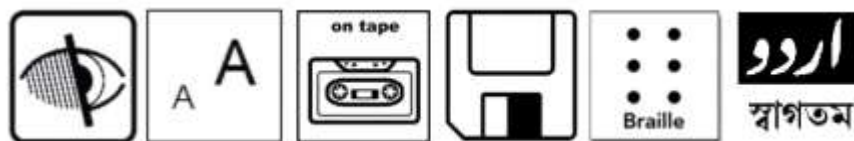


# Financial Monitoring Report

**2021/22 Draft Outturn at end of March 2022**

*Including a Glossary of terms on page 43*



## Monthly Financial Monitoring Report 2021/22 Q4 March 2022

### General Fund Revenue Operations – pages 6 to 21

The Covid pandemic has influenced the Council's financial performance throughout 2021/22. The net impact for the year ended 31 March 2022 is an indicative adverse variance of £210.2k on the General Fund when compared to the original budget of £8,902k. This is a favourable movement of £302.3k on the position reported at Q3 (£512.5k). 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 to assist with the ongoing financial pressures faced.

The outturn position 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.

The Council has concluded its review of core staffing costs eligible for funding from Covid grants. This has contributed to reducing the adverse outturn variance. These funding contributions are included in the Staff Monitoring at page 27.

### Earmarked Revenue Reserves – page 22 to 24

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2021 were £12,717k.

The opening balance on the Transitional Reserve was £1,790k, to which £213k of New Homes Bonus grant is to be added. This funding will be released in full as budgeted, to fund 2021/22 Net Service costs. Similarly, the Council has received £93k of Lower Tier Services Grant as part of the 2021/22 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 2020/21, the Business Rates Retention Reserve holds a significant sum brought forward (£6,229k). This balance 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').

The approved budget for 2021/22 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 as per the Council's original submission to Government in January 2021. At the time of this report, work continues to finalise the outturn performance on the Business Rates Collection Fund to Government and major preceptors. As part of this process, the original £1,091k will be compared to actual reliefs awarded with any difference being due to the Council or to Government as appropriate. The actual Section 31 Grant due will be transferred to the Business Rates Retention Reserve as originally planned.

Following Government's decision to extend the Expanded Retail Relief into 2021/22, an announcement made after submission of the original business rate estimates, the Council received additional Section 31 Grant compensation for this scheme. As above, once the Council's share of relief is calculated, this too will be contributed to the Business Rates Retention Reserve. At the time of this report, no estimated value is included in the reserve position presented.

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 remains to transfer Section 31 grant receipts to the Transitional Budgetary Support Reserve at financial year-end, to support future budget development as part of the Medium Term Financial Strategy.

The Planning Reserve has been utilised to fund Local Plan costs in year (£57.8k). Despite using sums earmarked for the Local Plan, actual delivery costs have exceeded resources, resulting in

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an adverse variation to budget of £60.3k. This variance is included in the indicative outturn of £210.2k.

The balance in the reserve at 31 March 2022 of £65k represents sums earmarked for non-Local Plan purposes, (S106 contributions, Neighbourhood Forum grants, Habitat funding).

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 2021/22 and potentially beyond.

The indicative closing balance of earmarked reserves at the 31<sup>st</sup> March 2022, including sums specifically ring-fenced to fund future deficits on the Collection Fund is estimated at £14,254k. Based on current plans and forecast commitments at the time of this report, earmarked reserves are anticipated to reduce to £9,887k over the life of the MTFS by March 2026.

### Government Grants Unapplied – page 25

The opening value of Government Grants Unapplied at the 1<sup>st</sup> April 2021 was £1,919k, 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.

In addition, the Council has received various grants to support its Covid related activities in the sum of £4,532k. These 'grants unapplied' relate specifically to business support in the wake of Covid. These and non-business specific Covid grant sums received in year are detailed on page 41. All funding received in respect of Additional Restrictions Grant (ARG) has been applied in year. The Council has unallocated Business Grant monies held at the year-end, which is repayable to Government in due course. At 31 March 2022, the required funding level from the Response and Recovery Reserve for spend to date, and to make good the outturn variance of £210.2k is £902.2k.

### Staff Monitoring – page 26

The table on page 26 shows the staffing variances for the year. When compared to the budgeted staff savings target of £225k, the Council has exceeded this target through vacancy turnover and management, and application of earmarked reserves and eligible Covid funding. The employee outturn position is a favourable contribution to the year-end position of £69k. The significant variation relates to increased overtime, and labour costs within Operations. The latter includes the retention and extension of the Education Officer post and increased supervisory capacity, both of which have been included in the approved budget from 2022/23.

### Treasury & Cash Management - page 26 to 30

At the end of March, the bank balances were £16,950k. These 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. Due to the pandemic and despite recent Bank of England base rate increases, banking institutions have held interest rates at historically low levels. With the uncertainty around income, the timing of Government to request repayment of unspent grant and depressed interest rate levels on offer from approved counterparties (despite the said recent base rate increases), Council officers have retained funds in lower yielding instant access/liquid accounts. Consequently, interest income is below the budget for the year by £8.6k.

Moving into 2022/23, the Council has revised its investment strategy to balance instant access accounts with shorter-term 'fixed' deposit facilities, to increase investment return within the scope of the approved Treasury Management Strategy. Fixed deposits will be made with high

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quality counterparties (Central Government, Local Authorities) where risk is considered low and returns are more closely linked to movement in the prevailing Bank Rate.

