9)	-	-	(68.9)	
Knowsley Rd Depot	109.9	39.5	(2.4)	147.0	
Business Centre rentals	7.3	-	(4.6)	2.7	
Insurance	-	-	(25.5)	(25.5)	
Other minor variances	5.8	(3.1)	6.0	8.7	3.5
<b>Corporate Management</b>					
Staff costs	16.2	(7.9)	14.7	23.0	
Professional Fees / Reference Books	5.3	(0.7)	(1.7)	2.9	
Democratic Services and Member costs	11.5	-	-	11.5	
Internal Audit - LCC reduced Audit Plan 20/21	(1.4)	-	20.8	19.4	
Land Charges income	(12.4)	(2.2)	(0.9)	(15.5)	
Corporate Subscriptions	(4.5)	-	-	(4.5)	
Other minor variances	0.4	(2.2)	4.6	2.8	39.6
<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	-	0.5	20.5	
Historical pension commitments	11.2	-	-	11.2	
Interest	(24.7)	(73.8)	1.2	(97.3)	
Doubtful Debt Provision	(20.0)	-	-	(20.0)	
Empty Homes Recovery Scheme costs	-	(155.0)	115.8	(39.2)	
Loss of fees and income re Covid grant from MHCLG	-	-	189.1	189.1	
Other minor variances	1.0	1.0	(2.0)	0.0	(85.7)
<b>Favourable/(adverse) variance</b>	<b>58.1</b>	<b>-594.5</b>	<b>276.7</b>	<b>-259.6</b>	<b>-259.6</b>

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## Monthly Financial Monitoring Report 2020/21 Q3 December 2020

### Communities Directorate

Period 9 (Dec)

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	11.8	-
Benefits Granted	(23.7)	(25.4)	1.7	1.7	-
Local Tax Collection	(378.6)	(60.1)	(318.5)	(219.5)	(99.0)
Revenues & Benefits Partnership	1,171.0	1,170.2	0.8	0.1	0.7
<b>Strategic Functions</b>					
Management and Support	74.5	74.7	(0.2)	(0.3)	0.1
Service Assurance Team	127.5	125.1	2.4	2.4	-
Central Telephones	5.2	9.0	(3.8)	(0.3)	(3.5)
Central Printing	3.9	3.9	-	-	-
<b>ICT Support</b>	621.0	624.0	(3.0)	5.0	(8.0)
<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>1,734.3</b>	<b>(309.5)</b>	<b>(199.8)</b>	<b>(109.7)</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	(0.1)	(1.4)	(1.5)	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	0.1	0.1	G
CTax & BRates - court costs (net of bad debt provision)	(220.0)	(100.0)	(320.0)	A
Business Rates - net costs of collection	2.4	1.0	3.4	G
Renewable Energy Business Rates income	173.0	-	173.0	G
Business Rates S31 Grants	5,737.0	-	5,737.0	G
Business Rates transfer to Retained Business Rates Reserve	(5,910.0)	-	(5,910.0)	G
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)	G
Central IT Costs	5.8	(5.8)	(0.0)	G
Switchboard internet telephony costs	(0.3)	(3.5)	(3.8)	G
Other minor variances	(4.3)	-	(4.3)	A
<b>TOTAL</b>	<b>(199.8)</b>	<b>(109.7)</b>	<b>(309.5)</b>	<b>A</b>

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# Monthly Financial Monitoring Report 2020/21 Q3 December 2020

## Customer Service & ICT Highlight Report – Q3 (end Dec 2020)

### Historic Issues

- None.

### Current Quarter's Issues

At Q3 the forecast adverse variance has increased from £199.8k to £309.5k adverse, the main changes being: -

- A favourable forecast of £20.6k on the benefit subsidy at Q3 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 £6,402k. Officers have presumed that the £5,110k 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 and it appears they will not resume this financial year, so court cost income has been pulled back from £300k at Q1 and £100k at Q2 to nil at Q3. An adverse variance of £300k. 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.
- During the year there has been an increase in the cost of internet telephony costs for the Switchboard which has created an adverse variance of £3.8k

### Future Issues

- None

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# Monthly Financial Monitoring Report 2020/21 Q3 December 2020

## Communities Directorate

Period 9 (Dec)

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	275.9	69.0	65.9	3.1
Refuse & Recycling	1,500.5	1,628.6	(128.1)	(115.3)	(12.8)
Street Sweeping	369.8	416.2	(46.4)	(49.2)	2.7
Markets	4.1	(25.0)	29.1	27.8	1.3
<b>Communities</b>					
Parks & Open Spaces	930.2	901.0	29.2	37.7	(8.6)
Cemeteries	(222.7)	(237.2)	14.6	(7.1)	21.6
Dog Warden	0.0	0.0	-	-	-
<b>Total</b>	<b>2,926.8</b>	<b>2,959.5</b>	<b>(32.7)</b>	<b>(40.1)</b>	<b>7.4</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
Vacancies at Operations Admin Offices	71.7	1.8	73.5	
Parks Salary Variances (Including temporary gardeners)	72.2	21.8	94.0	
Street Sweeping Salaries	5.3	(3.3)	2.0	
Refuse Salaries and Agency	(12.5)	(0.5)	(13.0)	
Fleet Management Vacancy and Agency	(23.1)	16.5	(6.6)	
Markets Salary Vacancies	26.6	-	26.6	
Overtime Budgets	(20.2)	(5.0)	(25.2)	
Vehicle Maintenance (including tyres/ parts)	(64.0)	6.2	(57.8)	
Vehicle Hire	(50.0)	-	(50.0)	
Actions re variances - MRP Savings on Vehicles	-	-	-	
Fuel	(8.0)	(2.0)	(10.0)	
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	31.6	1.4	33.0	
General Garden Waste Expenditure	(3.4)	-	(3.4)	
Purchase of Equipment extra cost for Bin Cleaning Service	(10.0)	-	(10.0)	
Trade Waste Services credited due to Closure & COVID19	(25.0)	(12.0)	(37.0)	
Cemeteries Net income	-	(21.6)	(21.6)	
Cemeteries Contractor Costs	3.5	-	3.5	
Crematorium Feasibility Study	(6.6)	-	(6.6)	
Markets Income & Running expenses	(0.7)	(1.4)	(2.1)	
Parks & Open Spaces	(31.0)	4.6	(26.4)	
General other Park Running Costs	-	-	-	
Parks Income	10.0	-	10.0	
Other Variances	2.7	0.9	3.6	
<b>TOTAL</b>	<b>(40.1)</b>	<b>7.4</b>	<b>(32.7)</b>	

