

Subject:	Financial Monitoring Report Q1 2021/22		Status:	For Publication	
Report to:	Cabinet		Date:	13 th October 2021	
Report of:	Finance Manager		Portfolio Holder:	Resources	
Key Decision:	<input type="checkbox"/>	Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
Equality Impact Assessment:	Required:	No	Attached:	No	
Biodiversity Impact Assessment:	Required:	No	Attached:	No	
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1. RECOMMENDATIONS

- 1.1. That Cabinet note the contents of the Q1 2021/22 financial monitoring report.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to update members on the Q1 budget progress 2021/22, compared to the original budget set back in February 2021.

3. BACKGROUND

- 3.1 The 2021/22 MTFS set a balanced Budget for the year based on the assumptions made at that time. The Covid pandemic continues to impact on the economy and result in unplanned expenditure for the Council.
- 3.2 It is still early in the financial year and work will continue over the coming months to monitor and forecast the costs and savings associated with both the pandemic and any other emerging budget pressures.

4. REVENUE

- 4.1 This first monitoring report of the year 2021/22 is forecasting an adverse variance of £192.1k when compared to an original budget of £8,902k. It is proposed that this adverse variance will be met from the response and recovery reserve.
- 4.2 The most notable variances are:-
- £200k adverse - Court cost income estimated at £100k against a budget of £300k.
 - £101k adverse – Deferred repayment of loans granted to the Rossendale Leisure Trust agreed by Council in February 2021.
- 4.3 Full details and explanations are included in **Appendix 1**.

5. CAPITAL

- 5.1 The Usable Capital Receipts brought forward at the 1st April totalled £3,398k.
- 5.2 The value of the budgeted capital scheme expenditure for 2021/22 was £6,239k to which £3,765k slippage has been added, plus two new schemes have also been added - Whitworth Wild Play (£16k) and Water Recreational ground (£4k), to make the estimated in year expenditure £10,024k. The total capital programme over the life of the MTFS is

£21,636k.

5.3 The total in the Useable Capital Receipts Reserve at the end of 2021/22 is currently expected to be £1,319k. £367k of this is ring-fenced for housing schemes. £100k is ring-fenced for Whitworth projects and £236k is ring-fenced for Haslingden projects.

5.4 The most effective method of funding the Councils' Capital outturn will be determined at the end of the financial year.

6. TREASURY

6.1 The council's bank resources continue to be higher than normal due to the level of Covid related Government grants received and held over from 2020/21, including significant sums not yet returned to Government as part of the agreed reconciliation conditions. With the uncertainty around income and Covid-19 response requirements, and depressed interest rate levels on offer from approved counterparties, Council officers have retained funds in instant access/liquid accounts. Details are included in Appendix 1.

7. COLLECTION FUND

7.1 Council Tax collection statistics are broadly consistent with pre-pandemic levels whilst business rate collection continues to be lower than performance prior to Covid.

7.2 The Government has extended the 100% Business Rate Relief scheme to include retail, hospitality and leisure businesses into 2021/22, albeit on modified terms and with this level of relief to reduce to 66% of liability with effect from July 21. The Government has issued additional S31 grants to cover this lost income.

8. EARMARKED RESERVES

8.1 The total cash-backed earmarked reserves brought forward at 1st April 2021 were £12,740k. The Earmarked Reserves closing balance at the 31st March 2022 is predicted to be £12,633k. This balance also includes compensation received in 2020/21 required to fund future years' deficits on the Collection Fund owing to the pandemic. Amounts will be released over the next three years to ease the cashflow burden, as agreed by changes to legislation ('spreading the deficit').

8.2 Planned usage through the life of the MTFs, is projected to reduce this to £7,348k by March 2025.

9. RISKS

9.1 All the issues raised and the recommendations in this report involve risk considerations as follows:

- Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues and opportunities and in particular service department net expenditure.
- Budget setting for future years is now treated as an integral part of financial monitoring during the current year and the impact of variances being reported here will be considered by officers when preparing the detailed 2022/23 budgets.
- 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 implications of the Fair Funding review and the proposed new national scheme for the local retention of business rates have been postponed again until April 2023. The Government has announced there will be a three-year Spending Review

alongside the autumn budget on 27 October, the first multi-year funding settlement since 2018.

COMMENTS FROM STATUTORY OFFICERS:

10. SECTION 151 OFFICER

10.1 The financial implications are fully set out in Appendix 1.

11. MONITORING OFFICER

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

12. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

12.1 There are no specific implications for consideration. Staffing issues have been discussed with colleagues in the People & Policy team.

13. CONCLUSIONS

13.1 Robust monitoring of the General Fund and MTFS is essential to control risks expressed in section 4 above and the council continues to undertake this.

13.2 The council's overall financial position improved due to the 2020/21 adjusted outturn position. However, the ongoing impact of Covid is still not completely known and remains a risk.

13.3 Despite a continued cost reduction programme, the on-going challenge remains for the council to continue its savings agenda in order to help realise its medium term saving and targets. Members, collectively, continue to face difficult choices in order to balance expenditure with available resources over the medium term. The council must remain focused on delivering further efficiencies.

13.4 It is uncertain how much Government funding the council will receive from April 2022 onwards. The Government's announcement of a three-year Spending Review alongside the autumn budget on 27 October will give some certainty for the next three years' funding levels, however the impact of this review will not be known until later in the year. The Government has also announced that departments will need to identify at least 5% savings and efficiencies from their day-to-day budgets, it is not yet known what impact, if any, this statement will have on the Council. This poses a significant risk to the MTFS.

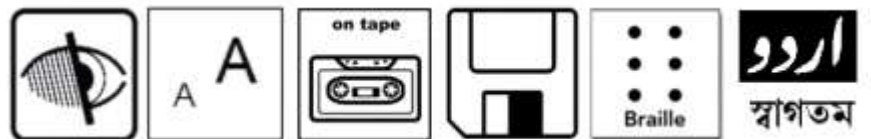
Background Papers

Document	Place of Inspection
Service monitoring statements.	Financial Services.
2021/22 Corporate Priorities, Budget, Council Tax and The Medium Term Financial Strategy.	RBC website - Full Council 24/02/2021

Financial Monitoring Report

2021/22 Q1 as at end of June 2021

Including a Glossary of terms on page 29



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General Fund Revenue Operations – pages 5 to 19

The Covid pandemic continues to influence the Council's financial performance into 2021/22. The net impact is an adverse variance of £192.1k on the General Fund at Q1 when compared to the original budget of £8,902k. The Council has held over the balance of Covid support grants received in 20/21 where able to do so and has received additional grant support in the year to date to assist with the ongoing financial pressures faced.

The forecast outturn position at Q1 utilises Covid sums carried forward to meet ongoing eligible expenditure. In addition, the adverse variance reported above is proposed to be met from the Response and Recovery Reserve unless and until further Covid related grant funding is to be made available in year from Government departments.

Earmarked Revenue Reserves – page 20 to 21

The total cash-backed Earmarked Reserves brought forward at 1st April 2021 were £12,740k.

The opening balance on the Transitional Reserve was £1,890k, to which £213k of New Homes Bonus grant is to be added. This funding will be released in full as budgeted, to fund 21/22 Net Service costs. Similarly, the Council is to receive £93k of Lower Tier Services Grant as part of the 21/22 Local Government Finance Settlement, and this too will be used to fund Net Service costs.

Due to the complexities of the Collection Fund accounting regime reported to Cabinet throughout 20/21, the Business Rates Retention Reserve holds a significant sum brought forward (£6,229k). Utilisation of Covid funding last year replaced the budgeted contribution from this reserve, down from the £686k assumed as required in 20/21, to nil. This balance also includes compensation received in 20/21 required to fund future years' deficits on the Collection Fund owing to the pandemic. Amounts will be released over the next three years to ease the cashflow burden, as agreed by changes to legislation ('spreading the deficit').

The approved budget for 21/22 also includes transfer to the Business Rates Retention Reserve of Section 31 Grant compensation for eligible reliefs afforded to qualifying business, received in year. This is estimated at £1,091k. The Council also intends to contribute its receipt for renewable energy in the sum of £183k before releasing sums for general budget support at a value of £606k. The intention is to transfer Section 31 grant receipts to the Transitional Budgetary Support Reserve at financial year-end.

The Planning Reserve is expected to be required in full in year to support £113k of costs in relation to the current Local Plan.

Unutilised balances of Covid related funding as at 31 March 2021 were transferred into a new Response & Recovery reserve to meet the ongoing impact and commitments resulting from the pandemic falling into 21/22 and potentially beyond.

The closing balance of earmarked reserves at the 31st March 2021, including sums specifically ring-fenced to fund future deficits on the Collection Fund is estimated at £12,633k. Based on current plans and forecast commitments at the time of this report, earmarked reserves are anticipated to reduce to £7,348k over the life of the MTFS by March 2026.

Government Grants Unapplied – page 22

The opening value of Government Grants Unapplied at the 1st April 2021 was £1,921k, including £1,858k of Disabled Facilities Grant carried forward into 2021/22 which relates to previous years' slippage. The original allocation of Better Care funding for DFGs for 2021/22 is £1,160k, giving total DFG resources available of £3,018k.

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In addition, the Council has received various grants to support its Covid related activities in the sum of £4,256k and these are detailed on page 33. Some of these grants are ring-fenced for specific activities with any remaining balance having to be repaid to the originating body whereas others can be released to support the budget. At Q1, the required funding level from the Response and Recovery Reserve for spend to date, known commitments and to make good the Q1 variance of £192.1k, is £813k.

Staff Monitoring – page 19

The table on page 19 shows the forecast staffing variances for the year based on quarter 1 actuals. The forecast for the year is currently £184.9k. This is made up of £159.9k from general staff turnover and vacancies, plus £25k from additional leave purchased by staff throughout the year. This is a £40.1k shortfall on the revised 2021/22 budget of £225k, however we are still in the early part of the financial year.

Treasury & Cash Management - page 23 to 26

At the end of June, the bank balances were £16,069k. These resources continue to be higher than normal due to the level of Covid related Government grants received and held over from 20/21, including significant sums not yet returned to Government as part of the agreed reconciliation conditions. Due to the pandemic, banking institutions have continued to reduce interest rates. With the uncertainty around income and Covid-19 response requirements, and depressed interest rate levels on offer from approved counterparties, Council officers have retained funds in instant access/liquid accounts. Consequently, the interest income forecast has reduced to just £6.8k, against an original budget target of £16.4k.