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 £481k of doubtful debts. Following a significant increase to the provision for bad debts during 2020/21, the level of cover for sums outstanding and that risk going unpaid is considered adequate at this time (c79% cover) with no further movement proposed. Given the 'Cost of Living Crisis' dominating the headlines into 2022/23, this position will be kept under review.

### Capital Receipts – page 31

The Usable Capital Receipts brought forward at the 1<sup>st</sup> April totalled £2,233k.

Capital Grants received in year totalled £3,049k.

Gross receipts of £400k have been realised in year from the disposal of assets.

As all figures are indicative at the time of this report, work continues to determine the most effective method of funding the Council's Capital outturn.

On current assumptions, the Capital Receipts Reserve is expected to total £650k at the year-end, reflecting the most cost effective method of financing the Council's 2021/22 Capital expenditure. Whilst this is considered to be the most effective method of financing, it is acknowledged that capital resources remain earmarked to support projects in Whitworth (£100k) and Haslingden (£236k).

### Capital Programme and Funding – page 31 to 37

The original Capital Programme for 2021/22 was £6,239k, including an estimate of £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 include works to Henrietta St Depot, Electric Vehicle charging point infrastructure, Marl Pits running track, infrastructure works to the Public Realm and Rawtenstall Market and improvement works to Futures Park, respectively.

The actual DFG allocation for 2021/22 was £1,160k.

The revised capital programme for 2021/22 is £9,852k.

The indicative capital outturn at 31 March 2022 is spend in the sum of £5,598k. Slippage (budget carry forward) into 2022/23 is estimated at £3,971k. The favourable variance on Housing related expenditure is in respect of capital works on Empty Homes scheme properties. On current plans, there is no requirement to increase the capital budget line for Empty Homes into 2022/23.

### Collection Fund 2021/22 (Council Tax & NNDR) - page 38 to 40

Council Tax collection levels are recovering. However, they are still not back to pre-pandemic levels. Business rate collection in the year has returned to more typical levels experienced pre-Covid at 98.15%.

The Council Tax account is predicting an overall surplus of £19k for Rossendale. The income for Court Costs at the year-end, applying proper accounting practice, is £241k (up from in-year estimates of only £100k). This has reduced the previously estimated adverse variance of £200k, down to £59k. The improved outturn position on page 6 includes this adjustment in Q4.

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The Government 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 reduced 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 2021/22, will be set aside to fund the deficit emanating from the Collection Fund shortfall in 2021/22, to be realised and made good in future years, similar to the treatment for 2020/21.

In addition, the Department for Levelling Up, Housing and Communities (DLUHC) announced in December 2021, that £1.5bn of reliefs would be made available to local government to support eligible businesses who to date, have been affected by the pandemic, but have been unable to access existing Covid funding linked to business rates. These reliefs also impact on the collection Fund outturn surplus/deficit position at the financial year-end. Similar compensation arrangements exist for this 'lost' Collection Fund income into the Council's General Fund. This scheme is referred to as the Covid Additional Relief Fund (CARF) for which the Council received c£1,000k and has applied in full to eligible businesses.

### Covid 19 – page 41 to 42

The Council has received various Covid related grants throughout the year and these have been itemised on page 41. 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 original schemes are currently closed, with repayment of net balances to Government to be made good by mid July 2022 (c£2.4m).

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### General Fund Summary - Period 12 (Quarter 4)

Service Area	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
<b>Communities Directorate</b>					
Customer Services and E-Government	1,405.4	1,443.3	(37.9)	(321.2)	283.3
Operational Functions	1,832.8	2,137.9	(305.1)	(307.9)	2.7
Communities (Parks and Cemeteries)	677.8	543.0	134.8	107.7	27.1
Public Protection Unit	155.5	142.7	12.8	6.2	6.6
Environmental Health	207.6	181.0	26.5	13.2	13.3
Licensing & Enforcement	115.4	65.2	50.2	(10.4)	60.6
Housing	497.4	528.5	(31.0)	(40.6)	9.6
<b>Economic Development Directorate</b>					
Planning Services	290.3	320.4	(30.1)	(8.6)	(21.4)
Building Control Services	(7.5)	(34.6)	27.2	26.1	1.1
Regeneration	336.1	367.8	(31.7)	(13.0)	(18.8)
Property Services	265.4	372.4	(107.0)	(125.8)	18.8
<b>Corporate Management Directorate</b>					
Corporate Management	465.4	386.1	79.3	74.3	5.1
Legal Services	172.5	134.9	37.6	17.2	20.4
Local Land Charges	(19.8)	(13.4)	(6.4)	(1.7)	(4.6)
Democratic Services	584.6	539.0	45.6	37.4	8.2
Financial Services	553.2	487.7	65.5	5.2	60.2
People and Policy	641.5	595.5	46.0	30.8	15.2
Non Distributed Costs	72.3	251.1	(178.8)	(182.6)	3.8
Capital Financing and Interest	656.7	664.5	(7.8)	181.4	(189.1)
<b>TOTAL Service Cost</b>	<b>8,902.70</b>	<b>9,112.9</b>	<b>(210.2)</b>	<b>(512.5)</b>	<b>302.2</b>
<b>LESS Use of Earmarked Reserves</b>					
Retained Business Rates Reserve	(2,180.0)	(2,180.0)	-	-	-
Response and Recovery Reserve	-	(210.2)	(210.2)	(512.5)	302.3
Lower Tier Services Grant	(93.0)	(93.0)	-	-	-
Transitional Budgetary Reserve	(606.0)	(606.0)	-	-	-
<b>LESS Use of New Homes Bonus Grant</b>	<b>(213.0)</b>	<b>(213.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Service Cost</b>	<b>5,810.7</b>	<b>5,810.7</b>	<b>-</b>	<b>-</b>	<b>(0.1)</b>