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# Monthly Financial Monitoring Report 2020/21 Q3 December 2020

## Operations Highlight Report – Q3 (end of Dec 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 Q3 the Operations and Communities forecast shows an adverse variance of £33k which is a slight improvement from Q2 falling by £7k with the main movements being:

- Overall staffing costs including agency and overtime are projected to underspend by £151k. 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 by March 2021. 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 £273k in income for 2020/21, leading to a favourable variance of £33k.
- Within Refuse there has been additional pressure associated with Agency staff up to Month 9 of £37k. In Quarter 2 and 3 - 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.
- The new Bin Cleaning Service Trial on a targeted area of the Borough is ongoing and £10k has been invested in equipment.
- Also within Refuse the Trade Waste Sector has been significantly affected with COVID19 and Businesses having had to close, which has resulted in credit notes being raised against the service they would have received if they had been open. The Council took a decision to credit the Traders for charges at the start of the year for their Bulk Waste Containers which could cost up to £37k for the year.
- Within Parks there have been extra maintenance costs incurred on Parks of £12k.
- Cemeteries at the end of quarter three have exceeded income budgets due to an increase on interment fees and memorials totalling £22k. Cemeteries have completed the crematorium service -feasibility study that had 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.
- 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. There has also been an order raised for 4 Dennis Eagle Refuse Vehicles, however they will not be delivered until 2021/22.
- A feasibility exercise is under way regarding the roll out of the Bin Cleaning Service as mentioned above. A separate cost centre has been set up to monitor the success of the 3-month pilot.

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## Monthly Financial Monitoring Report 2020/21 Q3 December 2020

### Communities Directorate

Period 9 (Dec)

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
<b>Public Protection Unit</b>	157.8	159.3	(1.5)	0.9	(2.4)
<b>Environmental Health</b>	140.5	85.8	54.7	22.6	32.1
<b>Licensing &amp; Enforcement</b>	123.0	120.1	2.8	(0.1)	3.0
<b>Strategic Housing</b>					
Housing Strategy	93.5	54.9	38.5	38.6	(0.1)
Private Sector Housing Renewals	0.8	1.9	(1.1)	(0.9)	(0.3)
Homelessness	108.3	76.6	31.7	28.8	2.9
<b>Total</b>	<b>623.9</b>	<b>498.7</b>	<b>125.2</b>	<b>90.0</b>	<b>35.2</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	18.0	(3.1)	14.9	G
Public Protection Unit - staffing and Direct Costs	2.1	(3.4)	(1.3)	A
Housing Strategy - staffing	39.0	(0.1)	38.9	G
Homelessness - staffing	0.3	0.8	1.1	G
Licensing & Enforcement - staffing	0.4	-	0.4	G
Environmental Health administration (Abandoned Vehicle)	(1.3)	-	(1.3)	A
Homelessness - Extra Cost	-	2.9	2.9	G
Funeral Fees	(6.0)	(1.0)	(7.0)	G
Extra Income for Enforcement within Environmental Health from MHCLG	-	37.0	37.0	G
Extra Income Received on Homelessness (Flexible Homelessness Grant)	24.5	-	24.5	G
Extra Income on Administration Costs	8.0	-	8.0	G
Extra Cost on Homelessness (Professional Fees)	(2.3)	-	(2.3)	G
Bond Payments - (PCC Funded Homelessness - Ex Offenders)	7.1	-	7.1	G
Other Variances	3.7	-	3.7	G
Private Hire income & expenditure	(13.0)	-	(13.0)	A
Hackney income & expenditure	(11.8)	-	(11.8)	A
Taxi misc income	(3.5)	-	(3.5)	A
Animal Licensing income	1.7	-	1.7	G
Skills Test	0.7	-	0.7	G
Computer Software costs	3.7	-	3.7	G
Professional Fees, DVLA checks, Translation services	7.6	-	7.6	G
Office - General and stationery cost	6.7	-	6.7	G
Other Variances	4.4	2.1	6.5	G
<b>TOTAL</b>	<b>90.0</b>	<b>35.2</b>	<b>125.2</b>	<b>G</b>

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# Monthly Financial Monitoring Report 2020/21 Q3 December 2020

## Public Protection and Housing Highlight Report – Q3 (end December 2020)

### Historic Issues

- Nothing reported

### Current Quarter Issues

At the end of Q3 the Public Protection Unit and Housing Services budgets shows a favourable variance of £125.2k, with the main movements being: -

- There was a vacancy in Environmental Health that generated saving of £15k. The position has now been filled. Within PPU the Budget has been slightly exceeded by £1.5k.
- 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 £7k.
- Within Housing Options for Homelessness there has been extra income received for the Flexible Homelessness Grant £23.1k.
- During Quarter 3 the Council has received some funding from the MHCLG for Enforcement £37k.

Licensing:

- The Licensing Salary costs are projecting to be within budget
- We have received a good amount income for the taxis in Q3 compared to the previous two quarters which has given us a favourable movement of £3k
- Professional fees, DVLA checks and translations services are projecting an under spend of £7.6k due to a slow decline in licenses issued. DVLA checks are now paid by the drivers therefore there will be no costs going forward.
- 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 Q3 December 2020

## Economic Development Directorate

Period 9 (Dec)