The provision for doubtful debt at the 1st of April 2021 was £380.6k, plus a further £5.4k set aside for licensing debt, against £458k of doubtful debts. Following a significant increase to the provision for bad debts during 20/21, the level of cover for sums outstanding and that risk going unpaid is considered adequate at this time (c84% cover), but will continue to be monitored throughout the year.

Capital Receipts – page 27

The Usable Capital Receipts brought forward at the 1st April totalled £3,398k.

Capital Grants due for projects in 2021/22 is expected to total £4,782k.

Current funding for slippage carried forward into the 21/22 Capital consists of a mixture of resources, namely £3,765k of grants, capital receipts and (internal) borrowing. The most effective method of funding the Council's Capital outturn will be determined at the end of the financial year.

On current assumptions, the Capital Receipts Reserve is expected to total £1,319k at the year-end.

Capital Programme and Funding – page 28 to 29

The original Capital Programme for 2021/22 is £6,239k, including £1,000k for DFGs and £1,344k for replacement operational vehicles. The slippage from 2020/21 was £3,765, the bulk relating to DFGs. Additions to the programme have been Whitworth Wild Play and Water Recreational Ground respectively.

The revised capital programme for 2021/22 is £10,024k.

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Collection Fund 2021/22 (Council Tax & NNDR) - page 31 to 32

Council Tax collection statistics are broadly consistent with pre-pandemic levels whilst business rate collection continues to be lower than performance prior to Covid.

The Council Tax account is predicting an overall surplus of £170k for Rossendale, including an increase to doubtful debts of £700k due to the ongoing impact of Covid. Court Cost income has yet to be realised, however we are predicting to receive £100k against a budget of £300k giving an adverse variance of c£200k included in the projected outturn on page 7.

The Government has extended the 100% Business Rate Relief scheme to include retail, hospitality and leisure businesses into 21/22, albeit on modified terms and with this level of relief to reduce to 66% of liability with effect from July 21. This has reduced the forecast NNDR income due. However, the Government has issued additional S31 grants to cover this lost income. These sums, received by the Council into its General Fund in 21/22, will be set aside to fund the deficit emanating from the Collection Fund shortfall in 21/22, to be realised and made good in future years, similar to the treatment for 20/21.

Covid 19 – page 33

The Council has received various Covid related grants throughout the year and these have been itemised on page 33. Some of these grants are ring-fenced and any underspend will be recovered by the originating body at the end of the scheme. For business grants the Council is acting as an agent for the Government and any balances at the end of the schemes have to be repaid. All schemes are currently closed, with repayment of net balances to Government pending (£c3m). The Council received funding in Q1 for the business Restart grant scheme and this is detailed on page 33.

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General Fund Summary - Period 3 (Quarter 1)

Service Area	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,404.8	1,745.2	(340.4)	-	(340.4)
Operational Functions	1,832.8	1,924.1	(91.3)	-	(91.3)
Communities	702.0	645.0	57.0	-	57.0
Public Protection Unit	131.3	135.3	(4.0)	-	(4.0)
Environmental Health	207.6	212.6	(5.0)	-	(5.0)
Licensing & Enforcement	115.4	132.7	(17.2)	-	(17.2)
Housing	497.4	461.1	36.3	-	36.3
Economic Development Directorate					
Planning Services	290.3	231.4	58.9	-	58.9
Building Control Services	(7.5)	(29.2)	21.7	-	21.7
Regeneration	336.1	337.6	(1.6)	-	(1.6)
Property Services	265.4	218.4	47.0	-	47.0
Corporate Management Directorate					
Corporate Management	465.4	420.5	44.9	-	44.9
Legal Services	172.5	172.1	0.4	-	0.4
Local Land Charges	(19.8)	(10.1)	(9.7)	-	(9.7)
Democratic Services	584.6	547.2	37.4	-	37.4
Financial Services	553.2	555.3	(2.1)	-	(2.1)
People and Policy	641.5	642.9	(1.4)	-	(1.4)
Non Distributed Costs	72.3	207.4	(135.1)	-	(135.1)
Capital Financing and Interest	656.7	544.7	112.1	-	112.1
TOTAL Service Cost	8,902.11	9,094.2	(192.1)	-	(192.1)
LESS Use of Earmarked Reserves					
Retained Business Rates Reserve	(2,180.0)	(2,180.0)	-	-	-
Response and Recovery Reserve	-	(192.1)	192.1	-	192.1
Lower Tier Services Grant	(93.0)	(93.0)	-	-	-
Transitional Budgetary Reserve	(606.0)	(606.0)	-	-	-
LESS Use of New Homes Bonus Grant					
	(213.0)	(213.0)	-	-	-
Net Service Cost	5,810.1	5,810.1	(0.0)	-	(0.0)

The monitoring report at Q1 21/22 is forecasting a predicted adverse variance of £192.1k. This forecast position will require an additional £192k from the Response and Recovery Reserve to balance the approved budget for the year, subject to the receipt of additional funding from Government.

The main variances are shown in the table below and these include: -

- Staff cost reductions are forecasting an adverse variance of £40.1k at year end against the required £200k of vacancy savings. In addition, staff have committed to fund £25k of additional leave to be taken over the course of the year, this is per budget.
- Members are reminded that no court sessions were held throughout 20/21 owing to the pandemic, and this continues to have an impact into 21/22. Estimated court cost income has been assumed at £100k at Q1, down from the £300k approved budget, although this is considered overly prudent as recovery action has recommenced in 21/22 with court cost income likely to follow. As this remains difficult to quantify, an adverse variance of £200k is therefore included in the forecast outturn.
- It should be noted that the Government introduced a scheme for 'lost' income during 20/21 to compensate Councils, in part, for the impact of Covid19 on its income expectations. Government have announced a similar scheme for 21/22 although the finer detail is yet to be published. This may differ from the 20/21 scheme in design and

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duration and the forecast outturn at Q1 assumes only £50k in compensation. The Council's claim for compensation for irrecoverable Fees & Charges income losses in 20/21 was £219k. The £50k assumption is therefore considered prudent for the first quarter, subject to receipt of scheme guidance, as the Government's roadmap eases restrictions from July 21. Additional compensation from the scheme would reduce the required contribution from the Response and Recovery Reserve to balance the budget.

- The deferred repayment of loans granted to the Rossendale Leisure Trust agreed by Council in February 2021 has an adverse variance on the forecast outturn in the sum of £101k. This is the final year of the agreement with repayments to commence from 22/23. Deferred payments relating to 20/21 and 21/22 will result in extension to the agreed repayment terms with income receipts now due in 26/27 and 34/35, where previously assumed to end in 25/26 and 33/34 respectively.

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Main areas of movement

Annual Variances	Q1 Fav/(Adv)	Q2 Fav/(Adv)	Q3 Fav/(Adv)	Q4 Fav/(Adv)	Total Fav/(Adv)	
Customer Services and e-Government						
Staff costs	6.1				6.1	
Housing Benefits subsidy and admin grant	(58.5)				(58.5)	
Housing Benefit Local Council Tax support grant	42.8				42.8	
Housing Benefit bailiff fees	18.3				18.3	
Revenues & Benefits administration Contract	14.6				14.6	
Court costs recovered (net of bad debt provision)	(20.0)				(20.0)	
Business Rates - net costs of collection and s31 grants	(220.8)				(220.8)	
Central IT Costs	(12.0)				(12.0)	
Leisure Services - Deferred income from loan	(101.0)				(101.0)	
Other minor variances	(9.9)				(9.9)	(340.4)
Operations						
Staff costs (including agency and overtime)	(8.7)				(8.7)	
Parks & Open Spaces	9.7				9.7	
General parks and street sweep running costs	5.0				5.0	
Garden Waste Income Less Costs	(3.3)				(3.3)	
Extra Costs within Refuse	(52.2)				(52.2)	
Trade Waste & Bulks Net income	26.0				26.0	
Cemeteries Net income	-				-	
Other minor variances	(3.6)				(3.6)	(34.3)
Public Protection						
Staff costs	10.8				10.8	
Environmental Health administration expenses	2.4				2.4	
Environmental Health Fixed Penalty Notice Inc Adverse	(12.0)				(12.0)	
Strategic Housing, Housing Options and Private Ren.	10.1				10.1	
Extra Income for Enforcement within Environmental Health from MHCLG	-				-	
Hackney income	(2.7)				(2.7)	
Private hire income	(5.7)				(5.7)	
Other Licensing income/costs	(4.4)				(4.4)	
Other minor variances	11.6				11.6	10.1
Economic Development						
Staff costs (net of grant & fee income)	55.0				55.0	
Planning Application Fee Income	75.7				75.7	
Planning Consultancy Professional fees	(60.6)				(60.6)	
Planning Pre-apps	(22.4)				(22.4)	
Building Control Fee Income	19.8				19.8	
Economic development admin costs and Markets	(2.7)				(2.7)	
Childrens Partnership Board Grant income	1.1				1.1	
Other Property Running costs	21.1				21.1	
Spinning Point bus station	(8.7)				(8.7)	
Estates Income (Excluding Town Hall, Futures Park)	11.4				11.4	
Insurance & Service Charge - Futures Park plot 5	28.1				28.1	
Business Centre rentals	2.9				2.9	
Other minor variances	5.3				5.3	126.0
Corporate Management						
Staff costs	96.7				96.7	
Legal income	(3.4)				(3.4)	
Democratic Services and Member costs	3.7				3.7	
Internal and External Audit - Finance	3.2				3.2	
Land Charges income	(3.2)				(3.2)	
Bank Charges	(17.0)				(17.0)	
People and Policy administration costs	(12.5)				(12.5)	
Other minor variances	2.0				2.0	69.4
Non-Distributed Costs & Capital Financing						
Original staff savings target (actuals now above)	(200.0)				(200.0)	
Historical pension commitments	17.9				17.9	
Interest	(9.6)				(9.6)	
Loss of fees and income re Covid grant from MHCLG	50.0				50.0	
MRP Savings	121.7				121.7	
Other minor variances	(3.0)				(3.0)	(23.0)
Favourable/(adverse) variance	-192.2	0.0	0.0	0.0	-192.2	-192.2