The draft outturn report at Q4 2021/22 is shows adverse variance of £210.2k (down from the adverse forecast of £512.5k at Q3). The forecast reduction is largely down to conclusion of the exercise to quantify core staffing costs eligible for funding from Covid related grants in substitution of the Council's own resources (c£200k), a more informed view of court cost income (movement from the previously reported £100k to c£240k) and technical accounting benefits to the General Fund on draft closure of the Collection Fund Account (c£80k). This gross position has been tempered by other adjustments in Q4 and these movements are considered below.

This outturn position will therefore require a reduced contribution from the Response and Recovery Reserve to balance the approved budget for the year (being £210.2k) when compared to the forecast estimate at Q3 (£512.5k).

The main variances are shown in the table below. These largely replicate variances reported throughout the year, being updated where relevant for the year-end outturn, and include: -

- Staff cost savings have generated a net positive contribution of £69k to the year-end position, after application of funds from reserves, provisions and eligible Covid funding streams.
- As above, estimated court cost income had been assumed at £100k throughout the year down from the £300k approved budget. Draft closure of the Council Tax Collection Fund

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Account has identified additional income of £141k based on appropriate accounting treatment of sums due, net of any view for non-collection.

- The deferred repayment of loans granted to the Rossendale Leisure Trust agreed by Council in February 2021 have had an adverse variance on the outturn position as has been reported throughout the year (£101k). This is the final year of the deferral with repayments to commence from 2022/23. Deferred payments relating to 2020/21 and 2021/22 will result in extension to the agreed repayment terms with income receipts now due in 2026/27 and 2034/35, where previously assumed to end in 2025/26 and 2033/34 respectively.
- As above, additional costs associated with delivering the Local Plan, based on further discussions with the Planning Inspectorate, have exceeded resources in the sum £58k (down from the £66k estimated at Q3). These additional costs are therefore to be met from the Response and Recovery Reserve.
- The analysis of IT software licences has concluded and in accordance with proper accounting practice has identified additional sums 'pre-paid' into future years. There is now a favourable variance on IT software licences.
- The Council has a total budget for Empty Homes related expenditure in the sum of £975k. This budget is split £300k (Revenue funding) and £675k (Capital funding.) At outturn, the adverse variance on the revenue account is £67k. This is largely due to recognition of the additional revenue resources deployed to support the ongoing legal work of the Council and defence of the Empty Homes claim. This includes provision for future Barrister costs and administrative work of the Project Officer. The Council is also liable for council tax costs where properties within the scheme are without tenants.
- In early 2021 the Council contracted with Play Market Management Ltd to run Rawtenstall Market. The budget for 2021/22 did not reflect this change in provider. The cost of utilities (excluding electricity until sub-meters are fitted as per the contract) are recharged to Play quarterly. The overall adverse variance on the Rawtenstall Market budget for 2021/22 is £70.3k. As part of the 2022/23 budget process the budgets were reviewed and the movements were reported in the MTFs.
- An adverse outturn variance of c£79k has been realised in relation to income from commercial property rents, owing to the current economic climate.
- As previously reported the increase in the cost of Insurance cover and the adverse position identified at Q3 has been confirmed at £32k.
- Significant increases to fuel 'pump prices' continue to impact the Council, and in particular the cost of its Operational fleet vehicles (Refuse Collection, Parks). The Council also continues to be impacted by rising utility costs for its own facilities. Economic commentary (page 28) acknowledges historically high fuel prices with the indicative outturn recording an adverse variance of £88k (up from £82k reported at Q3).
- The estimated revenue cost associated with financing the Council's 2020/21 Capital Expenditure – being the Minimum Revenue Provision (MRP) – is estimated to reduce by £189k. As part of the draft outturn position, and recognising slippage on the Council's capital programme into 2022/23, this saving identified at Q3 will now be transferred to the

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Finance reserve to fund future revenue costs associated with the repayment of loan debt and use of assets over their useful lives.

### Target Efficiency Savings 2021/22

The Council agreed, as part of the 2021/22 Budget approved in February 2021, a number of Efficiency Targets, including an increase to published fees and charges.

Whilst the indicative outturn position noted above requires a contribution from the Response and Recovery Reserve to balance the 2021/22 budget, the table below summarises efficiency performance against the individual budget headings.