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	179.6	(21.9)	(5.7)	(16.1)
Forward Planning	151.0	128.7	22.3	22.7	(0.3)
<b>Building Control</b>					
Building Control - Fee Earning Account	(44.2)	(21.8)	(22.4)	(19.0)	(3.4)
Building Control - Statutory Function	31.5	31.5	0.1	0.1	(0.1)
Building Control - Street Signs	4.0	(1.3)	5.3	3.5	1.8
<b>Regeneration</b>					
Regeneration Mangement	92.9	95.6	(2.7)	(1.2)	(1.5)
Economic Regeneration and Rawtenstall Market	139.8	104.6	35.2	16.6	18.5
Whittaker Park Museum	71.4	71.5	(0.0)	0.0	(0.0)
Tourisms	40.0	40.0	(0.0)	(0.0)	0.0
Area Forums	62.0	62.0	(0.0)	-	(0.0)
<b>Property Services</b>					
Property Services Team	195.3	175.6	19.7	21.3	(1.7)
Corporate Estates	(171.2)	(229.5)	58.4	(5.8)	64.1
Non Domestic Estates	(117.4)	(110.0)	(7.5)	(4.6)	(2.8)
Office Accommodation	31.9	41.7	(9.8)	(1.2)	(8.7)
Operational Properties	358.2	348.1	10.1	14.6	(4.5)
Leisure Properties	54.0	53.2	0.8	9.3	(8.5)
Bus Shelters	10.0	93.5	(83.5)	(59.1)	(24.4)
Business Centre	133.0	133.3	(0.3)	10.3	(10.6)
<b>Total</b>	<b>1,199.9</b>	<b>1,196.4</b>	<b>3.5</b>	<b>1.8</b>	<b>1.7</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
Communities Staffing	(3.0)	(3.6)	(6.6)	R
Economic Development staffing	20.0	(9.4)	10.6	R
Planning / Forward Planning staffing	46.5	(1.0)	45.5	R
Application of 20% additional income - Fixing our broken housing market	-	-	-	R
Building Control staffing	2.0	(0.4)	1.6	R
Property Services staffing	(3.2)	(1.1)	(4.3)	R
Valuation Fees (Taylor Weaver)	(5.5)	(2.5)	(8.0)	R
Economic development admin costs and Markets	(8.3)	18.5	10.2	R
Communities	-	(1.5)	(1.5)	R
Area Forums	-	-	-	R
Whittaker Park Museum Utilities Costs	-	-	-	R
Regeneration Childrens Partnership Board Grant	-	-	-	R
Communities - Received the Childrens Partnership Funding	-	7.5	7.5	R
Other Miscellaneous Variances	(1.6)	(2.0)	(3.6)	R
Planning/Forward Planning Consultancy fees/ Legal fees	(48.1)	(5.3)	(53.4)	R
Planning Application Fee Income (excluding additional 20% broken housing market)	21.5	(14.3)	7.2	R
Building Control Fees	(22.8)	(2.4)	(25.2)	R
Office savings	5.0	4.8	9.8	R
Property Running Costs: Repairs & Maintenance	(0.9)	0.3	(0.6)	R
Electricity, Gas & Water	(25.0)	3.7	(21.3)	R
NNDR - excluding Spinning Point bus station	19.3	-	19.3	R
Estates Income - old Town Hall (Together Homes)	59.5	-	59.5	R
Estates Income - Futures Park Plot 5	(73.8)	73.3	(0.5)	R
MRP charge for Futures Park Plot 5	(68.9)	-	(68.9)	R
Estates Income - Knowsley Depot	149.4	(2.4)	147.0	R
All other Estates income COVID)	(17.8)	(1.0)	(18.8)	R
Land Drainage	-	(5.3)	(5.3)	R
Spinning Point Bus Station running costs	(59.2)	(20.2)	(79.4)	R
Boilers, Alarms, Cleaning across sites	-	(4.6)	(4.6)	R
Business Centre rentals	7.3	(4.6)	2.7	R
Business Centre running costs	3.5	(4.9)	(1.4)	R
Victoria Way Storm damage costs to date	(9.7)	-	(9.7)	R
Bus Shelters, Pool Car, Emergency Planning	10.7	(4.3)	6.4	R
Insurance Premium	-	(25.2)	(25.2)	R
Other Miscellaneous Variances	4.9	9.6	14.5	R
<b>TOTAL</b>	<b>1.8</b>	<b>1.6</b>	<b>3.4</b>	<b>R</b>

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## Monthly Financial Monitoring Report 2020/21 Q3 December 2020

### Economic Development & Regeneration Highlight Report – Q3 (end December 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 £32.4k, 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 has been offset with a Market Supplement Award for the Manager. The remaining staff saving help to cover an extra cost for Professional Fees on the Futures Park Study £1.1k. and Spinning Point £1k.
- Currently the Council are collecting the Market Rentals for Rawtenstall which has generated £42k. This in turn is helping to cover for extra costs incurred over and above the existing budget which was £12k.

Property Services is currently showing an adverse variance of £12.3k

- Salary costs are showing an adverse variance of £4.3. A new post has been created within Property funded by the increased income the post will generate.
- Property running costs are showing an adverse variance of £2.6k. This has moved favourably by £4k. This excludes Business Rates at Spinning Point
- Estates income is showing a favourable variance of £118.3k. Futures Park plot 5 tenant has been granted a reduced rental income until November. Knowsley Road Depot is has now been sold.
- Spinning Point bus station is running at a cost of £79.4k includes Electric, R&M, Business Rates, Cleaning. This has increase in this quarter due to the cost of cleaning being higher than expected

Planning and Building Control are showing a favourable variance of £0.5k

- Salary costs are showing a saving of £53.4k 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 and using the expertise of external sources
- Planning / Building Control income is underachieving by £18k in part due to COVID

#### 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 Q3 December 2020

### Corporate Services Directorate

Period 9 (Dec)

Corporate Management	2020/21 Org Budget	2020/21 Forecast	2020/21 Variance (Adv)/Fav	Variance last reported	Change in Qtr (Adv)/Fav
	£000	£000	£000	£000	£000
<b>Corporate Management</b>					
Executive Office	352.9	351.3	1.6	1.0	0.6
Corporate Contingency	50.0	50.0	-	-	-
Exec Support & Corporate Subscriptions	64.1	68.8	(4.7)	(4.7)	-
Community Safety			-	-	-
<b>Legal Services</b>	176.3	179.9	(3.6)	(1.1)	(2.5)
<b>Land Charges</b>	(20.1)	(4.5)	(15.6)	(14.7)	(0.9)
<b>Democratic Services</b>					-
Electoral Registration	73.4	73.4	(0.0)	0.0	(0.0)
Elections	78.8	78.8	0.0	0.0	0.0
Democratic Support	374.9	359.7	15.2	12.0	3.2
Mayoralty & Civic Events	53.0	44.2	8.7	6.3	2.5
Town Twinning	2.5	2.5	0.0	0.0	-
<b>Financial Services</b>					-
Treasury Management	80.9	77.1	3.8	0.7	3.1
Insurance, Risk & Audit Fees	64.7	46.0	18.7	(2.1)	20.8
Financial Services Team	358.3	367.8	(9.5)	(2.3)	(7.2)
<b>People &amp; Policy</b>					-
Human Resources	393.6	370.2	23.4	5.0	18.4
Corporate Support	192.4	193.9	(1.5)	(1.5)	-
Publicity	4.0	1.0	3.0	3.4	(0.4)
<b>Total</b>	<b>2,299.8</b>	<b>2,260.3</b>	<b>39.6</b>	<b>2.1</b>	<b>37.5</b>