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Communities Directorate

Period 3 (June)

Customer Services & ICT	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
Customer Services					
Benefits Administration	(234.3)	(235.6)	1.3		1.3
Benefits Granted	(23.7)	(23.3)	(0.4)		(0.4)
Local Tax Collection	(378.6)	(137.9)	(240.7)		(240.7)
Revenues & Benefits Partnership	1,046.7	1,032.1	14.6		14.6
Strategic Functions					
Management and Support	75.0	75.0	-		-
Service Assurance Team	128.5	128.0	0.5		0.5
Central Telephones	5.4	7.0	(1.6)		(1.6)
Central Printing	3.9	3.9	-		-
ICT Support	712.0	706.0	6.0		6.0
Leisure Services	70.0	190.0	(120.0)		(120.0)
Pest Control	-	-	-		-
Total	1,404.8	1,745.2	(340.4)	-	(340.4)

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	-	6.1	6.1	
Housing Benefit administration grant	-	(58.5)	(58.5)	
Housing Benefit Subsidy (net grant position)	-	(0.4)	(0.4)	
Housing Benefit Local Council Tax support grant	-	42.8	42.8	
Housing Benefit bailiff fees	-	18.3	18.3	
Revenues & Benefits administration contract	-	14.6	14.6	
CTax & BRates - court costs (net of bad debt provision)	-	(20.0)	(20.0)	
Business Rates - net costs of collection	-	(220.8)	(220.8)	
Renewable Energy Business Rates income	-	183.0	183.0	
Business Rates transfer to Retained Business Rates Reserve	-	(2,140.9)	(2,140.9)	
Business Rates S31 Grants	-	1,957.9	1,957.9	
SAT Team Grants received (incl Universal Credit)	-	77.1	77.1	
SAT Team additional costs (incl Universal Credit) funded by grants	-	(77.1)	(77.1)	
Central IT Costs	-	0.7	0.7	
Switchboard internet telephony costs	-	(1.6)	(1.6)	
IT equipment purchase - RLT	-	(11.0)	(11.0)	
Leisure Services - Deferred income from loan repayments where income originally assumed	-	(101.0)	(101.0)	
Other minor variances	-	(9.6)	(9.6)	
* TOTAL	-	(340.4)	(340.4)	

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Customer Service & ICT Highlight Report – Q1 (end June 2021)

Historic Issues

- None.

Current Quarter's Issues

At Q1 the forecast variance is £340.4k unfavourable, the main changes being: -

- A favourable forecast of £2.1k on the benefit subsidy is mainly due to a saving of £18.3k on housing benefit bailiff fees, this is because bailiff activity was put on hold throughout quarter one. It is expected that there will be a rise in housing subsidy claims as a result of Covid, this continues to be closely monitored.
- In terms of business rates, the renewable energy income of £183k and budgeted S31 grants will be transferred into the Retained Business Rates Earmarked Reserve.
- At the end of Q1 the total value of court costs raised is £20k short of where we anticipated. Following last years temporary hold on pursuing both NNDR and Council Tax debt, although recovery through the courts it has now re-commenced, however a budget shortfall is anticipated at the year-end but will be monitored throughout the year as court activity increases.
- The Service Assurance Team has received new burdens and Universal Credit introduction grants of £77k 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 2021/22 or the beginning of 2022/23, so the net variance being predicted is £nil.
- The Revenues and Benefits administration contract costs are projecting a £14.6k favourable variance.
- Due to deferred income from loan repayments relating to leisure services there has been an adverse movement of £101k.
- 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 £1.6k.

Future Issues

- The loan deferral relating to leisure services has been agreed for a period of two years, with loan repayments to recommence in 2022/23. At this time the MTFs assumes income receipts for the same in 2021/22. The MTFs will be updated to reflect extensions to the original terms to reflect the revised timing of receipts to settle loan advances made.

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Communities Directorate

Period 3 (June)

Operations & Communities	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Operational Functions					
Operations Admin & Vehicle Maintenance	338.2	396.6	(58.4)		(58.4)
Refuse & Recycling	1,131.9	1,194.3	(62.4)		(62.4)
Street Sweeping	385.3	356.0	29.3		29.3
Markets	(22.5)	(22.8)	0.3		0.3
Communities					
Parks & Open Spaces	905.1	847.6	57.4		57.4
Cemeteries	(227.2)	(226.9)	(0.3)		(0.3)
Dog Warden	24.2	24.4	(0.2)		(0.2)
Total	2,534.8	2,569.1	(34.3)	-	(34.3)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancies at Operations Admin Offices Henrietta Street	-	(30.8)	(30.8)	
Parks Salary Variances (Including temporary gardeners)		55.7	55.7	
Street Sweeping Salaries		31.7	31.7	
Refuse Salaries and Agency		(49.2)	(49.2)	
Fleet Management Vacancy and Agency	-	4.4	4.4	
Markets Overtime		-	-	
Overtime Budgets		(20.5)	(20.5)	
Vehicle Maintenance (including tyres/ parts)		(6.0)	(6.0)	
Vehicle Hire		-	-	
Actions re variances - MRP Savings on Vehicles		-	-	
Fuel		-	-	
Fleet Running Costs MOTs		(1.2)	(1.2)	
Fleet - Oudour Machine		(10.0)	(10.0)	
Garden Waste income		-	-	
General Garden Waste Expenditure		(3.3)	(3.3)	
Purchase of Laptops		(17.2)	(17.2)	
Bin Repairs and Litter Bins		(25.0)	(25.0)	
Trade Waste - Tipping Fees		(12.0)	(12.0)	
Trade Waste - income		38.0	38.0	
Bulk Item Income		-	-	
Street Sweeping Hire of Vehicle		(21.0)	(21.0)	
Street Sweep Insurance Settlements		32.5	32.5	
Weed Killing		(4.5)	(4.5)	
Litter Bins		(2.0)	(2.0)	
Cemeteries Extra income		-	-	
Cemeteries General Repairs		-	-	
Markets Income & Running expenses		-	-	
Parks & Open Spaces S106		9.7	9.7	
Other Variances		(3.6)	(3.6)	
TOTAL	-	(34.3)	(34.3)	

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Operations Highlight Report – Q1 (end of June 2021)

Historic Issues

The approved vehicle replacement plan is in progress for 21/22. Maintenance and hire costs are forecast to be met from within existing budget provision. However, due to two vehicles within Street Sweep being damaged, unfortunately further Hire Costs will be sustained until at least October 2021.

Current Quarter Issues:

At the end of Q1, an adverse variance of £34.3k is forecast to the year-end for Operations and Communities. This is due to overtime been forecast taking the position to £8.7k overspent. Note:- Agency Costs totalling £15.4k have been charged to the COVID19 Grants associated with the Pandemic. There has been some staff movements, starters and leavers and back filling with Agency and covering with overtime. At the start of the year there was only 1 vacancy which was being filled with Agency which was the Mechanic within Fleet. However, in late April a new member of staff departed from Street Sweep increasing the vacancy position within Quarter 1.

Due to Covid19 the vehicle replacement plan lead times from raising the purchase order to delivery has increased to 8-10 Months. Within the first quarter the maintenance costs are within budget.

At Q1, Garden Waste services have achieved the income budget target due to the annual billing profile commencing early in the financial year. The budget for 21/22 includes increased income of £50k, as agreed by Council when setting the budget in February 2021. 'Sales' continue to take place throughout the year and income in excess of budget is likely, although no estimate for this surplus has been included in the Q1 outturn forecast.

- Within Refuse and Recycling, there has been additional pressure associated with Agency staff which will be closely monitored in 21-22 and a better picture will emerge by the end of Qtr 2 and this will be revisited.
- There have been a number of one off costs in quarter one for CCTV £1.6k at Henrietta Street, IT Costs £17k and improvements made to control pollution and odour £10k.
- Also within Refuse and Recycling, the Trade Waste Sector has made a favourable contribution to Q1 with agreements being put in place that have exceeded the income targets by £37k across the different options available to traders. However, extra tipping fees will be incurred of an estimated £12k based on extra revenue generated.
- It is estimated that Bin Repairs will exceed the budget by an estimated £25k and Garden Waste Expenditure £3.3k.
- Within Street Sweep there have been 2 vehicles damaged and insurance settlements £32.5k have been received. In the interim of replacing these vehicles which were due for replacement soon there has been an extra vehicle hired which is costing £700/Week for around 30 Weeks causing a £21k pressure within vehicle costs. Other pressures within Street Sweep include the Weed Killing and Caretaker Whitworth budget £19.4k. This does not cover the total cost £24k causing an adverse variance of £4.5k. Litter Bins are also going to exceed budget by £2k.
- Vehicle Maintenance is slightly overspent by £6k. It should be noted at this stage that the price of fuel has increased by £0.20p/litre and this will be closely monitored going forward and will be revisited at the end of Q2.
- Cemeteries income is forecast to achieve budget.

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 volatile markets. However, due to Covid19 there have been delays with the project. There are likely to be some additional costs once the facility begins operating in respect of adequately staffing it. Costs from other areas will disappear and savings will be made – so costs will change and be allocated to different areas.
- Agency Costs – The Council will be looking at tendering for the provision of agency workers in 2021/22.

Commercial Waste – Staff are now in place and achieving Council targets at the end of Quarter 1. The increase in the number of customers will lead to the requirement of additional stock of commercial waste/recycling bins, but this will be recovered from additional revenue income.