A simple RAG status (Red, Amber, Green) has been used. Additional commentary is also provided and these areas of performance are considered in more detail in the main body of the report:

Budget Proposals (Efficiency Targets)	2021-22 £'000	Commentary at Indicative Outturn
Trade Waste net increased income	10	This has been achieved. Individual budget line income exceeding increased budget target.
Bulky Waste proposed fee increase	13	This has been achieved. Individual budget line income exceeding increased budget target.
Operations: increased productivity	20	Not achieved. Ongoing pressures associated with Covid response in year, use of Agency labour and escalating vehicle fuel costs.
Garden Waste enhanced service/growth	50	This has been achieved. Individual budget line income exceeding increased budget target.
Environmental Health - Fixed Penalty Income	15	Not achieved: delay to contractual arrangement. To be concluded for 2022/23 budget.
Fees and charges: annual increase by at least inf'n of 2%	7	Being achieved in part across services.
Staffing and related savings (Vacancy Savings etc)	109	Staff vacancy savings achieved after allowing for substitution of Council's own resources with eligibale Covid funding streams.
IT Efficiencies	10	This has been achieved across a number of separate budget headings including software licences.
Contingency	-50	£15k of the corporate contingency budget has been used to fund the Council's contribution to Ribble Rivers landscape project thus only £35k contribution to Efficiency Target.
<b>Total Efficiency Targets</b>	<b>184</b>	

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Annual Variances	Q1	Q2	Q3	Q4	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)
<b>Communities Directorate</b>						
<b>Customer Services and e-Government</b>						
Staff costs	6.1	2.1	-	-	8.2	
Housing Benefits subsidy and admin grant	(58.5)	33.6	(29.2)	13.0	(41.1)	
Housing Benefit - External Audit Fee uplift	-	-	-	(9.6)	(9.6)	
Housing Benefit Local Council Tax support grant	42.8	-	-	-	42.8	
Housing Benefit bailiff fees	18.3	-	-	5.6	23.9	
Revenues & Benefits administration Contract	14.6	-	-	36.5	51.1	
Court costs recovered (net of bad debt provision)	(20.0)	-	-	212.0	192.0	
Business Rates - net costs of collection and s31 grants	(220.8)	-	-	-	(220.8)	
Net cost of SAT Team	-	-	-	(31.8)	(31.8)	
Central IT Costs	(12.0)	40.1	(34.2)	51.4	45.3	
Leisure Services - Deferred income from loan	(101.0)	-	(4.8)	-	(105.8)	
Other minor variances	(9.9)	11.7	(0.1)	6.2	7.9	(37.9)
<b>Operational Functions and Communities</b>						
Staff costs (including agency and overtime)	(8.7)	20.2	(112.1)	15.6	(85.0)	
Street sweep running costs	5.0	(5.4)	(25.3)	(25.5)	(51.2)	
Garden Waste Income Less Costs	(3.3)	5.8	2.8	(3.0)	2.3	
Extra Costs within Refuse	(52.2)	(26.2)	51.4	22.9	(4.1)	
Markets Income & Running expenses	-	(12.3)	(1.6)	(1.1)	(15.0)	
Trade Waste & Bulks Net income	26.0	26.0	(0.3)	(1.0)	50.7	
Fuel, Vehicle Maint and Hire	(7.3)	(68.7)	(43.5)	(6.4)	(125.9)	
<b>Communities (Parks and Cemeteries)</b>						
Parks & Open Spaces	9.7	(1.8)	(12.5)	10.3	5.7	
Cemeteries Net income	-	(0.7)	37.0	-	36.3	
Other minor variances	(3.6)	(5.2)	6.6	18.1	15.9	(170.3)
<b>PPU, Env Hlth, Licensing and Housing</b>						
Staff costs - net all areas (incls Covid recharges)	10.8	43.8	7.5	53.0	115.1	
<b>Environmental Health</b>						
Environmental Health administration expenses	2.4	(5.0)	10.4	26.0	33.8	
Environmental Health Fixed Penalty Notice Inc Adverse	(12.0)	3.2	19.1	(22.8)	(12.5)	
<b>Licensing &amp; Enforcement</b>						
Hackney income	(2.7)	2.9	1.3	-	1.5	
Private hire income	(5.7)	(3.3)	(0.7)	-	(9.7)	
Other Licensing income/costs	(4.4)	(4.1)	6.7	13.8	12.0	
<b>Housing</b>						
Empty Homes	-	(58.0)	(25.0)	15.6	(67.4)	
Strategic Housing, Housing Options and Private Ren.	10.1	(17.4)	(4.7)	(6.7)	(18.7)	
Housing - Extra Agency Costs	-	(18.6)	18.6	-	-	
Other minor variances	11.6	(15.0)	(3.5)	11.3	4.4	58.5
<b>Economic Development Directorate</b>						
<b>Planning Services</b>						
Staff costs (net of grant & fee income) - net all areas	55.0	4.2	7.4	2.0	68.6	
Forward Planning - Local Plan	-	(66.5)	-	6.2	(60.3)	
Planning Application Fee Income	75.7	(6.2)	(10.0)	(15.0)	44.5	
Planning Consultancy Professional fees	(60.6)	(11.8)	2.6	5.5	(64.3)	
Advice / consulting on Planning Applications	-	18.5	-	-	18.5	
Planning Pre-apps	(22.4)	-	-	0.9	(21.5)	
<b>Building Control Services</b>						
Building Control Fee Income	19.8	2.0	(2.1)	-	19.7	
<b>Regeneration</b>						
Economic development admin costs and Markets	(2.7)	(65.7)	(3.6)	7.5	(64.5)	
Net use of Covid funding applied to core costs	1.1	4.9	54.6	(47.0)	13.6	
Other Property Running costs	21.1	-	(28.8)	17.7	10.0	
Spinning Point bus station	(8.7)	-	-	13.4	4.7	
Estates Income (Excluding Town Hall, Futures Park)	11.4	(2.5)	(28.5)	(13.6)	(33.2)	
Futures Park - deferred income	-	-	(30.0)	-	(30.0)	
Property Insurance Premiums	28.1	(60.0)	-	-	(31.9)	
Business Centre rentals	2.9	-	-	(2.0)	0.9	
Other minor variances	5.3	(18.7)	(7.1)	4.1	(16.4)	(141.6)
<b>Corporate Management Directorate</b>						
<b>Corporate Management</b>						
Staff costs - net all areas (incls Covid recharges)	96.7	10.4	5.6	89.4	202.1	
Use of Corp Contingency - Ribble Rivers grant	-	-	35.0	-	35.0	
Subscription movement	-	-	(15.0)	15.7	0.7	
<b>Legal Services</b>						
Legal income	(3.4)	0.9	5.4	4.5	7.4	
Professional Fess/Legal Books	-	-	-	14.0	14.0	
Democratic Services and Member costs	3.7	1.1	1.7	6.8	13.3	
<b>Local Land Charges</b>						
Land Charges income	(3.2)	(1.6)	3.6	(4.8)	(6.0)	
<b>Financial Services</b>						
Internal and External Audit - Finance	3.2	7.5	32.5	(49.0)	(5.8)	
Contribution to/(from) Reserves	-	-	-	18.2	18.2	
Bank Charges	(17.0)	(1.7)	0.7	6.0	(12.0)	
Other minor variances	-	-	-	3.7	3.7	
<b>People and Policy</b>						
Other minor variances	(10.5)	14.7	(7.2)	-	(3.0)	
<b>Non-Distributed Costs</b>						
Original staff savings target (actuals now above)	(200.0)	-	-	-	(200.0)	
Historical pension commitments	17.9	-	-	-	17.9	
Loss of fees and income re Covid grant from MHCLG	50.0	(50.0)	-	-	-	
Other minor variances	-	-	(0.5)	-	(0.5)	
<b>Capital Financing and Interest</b>						
MRP Re-profile	121.7	-	66.8	(188.5)	-	
Interest	(9.6)	0.9	0.6	-	(8.1)	
Other minor variances	(3.0)	1.5	2.5	3.2	4.2	81.1
<b>Favourable/(adverse) variance</b>	<b>(192.2)</b>	<b>(270.4)</b>	<b>(49.9)</b>	<b>302.3</b>	<b>(210.2)</b>	<b>(210.2)</b>