Key changes made during the period to the full year forecast	Variance Bfwd	Variance this Qtr	Full-Yr	R A G
	£000	£000	£000	
Staff Savings	8.3	14.7	22.9	G
Corporate Subscriptions - Local Govt Information Unit	(4.5)	-	(4.5)	A
Legal - Professional Fees & Reference Books	4.6	(1.7)	2.9	G
Legal income	1.3	(4.8)	(3.5)	A
Office savings	3.4	(0.4)	3.0	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	0.0	G
Land Charges Income	(14.7)	(0.9)	(15.6)	A
External Audit - Accountancy	4.5	-	4.5	G
Internal Audit - LCC reduced Audit Plan 20/21	(1.4)	20.8	19.5	G
Bank Charges	(4.0)	4.0	-	G
Other Misc under / (over) spends	(6.4)	5.2	(1.2)	A
<b>TOTAL</b>	<b>2.1</b>	<b>37.4</b>	<b>39.5</b>	

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# Monthly Financial Monitoring Report 2020/21 Q3 December 2020

## Corporate Management Highlight Report – Q3 (end Dec 2020)

### Historic Issues

- None reported.

### Current Quarter Issues

The Corporate Management Q3 variance is currently standing at £37.5k favourable, the main movements being: -

- Staff changes are £22.9k favourable.
  - Corporate Management - forecasted saving of £2k
  - Legal Services – unfavourable £6k variance due to temporary restructure
  - Democratic Services - member of staff on reduced hours, forecasted saving of £9.4k
  - Financial Services – unfavourable £8k variance due to temporary restructure
  - People & Policy - following the recent restructure the part-year reductions are leading to an expected £25k saving in 2020/21
- Legal Services and Democratic Services are showing an under spend of £5.9k and £11.5k respectively in part due to Covid 19 and the result of home working
- Local Land Charges income has seen a further drop in recent years and this adverse £15.6k is consistent with the experience in previous years. Covid 19 has had an impact in the early months.
- The Democratic Services has seen a total of £5.6k favourable movement in the variance because most of the events have been cancelled due to the pandemic.

### 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 Q3 December 2020

### Corporate Services Directorate

Period 9 (Dec)

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	212.4	(118.3)	(118.8)	0.5
Other Non-distributed Costs	19.5	(149.7)	169.2	(19.7)	188.9
<b>Capital Financing</b>					
Minimum Revenue Provision	371.3	410.5	(39.2)	(155.0)	115.8
Interest (net)	45.9	143.3	(97.4)	(96.9)	(0.5)
<b>Total</b>	<b>530.8</b>	<b>616.5</b>	<b>(85.7)</b>	<b>(390.4)</b>	<b>304.7</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
Vacancy control savings target	(150.0)	-	(150.0)	■
Purchased additional leave	20.0	0.5	20.5	■
Historical pension costs	11.2	-	11.2	■
Doubtful Debts Provision	(20.0)	-	(20.0)	■
Interest expenditure/income from bank accounts	(98.6)	1.2	(97.4)	■
Empty Homes Recovery Scheme costs	(155.0)	115.8	(39.2)	■
Covid Lost fees and Charges grant from MHCLG	-	189.1	189.1	■
Other minor variances	2.0	(1.9)	0.1	■
<b>TOTAL</b>	<b>(390.4)</b>	<b>304.7</b>	<b>(85.7)</b>	■

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## Monthly Financial Monitoring Report 2020/21 Q3 December 2020

### Non-Distributed Costs & Capital Financing Highlight Report – Q3 (end Dec 2020)

#### Historic Issues

- None

#### Current Quarter Issues

This Q3 report is forecasting a net adverse variance of £85.7k, with the main movements being:-

- The original budget staff savings target was £150k. Total savings in staff costs being predicted at Q3 are £265.4k across the other departments. Added to this is around £20.5k of savings from employees purchasing additional leave. This gives a net favourable variance in staff costs of £135.9k over and above the total original budget.

<b>Staffing Variances</b>	<b>Q1</b>	<b>Cum Q2</b>	<b>Cum Q3</b>
Customer Services	2.7	(0.1)	(1.5)
Operations	94.9	120.0	151.3
Public Protection	56.0	59.8	54.0
Economic Development	36.6	59.8	38.7
Corporate Management	6.7	2.0	2.3
Legal & Democratic	(0.7)	(3.5)	3.3
Financial Services	3.8	2.3	(7.8)
People & Policy	6.3	7.4	25.0
<b>Savings in staff costs</b>	<b>206.4</b>	<b>247.8</b>	<b>265.4</b>
Additional Leave	20.0	20.0	20.5
<b>Total staff savings</b>	<b>226.4</b>	<b>267.8</b>	<b>285.9</b>
Original savings target	(150.0)	(150.0)	(150.0)
<b>Staff Variance</b>	<b>76.4</b>	<b>117.8</b>	<b>135.9</b>

- This is £39k over and above the £300k included in the original budget. However in December 2020 the Cabinet approved a 2020/21 £950k budget increase in to the scheme. The capital costs of the scheme are shown separately on page 25.
- Interest income is expected to be below the budget by £97.4k. Due to the Coronavirus Pandemic banking institutions have cut the interest rates from March 2020. In addition the level of uncertainty around income collection has prompted officers to keep cash flow mainly with instant accounts throughout Q3. Consequently, the interest income forecast below has reduced.
- The Sundry Debt analysis on page 23 is forecasting a doubtful debt level of £244k, 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 £26k are held on the Local Land Charges Register. Officers will monitor any requirement for further doubtful debt provision during Q4.