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Communities Directorate

Period 3 (June)

Public Protection & Housing	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Public Protection Unit	131.3	135.3	(4.0)		(4.0)
Environmental Health	207.6	212.6	(5.0)		(5.0)
Licensing & Enforcement	115.4	132.7	(17.2)		(17.2)
Strategic Housing					
Housing Strategy	56.6	28.5	28.1		28.1
Private Sector Housing Renewals	(0.7)	(0.3)	(0.4)		(0.4)
Homelessness	141.5	132.9	8.6		8.6
Empty Homes Scheme	300.0	300.0	-	-	-
		-			
Total	951.7	941.6	10.1	-	10.1

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	-	(5.4)	(5.4)	
Public Protection Unit - staffing and Direct Costs	-	(4.0)	(4.0)	
Housing Strategy - staffing	-	25.7	25.7	
Private Sector Renewals - Staffing	-	(0.7)	(0.7)	
Homelessness - staffing	-	0.7	0.7	
Licensing & Enforcement - staffing	-	(5.5)	(5.5)	
Other Variances EH	-	2.4	2.4	
EH Fixed Penalty Notice Income Adverse	-	(12.0)	(12.0)	
Extra Income on Administration Costs	-	10.0	10.0	
Return of Bond Payments	-	(1.0)	(1.0)	
Extra Income from Funeral Contributions	-	1.1	1.1	
Private Hire income & expenditure	-	(5.7)	(5.7)	
Hackney income & expenditure	-	(2.7)	(2.7)	
Taxi misc income	-	(3.0)	(3.0)	
Animal Licensing income	-	(6.0)	(6.0)	
Computer Purchase & Software costs for Licensing	-	4.6	4.6	
Other Variances	-	11.6	11.6	
TOTAL	-	10.1	10.1	

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Public Protection and Housing Highlight Report – Q1 (end June 2021)

Historic Issues

- Nothing reported

Current Quarter Issues

At the end of Q1 the Public Protection Unit and Housing Services budgets are projecting a favourable variance of £10.1k, with the main movements being:

- There is a vacancy in Housing Strategy for the Strategic Housing Manager post, forecast savings of £28k based on no occupancy for the first half of the year. Environmental Health has generated savings of £7k on staffing as appointed lower down the scale.
- Additional income from funeral fees in the sum of £1.4k is projected for Environmental Health.
- Additional Flexible Homelessness Grant of £101k has been received into the Housing Options account to support Homelessness activity. This additional funding will be spent on service delivery.

- Licensing:
 - The Licensing Salary costs are showing an adverse variance of £5.5k.
 - The net Taxi Licencing budget is forecasting an adverse variance of £6.9k. This is predominantly due to reduced income levels.
 - Professional fees, DVLA checks and translations services are projecting an under spend of £2.1k due to a slow decline in licenses issued.
 - Animal Licensing income is projected to forecast an adverse variance of £6k.

Future Issues

None

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Economic Development Directorate

Period 3 (June)

Economic Development & Regeneration Services	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Planning					
Development Control	143.0	88.7	54.2		54.2
Forward Planning	147.3	142.7	4.6		4.6
Building Control					
Building Control - Fee Earning Account	(43.2)	(59.0)	15.8		15.8
Building Control - Statutory Function	31.7	31.7	0.1		0.1
Building Control - Street Signs	4.0	(1.8)	5.8		5.8
Regeneration					
Regeneration Mangement	139.1	137.9	1.1		1.1
Economic Regeneration and Rawtenstall Market	70.5	73.2	(2.7)		(2.7)
Whitaker Park Museum	71.5	71.4	0.0		0.0
Tourisms	40.0	40.0	0.0		0.0
Area Forums	15.0	15.0	-		-
Property Services & Facilities Management					
Property Services Team	98.0	77.8	20.2		20.2
Corporate Estates	(347.1)	(430.6)	83.5		83.5
Non Domestic Estates	(117.3)	(124.5)	7.2		7.2
Office Accommodation	32.4	24.0	8.4		8.4
Operational Properties	355.6	348.9	6.7		6.7
Leisure Properties	53.0	54.1	(1.1)		(1.1)
Bus Shelters	57.2	141.8	(84.6)		(84.6)
Business Centre	133.7	127.0	6.7		6.7
Total	884.3	758.3	126.0	-	126.0

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Planning / Forward Planning staffing		59.9	59.9	
Building Control staffing		0.5	0.5	
Property Services staffing		(5.4)	(5.4)	
Economic development admin costs		(2.7)	(2.7)	
Communities		1.1	1.1	
Other Miscellaneous Variances		(0.5)	(0.5)	
Planning/Forward Planning Consultancy fees/ Legal fees		(60.6)	(60.6)	
Planning Application Fee Income (excluding additional 20% broken housing market)		75.7	75.7	
Pre-App Income		(22.4)	(22.4)	
Building Control Fees		19.8	19.8	
Office savings		8.2	8.2	
Property Running Costs: Repairs & Maintenance		(0.3)	(0.3)	
Electricity, Gas & Water		(0.1)	(0.1)	
NNDR - excluding Spinning Point bus station		21.5	21.5	
Insurance /service charge - Futures Park plot 5		28.1	28.1	
All other Estates income		11.4	11.4	
Spinning Point Bus Station running costs		(8.7)	(8.7)	
Business Centre rentals		2.9	2.9	
Business Centre running costs		(4.0)	(4.0)	
Bus Shelters, Pool Car, Emergency Planning		1.5	1.5	
TOTAL	-	126.0	126.0	

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Economic Development & Regeneration Highlight Report – Q1 (end June 2021)

Historic Issues

- None

Current Quarter Issues

Economic Development, Communities and Regeneration are currently forecasting a favourable variance of £126k, which is broken down as detailed below: -

- Staff Costs in ED & Regeneration have incurred savings of £3k however, the section has incurred recruitment fees of £3.5k and extra costs of £1k within ED for ad hoc expenditure.
- Communities have net savings of £1.1k.
- Rossendale Youth Works have carried over provisions from 20/21 to fund costs in 21/22 £8.8k.

Property Services and Facilities Management is currently showing a favourable variance of £47k.

- Salary costs are showing an adverse variance of £5.4k.
- Facilities running costs are showing a favourable variance of £0.3k
- The Estates income is showing an overall favourable variance of £11.4k
- Futures Park Plot 5 insurance & service charge income has been received totalling £28.1k, this is offset by the charge from our insurers.
- Spinning point bus station is running at a cost of £8.7k, this is due to the delayed start to the anticipated rental income from the retail units.

Planning & Building Control are showing a favourable variance of £80.5k

- Planning and Building Control staffing costs are showing a favourable variance of £59.9k, however this is offset by the consultancy costs (used for conservation cases and complicated cases) which are projected to be 60.6k adverse
- Planning / Building Control income are projected to show an over achievement of £95.5k
- Pre-app fees have an income target of £31.6k for 21/22. Although it is early in the year, the income is very light and the budget is projecting an under achievement of £22.4k

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.
- The Local Plan Inspectorate instructed RBC to commission further studies after the inspection in September 2020. The costs are expected to be £161.1k to complete the plan by the end of 21/22. Consideration will need to be given to funding these costs as the anticipated figure, exceeds the sums available in the Planning Reserve. The projected over spend is £68.3k

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Corporate Services Directorate

Period 3 (June)

Corporate Management	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Corporate Management					
Executive Office	350.5	336.3	14.2		14.2
Corporate Contingency	50.0	50.0	-		-
Exec Support & Corporate Subscriptions	64.9	34.2	30.7		30.7
Community Safety			-		-
Legal Services	172.5	172.1	0.4		0.4
Land Charges	(19.8)	(10.1)	(9.7)		(9.7)
Democratic Services					-
Electoral Registration	77.6	73.4	4.2		4.2
Elections	79.4	75.1	4.3		4.3
Democratic Support	371.6	345.4	26.3		26.3
Mayoralty & Civic Events	53.5	50.9	2.6		2.6
Town Twinning	2.5	2.5	0.0		0.0
Financial Services					-
Treasury Management	81.0	95.7	(14.7)		(14.7)
Insurance, Risk & Audit Fees	64.7	66.0	(1.3)		(1.3)
Financial Services Team	407.5	393.6	13.9		13.9
People & Policy					-
Human Resources	406.9	419.9	(13.0)		(13.0)
Corporate Support	230.6	222.4	8.2		8.2
Publicity	4.0	0.6	3.4		3.4
Total	2,397.4	2,328.0	69.4	-	69.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Staff Savings	-	96.7	96.7	
Legal income		(3.4)	(3.4)	
Members savings		2.5	2.5	
Democratic & Mayoralty savings		1.2	1.2	
Land Charges Income		(3.2)	(3.2)	
External Audit - Accountancy		4.5	4.5	
Internal Audit - LCC		(1.4)	(1.4)	
Bank Charges		(17.0)	(17.0)	
People and Policy administration costs		(12.5)	(12.5)	
Other Misc under / (over) spends		2.0	2.0	
TOTAL	-	69.4	69.4	

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Corporate Management Highlight Report – Q1 (end June 2021)

Historic Issues

- None reported.

Current Quarter Issues

The Corporate Management outturn is now showing an under-spend at £69.4k favourable, the main movements being: -

- Staff changes are £96.7k favourable.
 - Corporate Management - saving of £44.5k
 - Legal Services – are showing a saving of £3.8k
 - Democratic Services – unlikely the vacant post will be filled, saving of £25.2k
 - Elections are showing a saving of £8.3k due to Elections assistant starting her phased retirement
 - Financial Services – favourable £7.9k variance due to 0.2 fte saving
 - People & Policy - following a recent restructure the part-year reductions have led to £10.7k saving
- Democratic Services are showing a slight saving in members service of £2.5k and £1.2k on Mayoralty budgets
- Local Land Charges income is showing an adverse variance of £3.2k. This is an improvement on previous years. It is early in the year but the trend looks to be improving due to increased house sales and clearance of a back log of searches due to COVID. This has been achieved through appointment of a temporary Land Charges Officer, funded from Covid grant monies.
- There is a favourable variance against external Audit fees of £4.3k.
- Bank Charges due to the increase in volume of payments have led to adverse variance of £17k

Futures Issues

- None

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Corporate Services Directorate

Period 3 (June)

Non-Distributed Costs & Capital Financing	2020/21 Org Budget £000	2020/21 Forecast £000	2020/21 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	52.8	237.9	(185.1)		(185.1)
Other Non-distributed Costs	19.5	(30.5)	50.0		50.0
Capital Financing					
Minimum Revenue Provision	534.7	413.0	121.7		121.7
Interest (net)	122.0	131.7	(9.6)		(9.6)
Total	729.0	752.0	(23.0)	-	(23.0)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancy control savings target - net	-	(200.0)	(200.0)	
Historical pension costs	-	17.9	17.9	
Interest expenditure/income from bank accounts	-	(9.6)	(9.6)	
Covid Lost fees and Charges grant from MHCLG	-	50.0	50.0	
MRP Savings	-	121.7	121.7	
Other minor variances	-	(3.0)	(3.0)	
TOTAL	-	(23.0)	(23.0)	

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Non-Distributed Costs & Capital Financing Highlight Report – Q1 (end June 2021)

Historic Issues

- Savings on the pension costs fall into two areas; savings on historical pension costs as former employees pass away and the advance payment of pension costs at a discount, which reduce Council costs. The Q1 projection is a £17.9k favourable variance.