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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

## Communities Directorate

Period 12 (Mar)

Customer Services & ICT	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000	
<b>Customer Services</b>						
Benefits Administration	(234.3)	(375.4)	141.1	54.9	86.2	
Benefits Granted	(23.7)	82.3	(106.0)	(28.8)	(77.2)	
Local Tax Collection	(378.6)	(369.9)	(8.8)	(220.8)	212.0	
Revenues & Benefits Partnership	1,046.7	1,010.3	36.5	-	36.5	
<b>Strategic Functions</b>						
Management and Support	75.0	76.1	(1.1)	(1.4)	0.3	
Service Assurance Team	128.5	172.2	(43.7)	(12.0)	(31.8)	
Central Telephones	5.4	7.3	(1.9)	(2.7)	0.8	
Central Printing	3.9	0.2	3.7	6.1	(2.5)	
<b>ICT Support</b>	712.1	650.3	61.8	8.7	53.1	
<b>Leisure Services</b>	70.5	189.9	(119.4)	(125.3)	5.9	
<b>Total</b>	<b>1,405.4</b>	<b>1,443.3</b>	<b>(37.9)</b>	<b>(321.2)</b>	<b>283.3</b>	
<b>Key changes made during the period to the full year forecast</b>			<b>Variance Bfwd £000</b>	<b>Variance this Qtr £000</b>	<b>Full-Yr Forecast £000</b>	<b>R A G</b>
<b>Benefits Admin</b>						
Staff			9.2	-	9.2	
Housing Benefit administration grant			15.3	90.2	105.5	
Housing Benefit Subsidy (net grant position)			(27.6)	(77.2)	(104.8)	
Housing Benefit External Audit fee			(13.0)	(9.6)	(22.6)	
Housing Benefit Local Council Tax support grant			42.8	-	42.8	
Housing Benefit bailiff fees			18.3	5.6	23.9	
<b>Benefits Granted</b>						
Revenues & Benefits administration contract			-	36.5	36.5	
<b>Local Tax Collection</b>						
CTax & BRates - court costs income & Bad debt movement			(256.3)	212.0	(44.3)	
<b>Revenues &amp; Benefits Partnership</b>						
Business Rates - net costs of collection/court cost income				-	-	
Renewable Energy Business Rates income			183.0	-	183.0	
Business Rates transfer to Retained Business Rates Reserve			(2,415.0)	-	(2,415.0)	
Business Rates S31 Grants			2,232.0	-	2,232.0	
<b>Service Assurance Team</b>						
SAT Team Grants received (incl Universal Credit)			77.1	(22.0)	55.1	
SAT Team additional costs (incl Universal Credit) funded by grants			(77.1)	(9.8)	(86.9)	
<b>ICT Support</b>						
Central IT Costs			(3.4)	(2.5)	(5.9)	
Switchboard internet telephony costs			(2.6)	0.8	(1.8)	
Computer software - annual licence prepayments			-	53.1	53.1	
<b>Leisure Services</b>						
Leisure Services - Deferred income from loan repayments where income originally assumed			(105.8)	-	(105.8)	
Other minor variances			2.0	6.2	8.2	
<b>TOTAL</b>			<b>(321.2)</b>	<b>283.3</b>	<b>(37.9)</b>	

colour indicates related items

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## Customer Service & ICT Highlight Report – Q4 (end March 2022)

### Historic Issues

- None.