#### Future Issues

- None

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## Monthly Financial Monitoring Report 2020/21 Q3 December 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			(827.0)	(59.0)	
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				(259.6)	
<b>Total Funds Available</b>	<b>815.7</b>	<b>35.6</b>	<b>3,548.9</b>	<b>1,713.2</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					(182.2)
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>2,862.9</b>	<b>1,387.6</b>	<b>50.6</b>
<b>Future Contributions/Utilisation Plans</b>					
2021/22 Plans	0.0	0.0	(200.0)	0.0	(43.2)
2022/23 Plans	0.0	0.0	(200.0)	(401.0)	(7.4)
2023/24 Plans	0.0	0.0	(200.0)	(404.0)	0.0
2024/25 Plans	0.0	0.0	(200.0)	(400.0)	0.0
<b>Potential Reserve Balances</b>	<b>(0.0)</b>	<b>0.0</b>	<b>2,062.9</b>	<b>182.6</b>	<b>0.0</b>

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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Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserve	Rawtenstall Bus Station	Directorate Reserves	General Reserve	Total
	AN060130	AN060118	AN060142	AN060121		
<b>Balance at 01/04/2020</b>	<b>189.0</b>	<b>64.2</b>	<b>0.0</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		(886.0)
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			517.0	0.0		517.0
General Fund Deficit - 2019/20				0.0		(259.6)
<b>Total Funds Available</b>	<b>189.0</b>	<b>64.2</b>	<b>517.0</b>	<b>745.0</b>	<b>1,000.0</b>	<b>8,861.4</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)		(210.7)
Economic Development Projects				0.0		(839.3)
Brexit Grant Spend				(64.8)		(100.4)
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)		(11.6)		(12.5)
<b>Reserve Estimates 31/3/2021</b>	<b>149.0</b>	<b>63.3</b>	<b>517.0</b>	<b>578.9</b>	<b>1,000.0</b>	<b>6,609.3</b>

### Current issues

As noted on page 2, officers expect the draft adverse variance on the General Fund of £260k to be funded from Transitional Reserve in 2020/21 along with the deficit of £59k from the Council Tax collection fund. This will leave the Reserve with £1,388k once the planned MTFS support is applied up to 2021/22.

In Q3 a new earmarked reserve was set up for the Rawtenstall Bus Station. Rossendale Borough Council received £517k from LCC for the commuted sum for ongoing maintenance.

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

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## Monthly Financial Monitoring Report 2020/21 Q3 December 2020

### 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	Covid Test and Trace	Covid Local Restriction Support Grants	Total
	£000	£000	£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>0.0</b>	<b>0.0</b>	<b>1,285.2</b>
<b>New Funds Received 2020/21</b>										
Grant due/received	1,022.4				19,080.0	821.8	1,407.9	122.1	3,199.6	<b>25,653.8</b>
<b>Total Funds Available</b>	<b>2,206.1</b>	<b>52.9</b>	<b>6.8</b>	<b>2.1</b>	<b>19,080.0</b>	<b>821.8</b>	<b>1,446.3</b>	<b>122.1</b>	<b>3,199.6</b>	<b>26,937.7</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					(19,080.0)	(821.8)	(1,446.4)	(122.1)	(3,199.6)	<b>(24,669.8)</b>
<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>(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>	<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, if this is not the case the balance will be placed in a reserve at year end.

### Staff Costs, including agency

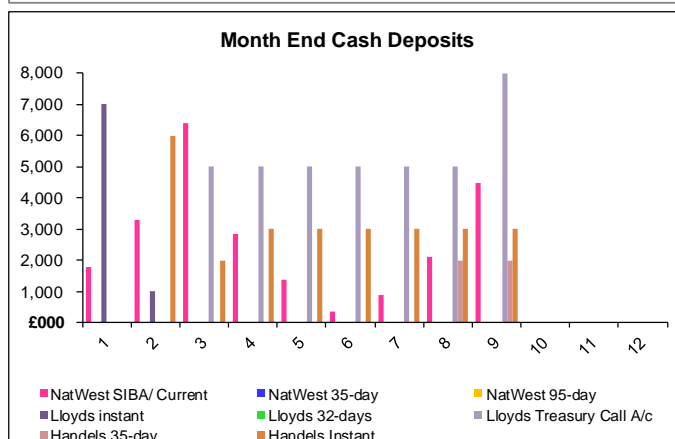
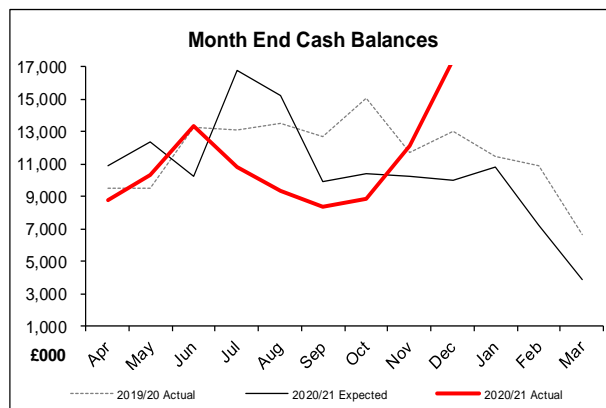
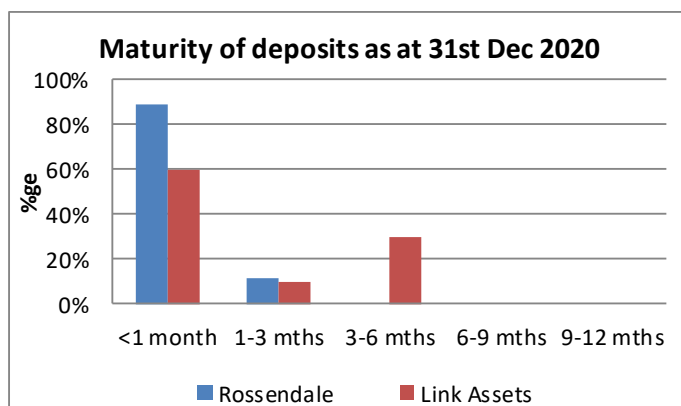
Employment Costs 2020/21 to end Dec	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2020/21	FTE Changes during 2020/21	Current Vacant Posts
<b>Communities Directorate</b>								
Customer Services	253	254	(1)	0	(1)	7.8	0.0	0
Operations Service	1,255	1,218	38	11	27	52.3	0.0	5
Communities	527	457	70	48	21	25.2	0.0	2
Environmental Health	138	110	28	24	4	7.0	0.0	0
Licensing & Enforcement	234	233	0	5	(4)	6.0	0.0	1
Housing	211	209	3	2	0	7.0	0.0	1
<b>Economic Development Directorate</b>								
Planning Services	346	304	42	31	11	11.5	0.0	1
Building Control Services	89	89	0	0	(0)	3.0	0.0	0
Regeneration	154	239	(86)	(54)	(31)	4.0	0.0	0
Property Services	52	50	2	5	(3)	4.4	0.0	0
<b>Corporate Services</b>								
Corporate Management	279	281	(2)	8	(10)	4.0	0.0	0
Legal Services	112	113	(2)	2	(3)	3.0	0.0	0
Local Land Charges	29	29	(0)	(0)	-	1.0	0.0	0
Democratic Services	213	190	23	10	14	7.6	0.0	0
Financial Services	254	254	0	(0)	1	7.8	0.0	0
People & Policy	407	361	46	50	(4)	14.6	0.0	1.2
<b>Total</b>	<b>4,552</b>	<b>4,390</b>	<b>162</b>	<b>141</b>	<b>21</b>	<b>166.2</b>	<b>0.0</b>	<b>11.2</b>