Current Quarter Issues

This Q1 out-turn is forecasting a net adverse variance of £23k, with the main movements being: -

- The original budget staff savings target was £200k. Total savings in staff costs being predicted at Q1 are £156.8k across the other departments. Added to this is around £25k of savings from employees purchasing additional leave. This gives an overall net adverse variance in staff costs of £40.1k.

Forecast Year End Staffing Variances	Q1
Customer Services	6.2
Operations	(8.7)
Public Protection	10.8
Economic Development	55.0
Corporate Management	44.5
Legal & Democratic	30.9
Financial Services	10.5
People & Policy	10.7
Savings in staff costs	159.9
Additional Leave	25.0
Total staff savings	184.9
Original savings target	(225.0)
Staff Variance	(40.1)

- Interest income as expected was below the budget by £9.6k. Due to the Coronavirus Pandemic banking institutions 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 the year.
- The Sundry Debt analysis on page 25 is forecasting a doubtful debt level of £380.6k, though £41k of this is still being pursued through the courts. The current doubtful debt provision is £380k.
- Projected savings on MRP: £121.7k.

Future Issues

- None

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention Reserve	Transitional Budgetary Support	Planning Reserve	Response & Recovery Reserve
	AN060103	AN060123	AN060144	AN060129	AN060145	AN06
Balance at 01/04/2021	387.7	74.0	6,228.9	1,889.8	112.8	1,389.2
Funds Received 2021/22						
Collection Fund - S31 Grants (NNDR1)			1,091.0			
Collection Fund - Renewable Energy (NNDR1)			183.0			
New Homes Bonus				213.0		
Lower Tier Services Grant				93.0		
Other Revenue income received						628.0
Total Funds Available	387.7	74.0	7,502.9	2,195.8	112.8	2,017.2
2021/22 Published Budget Utilisation						
Retained Business Rates						
New Homes Bonus				(213.0)		
Lower Tier Services Grant				(93.0)		
General budget support			(606.0)			
2021/22 Other Utilisation Plans						
Transfers between Reserves			(1,091.0)	1,091.0		
Budget support - Covid related costs						(813.4)
Support Forward Plan					(112.8)	
Economic Development Projects	(387.7)					
Reserve Estimates 31/3/2022	(0.0)	74.0	5,805.9	2,980.8	0.0	1,203.8
Future Contributions/Utilisation Plans						
2022/23 Plans	0.0		(1,276.0)	(401.0)		(24.5)
2023/24 Plans	0.0		(1,276.0)	(404.0)		
2024/25 Plans	0.0		(1,211.0)	(400.0)		
2025/26 Plans						
Potential Reserve Balances	(0.0)	74.0	2,042.9	1,775.8	0.0	1,179.3

Employment & Transport Reserve usage	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k
Whitaker HLF Match Funding (Full Council July 2018 £190k less above 70k)		6.3	149.5	34.2
Rosendale Works- Employability - April 2018	25.0	14.5	4.6	6.0
Rosendale Works- Employability - April 2020 -22	0.0	0.0	30.0	30.0
Haslingden Town Centre- external funding bid	0.0	0.0		160.0
Bacup Future High Street Project	0.0	49.9	165.4	34.7
Bacup Heritage Action Zone Officer SOD 31/03/19	0.0	0.0	19.4	68.1
Establishment of second Economic Development Officer Town Ctr and Comm Buildings - 18 Month fixed term contract		9.6	31.3	14.0
Plot 1, Plot 5 and Junction Works (Cabinet 27/01/20)		0.0	0.0	75.0
Drawings for Bacup 2020 Heritage Action Zone Match	0.0	3.3	0.0	2.2
To fund from other resources	0.0	0.0	0.0	(36.5)
Total 2021/22 Projects	1,071.5	815.7	(0.0)	387.7

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Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserve	Rawtenstall Bus Station	Directorate Reserves	General Reserve	Total
	AN060130	AN060118	AN060150	AN060121		
Balance at 01/04/2021	189.1	55.5	517.0	895.9	1,000.0	12,739.9
Funds Received 2020/21						
Collection Fund - S31 Grants						1,091.0
Collection Fund - Renewable Energy						183.0
New Homes Bonus						213.0
Lower Tier Services Grant						93.0
Other Revenue income received						628.0
Total Funds Available	189.1	55.5	517.0	895.9	1,000.0	14,948.0
2021/22 Published Budget Utilisation						
Retained Business Rates						0.0
New Homes Bonus						(213.0)
Lower Tier Services Grant						(93.0)
General budget support						(606.0)
2021/22 Other Utilisation Plans						
Transfers between Reserves						0.0
Budget support - Covid related costs						(813.4)
Support Forward Plan						(112.8)
Economic Development Projects				(17.0)		(404.7)
Reserve Estimates 31/3/2022	189.1	46.8	517.0	815.8	1,000.0	12,633.2
Future Contributions/Utilisation Plans						
2022/23 Plans	(30.0)			(123.2)		(1,854.7)
2023/24 Plans	(35.0)			(63.0)		(3,632.7)
2024/25 Plans				(42.0)		(5,285.7)
2025/26 Plans						
Potential Reserve Balances	124.1	46.8	517.0	587.6	1,000.0	7,347.5

Current issues

As noted on page 2, the adverse variance on the General Fund of £192.1k will require a contribution from the Response and Recovery Reserve to support the budget.

The Council's share of pre-Covid S31 grant receipts will now be contributed to the Transitional Budgetary Support Reserve (from the Business Rates Retention reserve). This is shown in the Earmarked Reserves Table 1 as a transfer between the respective reserves.

The additional S31 grant receipts received in respect of extension of the Retail, Hospitality, Leisure and Nursery reliefs will be contributed to the Business Rates Retention reserve, and then released equally over the next three years, commencing 2022/23, to fund Collection Fund deficits. This is in accordance with amended legislation to fund the 'exceptional balance' incurred as a result of the Covid pandemic on the Collection Fund ('re-phasing the deficit'). At the time of this report, these sums have not been quantified and are subject to a separate data collection exercise with Government. Consequently, this contribution does not yet feature in the above table.

The recently created Response & Recovery Reserve will continue to be used to receive and release funds as necessary to meet eligible expenditure incurred as a consequence of Covid. As at Q1, the estimated net contribution from the reserve, including bridging the forecast adverse variance of £192.1k, is £185k.

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

Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Hoarding Grant	Covid Grants	Total
	£000	£000	£000	£000	£000	
	AL030132	AL030127	AL030130	AL030129		
Balance at 01/04/2021	1,858.2	52.9	6.8	3.4	0.0	1,921.3
New Funds Received 2021/22						
Grant due/received	1,160.1				4,256.0	5,416.1
Total Funds Available	3,018.3	52.9	6.8	2.1	4,256.0	7,336.1
Utilisation in 2021/22						
DFGs allocation 2021/22 - forecast	(1,000.0)					(1,000.0)
Transforming Lives/Hoarding Projects				(2.1)		(2.1)
Homelessness Project						0.0
Domestic Abuse Projects			(6.8)			(6.8)
Covid related expenditure					(4,256.0)	(4,256.0)
Movement to Earmarked Reserves						0.0
Anticipated Balance 31/03/2022	2,018.3	52.9	0.0	0.0	0.0	2,071.2
Future Utilisation Plans						
2022/23 plans	(1,000.0)	(52.9)	0.0	0.0	0.0	(1,052.9)
2023/24 plans	(1,000.0)	0.0	0.0	0.0	0.0	(1,000.0)
Potential Reserve Balances	18.3	0.0	0.0	0.0	0.0	18.2

In addition to the £1,858k of unspent DFG grant brought forward, the 2021/22 allocation is £1,160k, giving total DFG resources of over £3,018.3k. Covid grants received in year are shown in more detail at pages 33 and 34.

Staff Costs, including agency

Employment Costs 2021/22 to end Jun	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 2021/22	FTE Changes during 2021/22	Current Vacant Posts
Communities Directorate								
Customer Services	86	85	0	-	0	7.8	0.0	0
Operations Service	427	466	(39)	-	(39)	53.0	0.0	3
Communities	174	157	16	-	16	23.0	0.0	1
Environmental Health	46	43	4	-	4	7.0	0.0	0
Licensing & Enforcement	78	78	(1)	-	(1)	6.0	0.0	0
Housing	62	58	4	-	4	7.0	0.0	1
Economic Development Directorate								
Planning Services	117	100	18	-	18	11.4	0.0	2
Building Control Services	30	30	0	-	0	3.0	0.0	0
Regeneration	45	49	(3)	-	(3)	5.0	0.0	0
Property Services	23	23	(0)	-	(0)	3.6	0.0	0
Corporate Services								
Corporate Management	93	86	7	-	7	4.0	0.0	1
Legal Services	37	37	0	-	0	3.0	0.0	0
Local Land Charges	10	10	(0)	-	-	1.0	0.0	0
Democratic Services	66	58	8	-	8	7.4	0.0	0
Financial Services	95	100	(4)	-	(4)	9.0	0.0	0
People & Policy	145	130	15	-	15	17.6	0.0	0
Total	1,533	1,509	25	-	25	168.8	0.0	8.0