### Current Quarter's Issues

At Q4 the forecast variance is £37.9k adverse, a favourable movement of £283.3k from Q3, the main changes being: -

- A favourable staffing movement of £1k in the quarter which has increased the favourable forecast outturn estimate to £9.2k. This is due to costs of an ICT assistant being at a lower scale point than previously forecast.
- Housing Benefit Audit costs are anticipated to exceed budget by an additional £9.6k, so £22.6k for the year, based on information received from the Council's External Auditor. The Housing Benefit audit is outside the scope of the 'core' audit work, which is subject to fee approval via Public Sector Appointments (PSAA) Ltd; Housing Benefit audit work is subject to separate agreement.
- 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 as per the original budget assumptions.
- At the end of Q4 the total value of court costs *raised* has exceeded Q3 expectations, however remain below the approved budget figure of £300k. Relative to this budget estimate, the outturn for income from court costs is £241k, and includes provision for non-collection. This technical adjustment at the year-end reflects appropriate and prudent accounting treatment to recognise sums *due* rather than simply actual cash received in the period.
- Other technical adjustments at the year-end creating a favourable variance in Q4 relate to review of Collection Fund bad debt provisions. There has been a favourable movement due to technical adjustments on the bad debt provision for business rates of £80k (being the Council's share at 40%), allowing these sums to be released to support the Council's General Fund.
- The Service Assurance Team has received new burdens and Universal Credit introduction grants of £87k in the year. The Service Assurance Team have also incurred legal fees of £11k outside of the budget in relation to Analyse Local for their 'Rate Finder' service which identifies potential, additional business rates for collection eg due to premises expansion. Where proven, additional revenue will flow to the Collection Fund. Performance has decreased in the period from Q3 due to forecasted funding being received less than expectation.
- Deferred income from loan repayments relating to leisure services are as previously reported – being an adverse variance of £101k relative to original budget assumptions.
- Central IT are forecasting a net underspend following a review of computer software annual licences. This is due to a full prepayment review being carried out in Q4. This variance follows a review of provisions and reserves and is after any such funding provisions have been applied.

### 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. 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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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

## Communities Directorate

Period 12 (Mar)

Operations & Communities	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
<b>Operational Functions</b>					
Operations Admin & Vehicle Maintenance	340.6	372.8	(32.2)	(47.3)	15.1
Refuse & Recycling	1,129.5	1,344.0	(214.5)	(246.3)	31.7
Street Sweeping	385.3	428.7	(43.4)	0.2	(43.6)
Markets	(22.5)	(7.5)	(15.0)	(14.5)	(0.5)
<b>Communities</b>					
Parks & Open Spaces	905.1	805.3	99.8	73.1	26.7
Cemeteries	(227.2)	(262.3)	35.0	34.6	0.4
<b>Total</b>	<b>2,510.6</b>	<b>2,680.9</b>	<b>(170.3)</b>	<b>(200.2)</b>	<b>29.9</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
<b>Operations Admin &amp; Vehicle Maintenance</b>				
Operations Efficiency Saving on Henrietta Street	(56.0)	(4.0)	(60.0)	
Fleet Management Vacancy and Agency	3.6	(0.1)	3.5	
Henrietta Street	(6.1)	16.9	10.8	
Vehicle Maintenance (including tyres/ parts)	(13.3)	(0.4)	(13.7)	
Fleet Running Costs MOTs	(18.1)	-	(18.1)	
Fleet - extra fuel costs	(82.0)	(6.0)	(88.0)	
<b>Refuse &amp; Recycling</b>				
Refuse Salaries and Agency	(118.7)	22.2	(96.5)	
General Garden Waste Expenditure	(4.1)	(3.0)	(7.1)	
Garden Waste income	9.4	-	9.4	
Bin Repairs and Litter Bins	(25.0)	10.0	(15.0)	
Refuse purchase of tools and equipment and protective clothing	(2.0)	-	(2.0)	
Trade Waste - Tipping Fees	(2.0)	1.5	(0.5)	
Trade Waste - income	53.7	(2.5)	51.2	
<b>Street Sweeping</b>				
Street Sweeping Salaries	18.1	(10.3)	7.8	
Street Sweeping Hire of Vehicle	(31.0)	(9.7)	(40.7)	
Street Sweep Insurance Settlements	13.5	-	13.5	
Street Sweep Plant Insurance	-	(2.2)	(2.2)	
Street Sweep Tools and PPE	-	(2.3)	(2.3)	
Weed Killing	-	(6.0)	(6.0)	
Street Sweep Litter Bins	(6.0)	3.8	(2.2)	
Street Sweep Misc	(2.2)	(9.1)	(11.3)	
<b>Markets</b>				
Market Income down	(13.9)	(1.1)	(15.0)	
<b>Parks &amp; Open Spaces</b>				
Parks Salary Variances (Including temporary gardeners)	87.7	6.0	93.7	
Parks Extra Costs	(18.4)	1.6	(16.8)	
Parks & Open Spaces S106 and Other Contributions	13.8	8.7	22.5	
<b>Cemeteries</b>				
Cemeteries Repairs	(5.1)	(1.3)	(6.4)	
Cemetery Income & Internment Fees	41.4	-	41.4	
<b>Other Variances</b>				
Overtime Budgets (net all areas)	(35.3)	(2.2)	(37.5)	
Other Variances (Savings)	(2.2)	19.4	17.2	
<b>TOTAL</b>	<b>(200.2)</b>	<b>29.9</b>	<b>(170.3)</b>	

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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

## Operations Highlight Report – Q4 (end of March 2022)

**Historic Issues** The approved vehicle replacement plan is in progress for 2021/22. Due to two vehicles within Street Sweep being damaged additional hire costs have been incurred during 2021/22.