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# Monthly Financial Monitoring Report 2020/21 Q3 December 2020

## Treasury Management & Cash Flow Monitoring

At the end of December, the bank balances were £17,469k up from the Q2 balance of £8,367k. The Council received £19.8m in April to fund Covid-19 Grants and to date has paid out over £16.8m. 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 31/12/2020	Current Balance £k	Interest Rate %
NatWest SIBA	4,469	0.01
NatWest 35 day account	-	0.10
NatWest 95 day account	-	0.15
Handelsbanken instant	3,000	0.00
Handelsbanken 35-day	2,000	0.10
Lloyds instant access	-	0.00
Lloyds 32-day notice	-	0.10
Lloyds Treasury Call A/c	8,000	0.05
Lloyds 12mth Deposit	-	-
<b>Total Bal &amp; Avg interest</b>	<b>17,469</b>	<b>0.04</b>

Due to the Coronavirus Pandemic banking institutions cut the interest rates from March and the Handelsbanken 35-day account has reduced to 0.1% from 0.25% from mid October. As noted above, officers have kept funds liquid to ensure rapid response for payments to businesses and residents. Officers have placed £8m in a Lloyds Treasury Call Account in order to maintain access whilst earning 0.05% interest. There has been a slight improvement from Q2 in interest income forecast however overall this is well below our budgeted target.

The average effective interest rate at the end of Q3 was 0.04%, compared to a target of 0.9%

### Interest Paid/Received

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

At Q3, the forecast for interest income is now showing an adverse variance of £72.6k, a slight improvement of 1.3k from Q2.

Interest Forecast	Budget 2020/21	Forecast 2020/21	Variance Fav/(Adv)	Change Fav/(Adv)
<b>Revenue</b>				
Interest payable (PWLB)	(121.4)	(146.1)	(24.7)	3.7
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	3.8	(72.6)	1.2
<b>Net Interest</b>	<b>(46.0)</b>	<b>(143.3)</b>	<b>(97.3)</b>	<b>4.9</b>

Also PWLB interest payable on the loan taken in August 2019 is £24.7k more than allowed for in the original budget. This makes a total adverse variance of £97.3k.

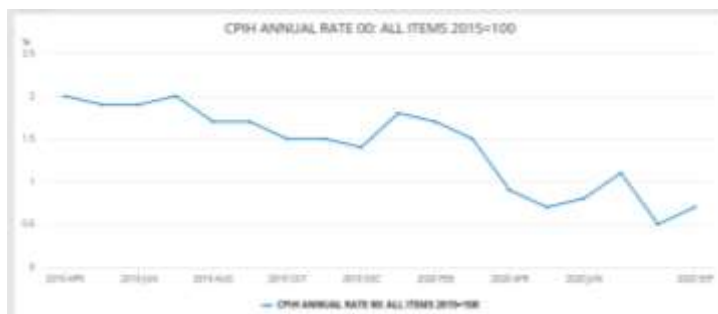
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## Monthly Financial Monitoring Report 2020/21 Q3 December 2020

### Economic Outlook

(issued 16<sup>th</sup> December)

The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.6% in November 2020, down from 0.9% in October 2020.



- The largest contribution to the CPIH 12-month inflation rate in November 2020 came from recreation and culture (0.24 percentage points).
- Falling prices for clothing, and food and non-alcoholic beverages resulted in the largest downward contributions (of 0.17 and 0.09 percentage points respectively) to the change in the CPIH 12-month inflation rate between October and November 2020. These were partially offset by upward contributions from games, toys and hobbies, and accommodation services.
- As a result of the increased restrictions caused by the coronavirus pandemic, 72 CPIH items were identified as unavailable in November, accounting for 13.9% of the basket by weight; the number has increased from eight in October but is down from 90 in April, the first full month of lockdown; for November, we collected a weighted total of 83.8% of comparable coverage collected before the first lockdown (excluding unavailable items).

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 2020 was 0.7%.

The outlook for the global economy is highly uncertain. It will depend on a deal with the EU on Brexit, 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 third 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>	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%

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.

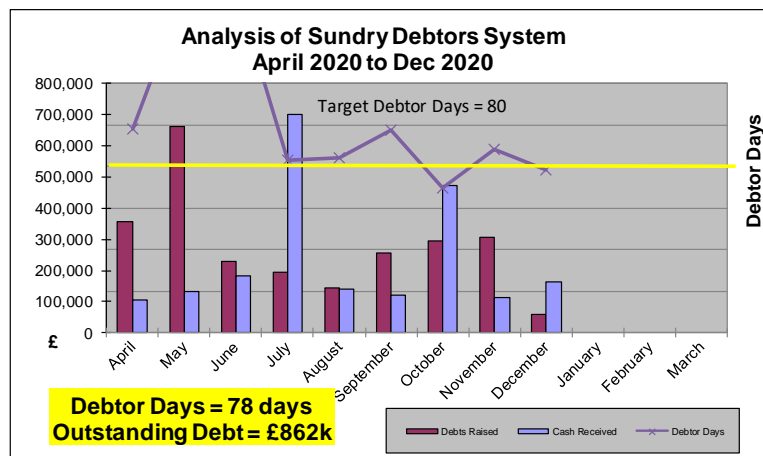
### Treasury Management Practices (TMPs) and Prudential Indicators

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 placed £15m of this with the 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 Q3 the TMPs have been complied with as resources ranged from a low of £8.6m on 23<sup>rd</sup> October to a high of £19.9m on 17<sup>th</sup> December.

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## Sundry Debts Monitoring



Invoices raised to the end of Q3 totalled £2,815k, of which £2,415k has already been collected and a further £131k is being collected in instalments throughout the year.

A further £102.5k of the 2019/20 outstanding debt has now been collected. The 2019/20 year outstanding debt has now dropped to £36k, representing a collection rate for that year of 98.5%.