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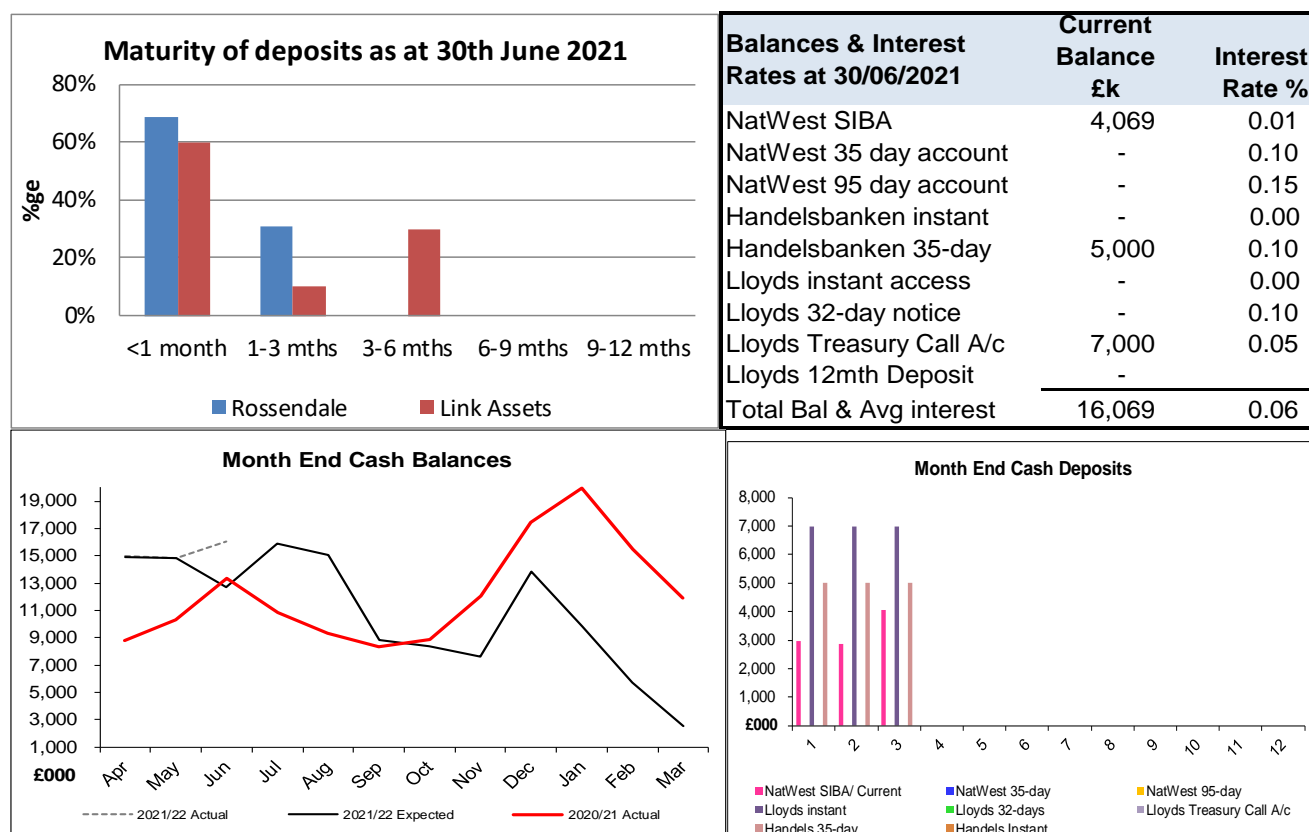
Treasury Management & Cash Flow Monitoring

At the end of June the bank balances were £16.07m, as the Council continues to receive on-account payments to support the Covid-19 response. An example being the continuation of financial compensation as a result of the extension of the Expanded Retail Relief Business Rates scheme. It should be noted that these 'upfront' on account payments, currently inflating the Council's cash balances are subject to reconciliation processes later in the year, with surplus cash receipts being repayable (to Government) when required. Additionally, the Council has received a further tranche of Covid-19 funding in 21/22 to support the ongoing recovery and response effort (£416k).

It is currently estimated, for cashflow purposes, that the aforementioned reconciliation processes will take place at the end of Q2, although this has not been confirmed. This would see the Council return c£6m of surplus monies held over from 20/21. These sums represent the difference between Central Government's original *estimated* assessment of local need for the borough compared to *actual* need for 20/21. Actual need being determined by the Council through award of eligible reliefs to in-scope businesses, and the take-up of Covid-19 business support funding via individual applications.

The Council is also committed to paying preceptors their share of Collection Fund balances in February and March 2022 (combined sum of c£7m) when typically income receipts are lower, as individuals and businesses choose to repay over a 10 month profile (April-January).

Consequently, the current position is forecast to unwind over the course of the year to reduce balances to below £3m by the end of Q4.



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Despite the Council holding significant, temporary cash balances, interest rates on offer from the Council's approved Counterparties remain at historically low levels. Instant access arrangements typically return lower interest rates, and the Council's current strategy is to retain a significant portion of its balances as liquid funds, to ensure it can respond promptly when required to the ongoing implications of the pandemic.

The Council's current portfolio mix consists of liquid funds of £11m and call account sums (35 day notice) of £5m.

The strategy is considered prudent in the context of CIPFA's Prudential Code which prioritises Security and Liquidity over Yield (SLY).

Whilst the strategy is considered prudent, retention of liquid funds in a low interest rate environment risks a negative impact on the interest income budget and this is shown in the following table. Discussions remain ongoing with the Council's external Treasury Advisors, Link, to review market rates on offer. Such offers will be assessed in accordance with the approved Treasury Management Strategy, projected cashflow needs and risk.

The average effective interest rate at the end of Q1 was 0.06%, compared to a target of 0.1%

Interest Paid/Received

The budget for interest in 2021/22 is a net cost of £122k.

Despite a more pessimistic view of interest income being taken for the 21/22 Budget when compared to 20/21 (compare budget of £76.4k) at Q1, the forecast for interest income is now showing an adverse variance of £9.6k.

Interest Forecast	Budget 2021/22	Forecast 2021/22	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLb)	(137.5)	(137.5)	0.0	0.0
Other interest payable	(1.0)	(1.0)	0.0	0.0
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	16.4	6.8	(9.6)	(9.6)
Net Interest	(122.1)	(131.7)	(9.6)	(9.6)

Economic Outlook

(Released 14th July 21)

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 2.4% in the 12 months to June 2021, up from 1.6% growth reported for the 12 month period to April 21. Inflation rates at this time are influenced by the effects of the first coronavirus (COVID-19) lockdown in spring 2020.

On a monthly basis, the CPIH rose by 0.4% in June 2021, compared with a rise of 0.1% in June 2020. Prices for food, second-hand cars, clothing and footwear, eating and drinking out, and motor fuel rose between May and June 2021.

The extent to which the different categories of goods and services have contributed to the overall Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate over the last two years is included below.

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The contribution from transport has shown more variation than any other group over the last two years. It has ranged from a downward contribution of 0.20 percentage points in May 2020 during the first lockdown to an upward contribution of 0.80 percentage points in June 2021. This is the largest upward contribution from any division this month. The contribution from transport was also 0.80 percentage points in February 2017 and was last higher in November 2011.

Within transport, the movements have been caused principally by changes in the price of motor fuels. Motor fuels made a downward contribution to the 12-month rate between March 2020 and February 2021, before turning positive in March 2021 and subsequently increasing to 0.41 percentage points in June 2021. This reflects a 12-month inflation rate for motor fuels of 20.3%, the largest rate since May 2010.

Average petrol prices stood at 129.7 pence per litre in June 2021, compared with 106.5 pence per litre a year earlier. The June 2021 price is the highest recorded since October 2018. In comparison, the UK was in the first national lockdown at this point last year and petrol prices were affected by reduced demand, reaching their lowest price in May 2020 for over four years.

The impact of fuel increases on Council budgets and forecast outturn is included in the variations commentary included in this report.

It is also important to note economic commentary around the base effects of headline figures calculated over the preceding 12 months. This 'exceptional' period can give rise to a significantly low base position from which growth is calculated, as the economy continues to open up and consumer confidence returns. This could artificially indicate significant levels of economic growth.

Economic advisors continue to assess whether inflation trends are likely to be temporary as a consequence, or sustained for longer periods. This has potential implications for borrowing and lending strategies; views on future interest rate changes (interest rate risk) and timing of when to enter markets and length of deposits/borrowing (duration risk).

Borrowing

The Council has an identified a 'prudential' borrowing need to finance its Capital expenditure plans, in the sum of £7.6m, over the plan period to 2024/25.

Given the cashflow implications above, the Council's Capital plans, and in accordance with the approved Treasury Management Strategy, the Council is currently assessing detailed borrowing options to access funds to support the Capital Programme.

Interest rate forward predictions

The Council's treasury management advisors, Link, have issued a very cautious forecast for the Bank Rate in the coming year. Their view is one of no change to the current rate over the next 12 months.

<i>at 30th June 2021</i>	Current Rates	Jun 2021	Sept 2021	Dec 2021	Mar 2022	Jun 2022
Base Rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
25yr PWLB*	1.82%	2.19%	2.00%	2.10%	2.10%	2.20%
25yr PWLB	2.02%	2.39%	2.20%	2.30%	2.30%	2.40%

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Link also provide their view of 25 year borrowing rates from the Public Works Loan Board (PWLB). This forecast is based on a concessionary rate reduction to the standard rate for new loans, known as the 'Certainty Rate'. This discount is currently equal to a 20 basis point reduction to the standard rate. For completeness, the above table includes both the Certainty Rate* and standard rate for comparison.

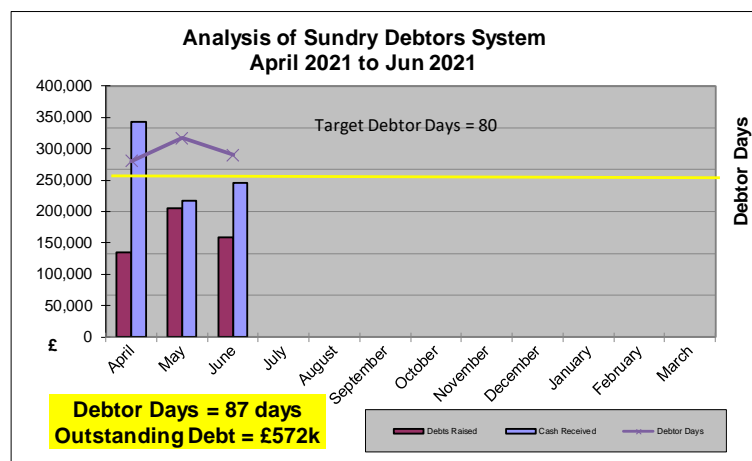
The Council has completed the annual application for access to the Certainty rate for 2021/22 to support its Capital borrowing plans on the most favourable terms available.