**Current Quarter Issues:** At the end of Q4 Operations and Communities are reporting an adverse variance of £170.2k. This is an improved position in the sum of £30k since Q3 due to the year end stock adjustments. The overspend is the result of additional overtime of £37.5k and agency Costs in the sum of £162.3k. However, these have been offset in part by £104k of additional income brought in for refuse services. There has been an agreement to increase the supervisory provision within Refuse on a permanent basis along with an Education Officer that has now been added to the base budget from 2022-23 onwards.

- Within Refuse and Recycling, there has been additional pressure associated with Agency staff, which has been closely monitored throughout 2021-22. The Council is currently undertaking a review of the refuse service to establish the appropriate level of staffing required to deliver the service.
- An increase in trade waste customers has meant trade waste income targets have been exceeded by £52k. Bulk Collections have generated an extra £8k by the year end.
- Within Street Sweeping, net insurance settlements of £13.5k have been received for two damaged vehicles. These vehicles were earmarked for replacement later in the year but in the interim, hire costs for 30 weeks' cover has resulted in a £40.7k pressure on the vehicle budget.
- Vehicle Maintenance costs have exceeded budget by £13.7k. In addition, fuel costs have risen dramatically over the year causing the forecast out-turns to be overspent by £87.7k.
- Some of the costs incurred within the transport/vehicle and refuse section during the latter part of 2021-22 have been hit with higher than expected inflation costs.
- Markets for Bacup and Haslingden have not achieved budget income resulting in an adverse variance of £15k.
- Cemeteries income has generated an extra £35k over and above the budget.
- During the year there has been £17.7k released in S106 Funds and Other Contributions of £4.8k to fund expenditure within Parks.

## 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.
- Operations are also working with LCC to identify potential sites to develop a transfer station. This will assist in driving through efficiencies in the refuse collection operation.
- Commercial Waste – Staff are now in place and have achieved Council targets at the end of Quarter 4. 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.
- Alternative fuel – The Council has now completed the trials of using alternative fuel (HVO – Hydrotreated Vegetable Oil) and all vehicles have now converted as part of the commitment to reduce CO2 emissions.

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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

Period 12 (Mar)

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 4 (Adv)/Fav £000
<b>Public Protection Unit</b>	155.5	142.7	12.8	6.2	6.6
<b>Environmental Health</b>	207.6	181.0	26.5	13.2	13.3
<b>Licensing &amp; Enforcement</b>	115.4	65.2	50.2	(10.4)	60.6
<b>Strategic Housing</b>					
Housing Strategy	56.6	29.1	27.6	16.7	10.9
Private Sector Housing Renewals	(0.7)	(7.7)	6.9	26.6	(19.7)
Homelessness	141.5	139.7	1.8	(0.9)	2.7
Empty Homes Scheme	300.0	367.4	(67.4)	(83.0)	15.6
<b>Total</b>	<b>975.9</b>	<b>917.4</b>	<b>58.5</b>	<b>(31.6)</b>	<b>90.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
<b>Environmental Health</b>				
Environmental Health - staffing and consultant	5.4	24.0	29.4	
Housing Strategy - staffing	21.4	-	21.4	
<b>Licensing &amp; Enforcement</b>				
Licensing & Enforcement - staffing	(1.8)	5.5	3.7	
Staff funded from COVID	-	45.0	45.0	
Computer Purchase & Software costs for Licensing	4.9	-	4.9	
Taxi & misc income	1.1	5.5	6.6	
Animal Licensing income	(7.8)	2.5	(5.3)	
<b>Housing Strategy</b>				
Other Variances EH Income Contributions and Direct Cost Savings	(2.5)	19.3	16.8	
EH Fixed Penalty Notice Income Adverse	10.3	(22.8)	(12.5)	
Extra Income on Administration Costs	(7.4)	-	(7.4)	
Return of Bond Payments	(1.0)	-	(1.0)	
Extra Income from Funeral Contributions	1.3	-	1.3	
Dog Warden Service Saving offset against PPU Cost	6.2	5.8	12.0	
Strategic Housing Direct Costs	(4.7)	-	(4.7)	
Housing - Extra Agency Costs	-	-	-	
Private Hire income & expenditure	(9.7)	-	(9.7)	
Hackney income & expenditure	1.5	-	1.5	
<b>Private Sector Housing Renewals</b>				
Private Sector Renewals - Staffing	29.6	(15.8)	13.8	
<b>Homelessness</b>				
Homelessness - staffing	7.5	(5.7)	1.8	
<b>Empty Homes Scheme</b>				
Empty Homes Scheme	(83.0)	15.6	(67.4)	
Other Variances	(2.8)	11.2	8.4	
<b>TOTAL</b>	<b>(31.6)</b>	<b>90.1</b>	<b>58.5</b>	

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## Public Protection and Housing Highlight Report – Q4 (end Mar 2022)