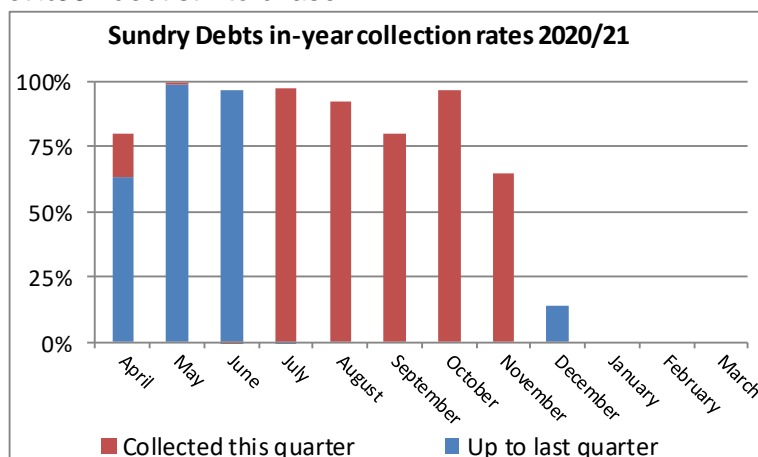
## Housing Rent Debts

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 Q3 has improved to 78 days from 98 days in Q2. 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 78, compared to 55 in Dec 2019 and 45 at the end of March.

Of the £659k outstanding, the doubtful element is now £244k of which £52k is owner contributions due from Bacup THI property owners.



Debts Outstanding	Mar 2018	Mar 2019	30 Sept 2020		31 Dec 2020		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	60.5	60.2		58.2		57.6	100%	39.4
2016/17 Debt	32.2	19.7		19.7		19.9	100%	19.9
2017/18 Debt	73.5	71.9		71.3		71.6	100%	44.8
2018/19 Debt	415.8	72.8		73.5		73.6	100%	73.6
2019/20 Debt								
Q1		8.0		5.0		5.3	100%	5.3
Q2		10.0		6.0		6.4	100%	6.4
Q3		13.1		7.2		7.7	75%	5.8
Q4		107.8		14.5		17.0	50%	8.5
2020/21 Debt								
Q1 Apr			136.9		76.2		10%	7.6
Q1 May			8.3		7.3		10%	0.7
Q1 Jun			8.9	154.1	31.5	115.0	10%	3.2
Q2 Jul			13.1		7.4		10%	0.7
Q2 Aug			22.8		11.2		10%	1.1
Q2 Sept			341.6	377.5	80.8	99.4	10%	8.1
Q3 Oct			75.6		9.5		10%	1.0
Q3 Nov			0.0		125.3		10%	12.5
Q3 Dec			0.0	75.6	51.0	185.8	10%	5.1
<b>Total Debt o/s</b>	<b>582.0</b>	<b>363.5</b>		<b>862.6</b>		<b>659.2</b>		<b>243.7</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 Q4.

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### 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	2,486	2,486
Obsolete refuse vehicles	53	-	53
<b>Net receipts to table 2</b>	<b>103</b>	<b>2,486</b>	<b>2,539</b>

### Current issues

During Q3 the sale of Knowsley Park Depot completed for £2.5m.

### 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 £2,733k.

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 2020/21 added £3,063k, including the repayment of the LEP grant for Spinning point phase 2, the addition of futures Park Plot 1 and infrastructure, the Waste Transfer Station refurbishment at Henrietta Street depot, the Empty Homes Scheme renovation costs, Victoria Way Storm Damage and the DFG's, to give a revised capital programme of £10,162k

The total grant income expected for the revised capital programme is £5,624k. The slippage being brought forward will be funded by £3,395k of grant. Revenue resources being applied in 2020/21 are expected to be £242k, 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 £1,776, 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	2,733
Capital Grants in 2020/21	5,624
Capital Receipts in 2020/21	2,539
	<b>10,895</b>
Revenue Contributions	
from Earmarked Reserves	186
from Revenue Operations	89
<b>Total Capital Resources 2020/21</b>	<b>11,170</b>
Capital Prog funding applied	(9,394)
<b>Total Capital Resources March 2020</b>	<b>1,776</b>
Capital Receipts Reserve (housing)	367
Capital Receipts Reserve (unalloc)	1,409

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- Emergency demolition works to Waterside Mill costs are £75k and Rock View Whitworth culvert head rebuilding costs are £31k spent to Q3. Emergency works to Victoria Way Wall by storm damage have cost £350k to Q3.

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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	339	-39
Non-distributed Costs	71	76	-5
	<b>836</b>	<b>969</b>	<b>-133</b>

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	-339	0
Other assets	17	-2	16
	<b>508</b>	<b>-1,011</b>	<b>7,193</b>

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

Delays in purchasing operational vehicles in 2020/21 may 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	<b>904.1</b>
Deposits received in 2020/21	57.0	1.1		<b>58.1</b>
Deposits applied in 2020/21	(9.0)	(11.1)	(44.9)	<b>(56.0)</b>
<b>Current Balance</b>	<b>324.5</b>	<b>107.8</b>	<b>464.9</b>	<b>897.2</b>

The value of S106 agreements brought forward on the 1<sup>st</sup> April was £904.1k. To the end of Dec £58.1k 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	Current 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	63.29	67.00	65.57	67.95	67.52	68.97
November	74.73	74.81	74.52	74.78	72.30	74.40	74.28	74.77	74.26	77.15
December	83.85	84.03	83.55	83.33	80.90	82.08	82.46	83.00	82.70	85.92
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 for Council Tax are lower compared to this time last year. Whilst Business Rates appear to have caught up since Q1 to 3.22% up, this does however include credits issued to businesses. Once these credits are processed the collection rate is likely to be 2% less than last year. Council Tax collections have continued to lag behind 2019/20 moving from 1.72% down at Q2 to 2.42% by the end of December.

### Council Tax Collection Fund

At this Q3 report the Council Tax collection fund looks to be heading towards a deficit of around £412k, 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. The original budget income on page 6 was £300k, but with the continued impact of Covid-19 it appears no court cost income will materialise before April 2021.

Council Tax Forecast 2020/21	Q1 £'000	Q2 £'000	Q3 £'000
Council Tax Collectable (after Discounts & Exemptions)	40,430	40,439	40,434
less Doubtful Debt Provision	(300)	(300)	(300)
	<b>40,130</b>	<b>40,139</b>	<b>40,134</b>
less Precepts for 2020/21			
Lancashire County Council	(28,896)	(28,896)	(28,896)
Police	(4,363)	(4,363)	(4,363)
Fire	(1,462)	(1,462)	(1,462)
Rossendale Borough Council	(5,826)	(5,826)	(5,826)
	<b>(40,547)</b>	<b>(40,547)</b>	<b>(40,547)</b>
<b>Surplus / (Deficit)</b>	<b>(417)</b>	<b>(407)</b>	<b>(412)</b>
<b>RBC Share = 14.61%</b>	<b>(60)</b>	<b>(59)</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 Q3 this was £5,550k, compared to the original estimate of £463k (a decrease of £30k during Q3). 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 Q3 banding decreases have risen to £483k. Of the £744k 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.