Treasury Management Practices (TMPs) and Prudential Indicators

The Council's Treasury Management Strategy Statement 21/22 was approved by Council on 24th February 2021.

The Council has operated within the approved parameters throughout Q1.

Sundry Debts Monitoring



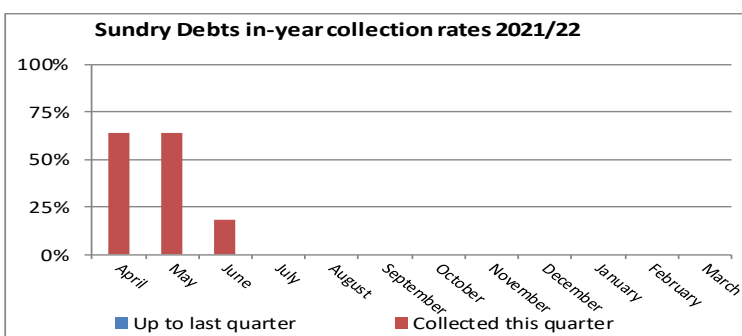
Invoices raised to the end of Q1 totalled £465k. As at June 21, £183k (39%) of new debts raised in the period were considered outstanding giving a collection rate of 61%.

During the same period, c50% of pre 21/22 debts outstanding had been recovered.

Housing Rent Debts

Of the £324k of housing rent debts brought forward at April 2021 the Council has a provision of £288.5k brought forward for doubtful debts (89%), leaving a net £36k not currently provided for.

Doubtful debts



The debtor days in Q1, based on a rolling 12 month average has ended on 87 days. Comparative performance reported at Q4 20/21 was 99 days. Whilst performance has improved, it is still above the target average of 80 days.

Given the average time for debts to be settled, the above table shows a downward trajectory for in year collection rates, for new debt issued. This is anticipated to improve as

debt recovery increases and debts raised in the first quarter are collected in subsequent reporting periods.

Following a significant increase to the level of cover for bad and doubtful debts during 20/21, the Council has a provision of c84% for debts its considered to be at risk of going unpaid (impairment) and c67% for total debt issued and considered overdue.

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The general impairment provision brought forward in April 2021 was £380.6k, with an additional £5.4k for Licensing debts.

The current level of provision is considered adequate for Q1 but will be monitored throughout the year to assess the ongoing impact of Covid on debt recovery.

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

Debts Outstanding	Mar 2020	Dec 2020	31 Mar 21		30 Jun 2021		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	60.2	57.6		56.3		49.0	100%	39.4
2016/17 Debt	19.7	19.9		19.9		19.7	100%	19.7
2017/18 Debt	71.9	71.6		72.0		71.6	100%	44.8
2018/19 Debt	72.8	73.6		69.4		61.5	100%	61.5
2019/20 Debt	138.9	36.4		35.4		31.2		
2020/21 Debt								
Q1		115.0		77.0		43.1	100%	43.1
Q2		99.4		72.2		65.6	100%	65.6
Q3		277.8		80.5		4.6	100%	4.6
Q4				288.4		42.3	100%	42.3
2021/22 Debt								
Q1 Apr					133.5		75%	100.1
Q1 May					18.9		75%	14.2
Q1 Jun				0.0	30.6	183.0	75%	23.0
Total Debt o/s	363.5	751.3		771.2		571.6		458.3

Capital

Capital Resources

Table 1 - 2020/21 receipts

Major Receipts:	Original Budget	Year to Date	Forecast
	£000	£000	£000
Capital Receipts			
Land & Property Sales	50	5	50
Obsolete refuse vehicles	50	-	50
Net receipts to table 2	100	5	100

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2021	3,398
Capital Grants in 2021/22	4,782
Capital Receipts in 2021/22	5
	8,185
Revenue Contributions	
from Earmarked Reserves	87
from Revenue Operations	-
Total Capital Resources 2020/21	8,272
Capital Prog funding applied	(6,953)
Total Capital Resources March 2022	1,319
Capital Receipts Reserve (housing)	367
Capital Receipts Reserve (Whitworth)	100
Capital Receipts Reserve (Haslingden)	236
Capital Receipts Reserve (unalloc)	616

Current issues

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None

Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of funds from the sale of Council assets, the balance brought forward at the 1st April 2021 was £3,398k.

The original capital programme for 21/22 approved in February was £6,239K, to which £3,765k of slippage has been added from ongoing projects at the end of March 2021. This included £1,848k for DFGs.

New projects to date in the sum of £20k have been added for Whitworth Wild Play (£16k) and Water Recreational ground (£4k).

The total grant income expected for the approved capital programme is £4,782k. Current funding for slippage carried forward into the 21/22 Capital consists of a mixture of resources, namely £3,765k of grants, capital receipts and (internal) borrowing. The most effective method of funding the Councils' Capital outturn will be determined at the end of the financial year.

The total in the Useable Capital Receipts Reserve at the end of 2021/22 is currently expected to be £1,319k, of which £367k is ring-fenced for housing schemes, £100k is ring-fenced for Whitworth projects and £236k is ring-fenced for Haslingden regeneration. The unallocated balance is £616k.

Future issues

None

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Capital Programme Spending

Capital Programme 2020/21	Original Cap Prog	Revised Cap Prog	Spent/ Ordered	Full-Year Forecast	Forecast Funding Arrangements			
	£000	£000	£000	£000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow
Communities Directorate								
Operations	1,344	1,521	879	1,521	0	0	0	1,521
Communities	30	173	43	173	28	145	0	0
Housing	1,600	3,544	340	3,544	2,848	696	0	0
Economic Dev Directorate								
Whittaker	250	631	608	631	544	0	87	0
Ski Rossendale	0	11	0	11	0	11	0	0
Futures Park	1,297	1,874	1,123	1,874	469	0	0	1,405
Spinning Point Ph1 & 2	0	533	16	533	0	533	0	0
Property Repairs & Maint	100	175	39	175	0	175	0	0
Bacup Historic England	868	812	36	812	438	0	0	2,650
Haslingden 2040 NLHF	500	500	4	500	455	45	0	0
Carbon reduction Fund	250	250	4	250	0	250	0	0
	6,239	10,024	3,092	10,024	4,782	1,855	87	5,576

Capital Programme 2021/22	£000	Funded by
Original Capital Programme	6,239	
Slippage from 2020/21	3,765	see list
New capital projects in 2021/22		
Whitworth wild play	16	s106 Grants
Water Recreational Ground	4	External Grants
Revised Capital Programme	10,024	

Slippage items cfwd at end of 2020/21	Costs £000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
Operational Vehicles	177				177
Playgrounds (community projects)	23	23			
Cemeteries	40		40		
Pathways	60		60		
Sports Playing Fields	0		206		
DFGs	1,848	1,848			
CPOs	21		21		
	2,169	1,871	327	0	177
Economic Development Directorate					
Whittaker Park Museum Refurb	381	343		38	
Ski Rossendale	11	11			
Spinning Point Phase 2	533		533		
Futures Park	577				577
Emergency Works	50		50		
Bacup historic England	-56	-56			
Demolition of Waterside Mill	25		25		
Empty Homes	75		75		
	1,596	298	683	38	577
	3,765	2,169	1,010	38	754

Capital Programme

The original Capital Programme was £6,239k, including £1,344k for the replacement of vehicles and equipment, £1,000k for DFGs, and regeneration projects of £3,165k, including Plot 1 Futures Park and Bacup HAZ.

To this was added slippage of £3,765k in 2021/22, including DFG's and new, smaller projects in the sum of £20k, making the total 2021/22 capital programme £10,024k. More details are provided in the above tables.

The revised Capital Programme over the life of the MTFs is £21,636k.

Capital project activity

- Spend to date including commitments is £3,092k. This includes:
- Total DFG spend of £340k;
- Spend on acquisition of replacement vehicles and equipment of £879k;
- Spend on the construction of Plot 1 Futures Park of £1,123k;
- Total spend on Whittaker Park Museum Refurbishment of £608k.

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Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget	Revised MRP Required	Potential (Additions) / Savings
	2021/22	2021/22	2021/22
	£000	£000	£000
Corporate	534.7	413.0	121.7
Leisure Investment	126.00	129.8	-3.8
	660.7	542.8	117.9

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

The MRP Outturn is currently forecast to achieve a saving of £121.7k for the Councils projects and a slight overspend against the leisure specific scheme, giving an overall favourable variance of £117.9k.

The favourable variance can be attributed mainly to the delays in purchasing operational vehicles.

Section 106 Receipts Monitoring

<u>Section 106 Agreements</u> <u>2021/22</u>	Third Party Projects	RBC Revenue Projects	RBC Capital projects	RBC Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2021	324.5	107.8	674.8	1,107.1
Deposits applied in 2021/22	-5.0	-10.0	-19.2	-34.2
Deposits received in 2021/22		9.7		9.7
Current Balance	319.5	107.5	655.6	1,082.6

The value of S106 agreements brought forward on the 1st April was £1,107.1k. To the end of June £9.7k of new S106 deposits have been received and £34.2k of monies held have been applied to fund expenditure.