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 £6.673k. Officers have presumed that the £5,110k additional grant will be used to compensate the overall Collection Fund (shown yellow above).

Business Rates Collection Fund 2020/21 (50% Pool)		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Net Liability Due		13,336	7,994	7,034	6,965
Less Transitional Payments due to MHCLG		(15)	(15)	(15)	(15)
Less Cost of Collection Allowance		(97)	(97)	(97)	(97)
Less Doubtful Debt Provision		(300)	(300)	(300)	(300)
Less Appeals Provision		(530)	(400)	(300)	(300)
Less Renewables 100% to RBC		(173)	(173)	(173)	(173)
Additional General S31 Grant for Covid Reliefs			4,174	4,174	5,110
<b>Net NNDR due</b>	<b>A</b>	<b>12,221</b>	<b>11,183</b>	<b>10,323</b>	<b>11,190</b>
Less Trans surcharge	B	0	15	15	15
Less Precepts		(12,236)	(12,236)	(12,236)	(12,236)
Cash Surplus/(Deficit)	C	(15)	(1,038)	(1,898)	(1,031)
<b>RBC Share = C x 40%</b>	<b>D</b>	<b>(6)</b>	<b>(415)</b>	<b>(759)</b>	<b>(412)</b>
Central Government share 50%			(519)	(949)	(516)
LCC and Fire share 10%			(104)	(190)	(103)

After factoring in the additional Section 31 grant of £5,110k (if legislation allows) the net effect is a cash deficit prediction of £1,031k, of which RBC's 40% share would be £412k.

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 £58k. The net impact on the Council is therefore estimated to be a surplus of £1,151k.

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Business Rates Income	A+B	12,221	11,198	10,338	11,205
RBC Share = 40%		4,894	4,479	4,135	4,482
less tariff paid to Lancashire Pool		(2,714)	(2,714)	(2,714)	(2,714)
add S31 Grants	E	1,293	1,563	1,563	1,563
Subtotal		3,473	3,329	2,985	3,331
RBC Baseline Funding Level used in Budget		2,180	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>	<b>1,151</b>
Levy due to Lancs Pool = F under 50% Pool	G	(65)	(57)	(40)	(58)

To summarise, this creates a net pooling gain of £1,267k 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 £3,907k, this is then reduced by the 2020/21 Collection fund deficit of £412k and the £686k which has been budgeted to support the

Business Rates Summary		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Business Rates Surplus/(Deficit) 2020/21	F	1,293	1,149	805	1,151
less Lancashire Pooling Levy	G	(65)	(57)	(40)	(58)
Renewable Energy		173	173	173	173
<b>Overall Gain</b>	<b>H</b>	<b>1,402</b>	<b>1,264</b>	<b>938</b>	<b>1,267</b>
Business Rates Retention Reserve Bfwd		2,640	2,640	2,640	2,640
Business Rates Surplus/(Deficit) 2019/20		390	390	390	390
Business Rates Cash Surplus/(Deficit) 2020, D		(6)	(415)	(759)	(412)
Business Rates Surplus/(Deficit) 2020/21	H	1,402	1,264	938	1,267
Less Budgeted Utilisation		(686)	(686)	(686)	(686)
<b>Total Retained Business Rates Resources Cfwd</b>		<b>3,740</b>	<b>3,193</b>	<b>2,523</b>	<b>3,199</b>

General Fund in 2020/21, giving total resources of £3,267k. From this there will be a pooling levy charge for 2019/20 to pay of £69k, leaving a predicted balance at March 2021 of £3,199k.

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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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# Monthly Financial Monitoring Report 2020/21 Q3 December 2020

## General Fund

The main revenue fund of the Council.

## Grants Unapplied

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

## Homes and Communities Agency (HCA)

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

## Investments

The Council invests surplus cash in short- and long-term deposits in accordance with the Treasury Management Strategy and Practices revised in February each year. In this context short-term includes anything up to 365 days, and long-term is for more than one year. Funds deposited in such investments are not accessible until the end of the agreed terms.

## Link Asset Services (formerly Capita & Sector)

Link Asset Services (formerly Capita & Sector) is the company which provides the Council with Treasury Management advice, including daily market reports and predictions, credit rating updates, interest rate forecasts and annual reviews of our strategy and practices ahead of the February reports to Full Council.

## Medium Term Financial Strategy (MTFS)

The Council's financial planning document for the foreseeable future.

## Minimum Revenue Provision (MRP)

The minimum amount which must be charged to the Council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

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

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

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

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

## Provision

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

## Provisional

Best forecast given current knowledge.

## Public Works Loans Board (PWLB)

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

## Reserve

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Amounts included in one financial year's accounts to provide for payment for goods or services, whether revenue or capital, in a future financial year.

### Revenue account

An account that records an authority's day-to-day expenditure and income on such items as salaries and wages and other running costs of services.

### Section 106 Agreement

Planning agreement whereby developers make a contribution towards specific projects linked to their development as a condition of planning application approval. Deposits may be for revenue or capital schemes, but application of the funds are dependent on firstly the developer, and then the Council, pursuing the projects specified within the agreement.

Rossendale Borough Council

PO BOX 74

Bacup

OL13 0WU

T: 01706 217777

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

آپ کو ان معلومات کا خلاصہ سے صرف میں، ڈیویڈسٹ پر، انگریزی کے علاوہ کسی اور زبان میں دیکھا جاتا ہے۔  
میری میں نہیں ہوگی، ہم کو آپ کے لئے اس کا انتظام کریں گے۔  
ہمارے میرا پی 01706 217777 پر ٹیلیفون کریں یا بھرنے کی تہن سیشن سے اس پر 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।

অনুগ্রহ করে 01706 217777 এই নাম্বারে অথবা কমিউনিকেশন সেকশন, টাউন সেন্টার অফিস, রটেপটল বি.বি.এ ৭এল.জেড, এই ঠিকানায় যোগাযোগ করুন।

Other formats available on request.

Tel: 01706 217777 or contact:

Rossendale Borough Council

PO BOX 74, Bacup, OL13 0WU

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