Planning Ref	Area	Site	Purpose	Time Period	Current Balance
RBC Maintenance:-					
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	94,846
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
2018/0039	Edenfield	Horse & Jockey. 85 Market St, Edenfield	Refuse bins £100 x 10	Exp 19/06/25	(0)
2016/0267	Reeds Home	Land at Reedsholme Works	Refuse bins £100 per dwelling (97)	Exp 26/08/26	9,700
					107,491
RBC Capital:-					
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces	Exp July 2020 / May 2021	0
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)	No time limit	25,800
2013/0041	Cloughfold	Land at 449-457 Bacup Rd,	Play Space/Open Space and/or pedestrian/cycle way	No time limit	0
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	POS - Chatterton Play area	Exp Oct 2023	7,024
2016/0563	Newchurch	Dark Lane	Replacement Football Pitch		243,999
2019/0318	Bacup	Slack Farm, Bacup	Affordable Housing Off site	10 Years	25,000
					655,626

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Council Tax & NNDR Collection Rates

Collection Rates	Council Tax					Business Rates				
	2017/18	2018/19	2019/20	2020/21	2021/22	2017/18	2018/19	2019/20	2020/21	2021/22
April	10.39	10.41	10.51	10.04	10.90	10.34	11.26	12.22	10.24	8.60
May	19.53	19.72	19.70	18.96	19.70	19.14	18.93	21.07	18.89	16.20
June	28.81	28.79	28.63	27.62	28.70	27.51	27.28	28.68	25.62	24.30
July	37.91	37.97	37.86	36.56		36.85	36.25	37.37	33.92	
August	47.10	47.03	46.90	45.24		48.98	49.93	50.82	48.55	
September	56.20	56.05	56.01	54.29		57.60	58.43	58.34	57.84	
October	65.58	65.32	65.23	63.29		65.57	67.95	67.52	68.97	
November	74.81	74.52	74.78	72.30		74.28	74.77	74.26	77.15	
December	84.03	83.55	83.33	80.90		82.46	83.00	82.70	85.92	
January	92.93	92.72	92.48	89.90		91.18	91.11	90.91	90.17	
February	94.90	94.90	94.60	92.37		95.10	95.73	95.00	93.66	
March	96.40	96.70	96.32	95.72		98.40	98.47	97.78	94.19	

Collection rates for Council Tax are broadly consistent with pre-pandemic levels and are ahead of the corresponding position for last year (+1.08%) in part due to the re-commencement of recovery action where due. For Business Rates, collection statistics are lower than the equivalent period last year (-1.32%) and consequently also lower than pre-pandemic levels. Unlike Council Tax, at the reporting date, no court action to pursue unpaid debts has been taken. It is also worthy of note that the level of relief awarded to eligible businesses into 21/22 (extension of the 'Expanded Retail Relief' scheme for which the Council is compensated by Government) will reduce from 100% to 66% with effect from 1 July, until 31 March 2022. This may have an impact on collection rates in Q2 and throughout the year as businesses re-organise themselves to meet their liabilities where previously, due to Covid-19, these were nil.

Council Tax Forecast 2021/22	Q1 £'000
Council Tax Collectable (after Discounts & Exemptions)	43,494
less Doubtful Debt Provision	(700)
	42,794
less Precepts for 2021/22	
Lancashire County Council	(29,677)
Police	(4,615)
Fire	(1,473)
Rosendale Borough Council	(5,811)
	(41,576)
Surplus / (Deficit)	1,218
RBC Share = 13.98%	170

Council Tax Collection Fund

At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £1,218k. This year RBC's share is 13.98%, equating to £170k.

Local retention of Local Business Rates (NNDR)

In 2021/22 the Council, as part of the Lancashire Business Rates Pool, retains a local share of any surplus or deficit arising at year-end from activity on the fund, in the sum of 40%.

For the purpose of the original budget submission (NNDR1), and in accordance with guidance, no compensation from Government in the form of additional Section 31 grant was assumed in relation to Covid-19.

The Government has since extended the 'Expanded Retail Relief' scheme for eligible businesses, albeit with modified terms. For those businesses in scope of the scheme, relief will reduce from 100% to 66% of their liability from 1 July 2021. On current information, this reduction will remain in force until 31 March 2022.

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Business Rates Collection Fund 2021/22 (50% Pool)		NNDR1 £000	Q1 £000
Net Liability Due		13,325	12,997
Less Transitional Payments due to MHCLG		5	5
Less Cost of Collection Allowance		(96)	(96)
Less Doubtful Debt Provision		(500)	(500)
Less Appeals Provision		(530)	(530)
Less Renewables 100% to RBC		(183)	(183)
Net NNDR due	A	12,021	11,693
Less Trans surcharge	B	0	0
Less Precepts		(12,021)	(12,021)
Cash Surplus/(Deficit)	C	0	(328)
RBC Share = C x 40%	D	0	(131)
Central Government share 50%			(164)
LCC and Fire share 10%			(33)

As a consequence of this extension, the Council is receiving on-account payments from Government as compensation for the loss of income it had originally assumed as receivable from businesses in the NNDR1 submission. On account payments are based on Government's assessment of relief levels within the borough which may differ to actual levels determined throughout the year. These sums are fully reconcilable to Government with any adjustments ie under or over payments on account, due from or to Government later in the year.

The continuation of this scheme into 21/22 has given rise to a projected deficit on the Business Rates Collection Fund Account of £328k, of which the Council's share is £131k. Whilst the Council is fully compensated for Section 31 'losses' of income, due to the timing differences and legislative arrangements, the additional in-year Section 31 Grant received into the Council's General Fund is to be transferred to reserves at the year end and released in future years to finance repayment of the deficit when due.

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000
Business Rates Income	A+B	12,021	11,693
RBC Share = 40%		4,808	4,677
less tariff paid to Lancashire Pool		(2,714)	(2,714)
add S31 Grants (for Levy calculation)	E	1,091	1,091
Subtotal		3,185	3,054
RBC Baseline Funding Level used in Budget		2,180	2,180
Surplus for Levy Calculations	F	1,005	874
Levy due for non Pool membership 50%		(503)	(437)
Levy payable as Pool member 10% of above		(50)	(44)
Retained Levy through Pool membership	G	452	393

Each year the Council is subject to a levy payment of 50% of calculated business rates growth above its baseline funding level as determined annually in the Local Government Finance Settlement. Membership of the Pool, restricts this levy to 10% (of the 50% levy) and allows the Council to hold the balance as 'retained levy' thus reducing the total value of sums paid over to central Government, to apply locally.

At the time of the 20/21 Q4 report to Cabinet, work was ongoing to assess the impact of Covid on retained growth levels and levy payment to the Lancashire Pool.

The unaudited outturn for 20/21 indicated a 10% levy in the sum of £10k, with £92k being retained locally.

Based on continuation of the same model for 21/22, the table above forecasts the estimated levy payment to the Pool for the year, and thus the amount of 'gain' to be retained from Pool membership. This is estimated at £393k.

It should be noted that this is an early estimate based on original NNDR1 assumptions, which have already seen changes as a consequence of continued Government support to certain sectors eg retail sector, not originally assumed at the time of submission. The retained levy estimate is therefore subject to change throughout the year.

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Covid Grants 2021/22

During Q1 the Council has received a number of grants to support the Council and the community through the Covid pandemic. The table below itemises the grants remaining from 2020/21, grants received during the reporting period and the amounts allocated.

Covid Grants	Opening Balance £	Amount Received Q1 £	Amount Allocated to date £	Remaining Balance £	Description
LA Covid Support	202,026	415,605	301,062	316,569	This is to support the Council's Covid related costs and supplement lost income.
Hardship Fund	93,465	0	93,465	0	Payment of £150 each to Council tax accounts of Local Council Tax support recipients. The remaining balance has been allocated to accounts in 2021/22
Containing Outbreak Management Fund (COMF)	642,725	107,253	455,348	294,630	Department of Health funding to cover specific expenditure relating to the pandemic. There is potential that ultimately any unspent funding will have to be returned.
Compliance & Enforcement	28,924	0	28,924	0	To be spent on Covid compliance & enforcement measures. There is potential that ultimately any unspent funding will have to be returned.
Self Isolation Support	16,218	48,654	15,000	49,872	This is to support vulnerable residents whilst they are self isolating - this is not the Track & Trace Self Isolation grants
Clinically Extremely Vulnerable	64,187	0	64,187	0	To support the Council in delivering support to people shielding and the community hub.
Leisure Recovery Fund	141,542	9,612	151,154	0	Sport England Grant. This grant is to be passed to the Leisure Trust based on claims made. The Council is the accountable body for this grant.

The remaining balances will be moved to reserves or provisions to support Covid related expenditure in 2022/23.

In addition to the grants detailed above the Council has acted as agent for the Government in delivering grants to local businesses. All grant schemes are now closed to applications and this includes the 'Restart' grant scheme, funding for which was received during Q1.

Business Grants - The Council is acting as Agent for these grants, any funding remaining will be reclaimed o

Covid Business Grants	Amount Received £	Amount Allocated £	Remaining Balance £	Description
Restart Grants	3,462,174	3,126,038	336,136	The Restart Grant scheme supports businesses in reopening safely as COVID -19 restrictions are lifted. This scheme has now closed. The balance of this funding is due to be paid back to Central Government
Total	3,462,174	3,126,038	336,136	

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Glossary

Accrual

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

Capital expenditure

Spending on the acquisition or maintenance of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within the definition must be charged to a revenue account.

Capital Grants Received in Advance

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

Capital Receipts

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

Cash & Cash Equivalents

Cash deposits are those which provide instant access to the funds without significant penalty or loss of interest. For the Council this is the balance on the NatWest accounts and two other instant access accounts with Lloyds and Handelsbanken. This is in comparison to short- and long-term *Investments* in which funds are untouchable during the life of the deposit.

Collection Fund

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

Compulsory Purchase Order (CPO)

Compulsory acquisition of key properties in accordance with the Council's regeneration agenda. Compensation must be paid to the property owners, but where they cannot be traced the Council must deposit the funds with the courts for a minimum of 12 years.

Consumer Price Index (CPI)

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

Earmarked Reserves

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

Full Time Equivalent (FTE)

Each full-time post within the Council works 37 hours per week. Part-time posts are expressed in relation to this, for example a post working 4 days a week would be 0.8FTE.

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General Fund

The main revenue fund of the Council.

Grants Unapplied

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

Homes and Communities Agency (HCA)

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

Investments

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

Link Asset Services (formerly Capita & Sector)

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

Medium Term Financial Strategy (MTFS)

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

Minimum Revenue Provision (MRP)

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

Ministry of Housing, Communities and Local Government (MHCLG)

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

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

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

Provision

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

Provisional

Best forecast given current knowledge.

Public Works Loans Board (PWLB)

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

Reserve

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.

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Revenue account

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

Section 106 Agreement

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

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اگر آپ کو ان معلومات کا خلاصہ سے متعلق کسی اور چیز کی تلاش کرنی ہے تو براہ کرم اس سے رابطہ کریں۔
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Other formats available on request.

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