### Historic Issues

- Nothing reported

### Current Quarter Issues

At the end of Q4 the Public Protection Unit and Housing Services budgets have achieved an underspend £65.3k with the main movements being:

- The vacancy in housing strategy for the Strategic Housing Manager post was filled. A saving of £24.3k has been generated based on no occupancy for the first half of the year. Environmental Health has generated savings of £3.6k on staffing with appointments being made at spinal column points below those assumed in the budget estimates.
- Other staffing savings include savings within private sector renewal £23.5k and the homelessness team £5.3k.
- The Housing Options team have used agency professionals to cover vacancies whilst the new team are being recruited for, incurring £30k of costs which will be paid for by the Homelessness Prevention Grant
- Environmental Health have savings against direct costs totalling £21.7k
- Within Environmental Health, the fixed penalty notice income target will not be achieved as the contract arrangements are not complete for 2021-22 leaving a shortfall of £15k. However, during the year a number of other contributions have been made £6.7k
- 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.
- Within PPU the Dog Warden Services have savings of £12k at the year end.
- During the fourth quarter empty homes have exceeded the budget with an adverse out-turn of £67.3k. This is attributable to Council Tax liabilities arising from non-tenanted properties, estimated provision for administrative support of the Project Officer and future legal costs to support defence of the Empty Homes legal claim.
- **Licensing:**
  - COVID funding in the sum of £45k has been applied to core staffing costs.
  - Taxi income is showing a favourable variance of £6.6k. This has improved from Q3
  - Animal Licensing income is showing an adverse variance of £4.3k at the end of the year

### Future Issues

Taxi Licensing – intention to waive fee for electric vehicles for two years. Not anticipated to impact materially on current budgets as currently few electric vehicles.

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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

## Economic Development Directorate

Period 12 (Mar)

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 4 (Adv)/Fav £000
<b>Planning</b>					
Development Control	143.0	109.2	33.8	63.7	(30.0)
Forward Planning	147.3	211.2	(63.8)	(72.4)	8.5
<b>Building Control</b>					
Building Control - Fee Earning Account	(43.2)	(63.5)	20.3	18.2	2.1
Building Control - Statutory Function	31.7	28.8	2.9	0.6	2.4
Building Control - Street Signs	4.0	0.1	3.9	7.3	(3.4)
<b>Regeneration</b>					
Regeneration Mangement	139.1	106.3	32.8	60.4	(27.7)
Economic Regeneration and Rawtenstall Market	70.5	111.6	(41.0)	(72.0)	30.9
Whitaker Park Museum	71.5	94.9	(23.5)	(1.4)	(22.0)
Tourisms	40.0	40.0	(0.0)	(0.0)	(0.0)
Area Forums	15.0	15.0	0.0	-	0.0
<b>Property Services &amp; Facilities Management</b>					
Property Services Team	98.0	65.0	33.0	19.8	13.2
Corporate Estates	(345.2)	(368.0)	22.9	40.9	(18.0)
Non Domestic Estates	(117.3)	(122.0)	4.7	8.0	(3.3)
Office Accommodation	32.4	32.4	(0.0)	3.1	(3.1)
Operational Properties	353.7	377.1	(23.4)	(33.1)	9.7
Leisure Properties	53.0	122.2	(69.2)	(69.5)	0.3
Bus Shelters	57.2	125.6	(68.5)	(87.8)	19.3
Business Centre	133.7	140.2	(6.4)	(7.2)	0.8
<b>Total</b>	<b>884.3</b>	<b>1,025.9</b>	<b>(141.6)</b>	<b>(121.3)</b>	<b>(20.3)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
<b>Planning</b>				
Planning / Forward Planning staffing	145.4	(15.9)	129.5	
Planning/Forward Planning Consultancy fees/ Legal fees	(143.1)	5.5	(137.6)	
Planning Application Fee Income (excluding additional 20% broken housing market)	59.5	(15.0)	44.5	
Pre-App Income	(22.4)	0.9	(21.5)	
Advice / consulting on Planning Applications	18.5	-	18.5	
Forward Planning - Local Plan	(65.8)	6.2	(59.6)	
<b>Building Control</b>				
Building Control staffing	3.6	-	3.6	
Building Control Fees	19.7	-	19.7	
<b>Regeneration Mangement</b>				
Communities vacancy saving and transferred costs to COMF for COVID related activities	60.4	(27.6)	32.8	
<b>Economic Regeneration and Rawtenstall Market</b>				
Economic development admin costs & reduced market income	(72.0)	7.5	(64.5)	
<b>Property Services Team</b>				
Property Services staffing	(5.4)	(1.5)	(6.9)	
Pool Car, CCTV, Emergency Planning	1.5	-	1.5	
<b>Corporate Estates</b>				
<b>Non Domestic Estates</b>				
All other Estates income; Industrial units	(59.3)	(19.5)	(78.8)	
<b>Operational Properties</b>				
Property Running Costs: Repairs & Maintenance	(12.4)	(4.9)	(17.3)	
Electricity, Gas & Water	(31.5)	14.2	(17.3)	
NNDR - excluding Spinning Point bus station	21.0	8.4	29.4	
<b>Leisure Properties</b>				
<b>Bus Station / Shelters</b>				
Spinning Point Bus Station running costs	(8.7)	13.4	4.7	
Bus Shelters	-	5.9	5.9	
<b>Business Centre</b>				
Business Centre rentals	2.9	(2.0)	0.9	
Business Centre cleaning costs	(8.5)	5.0	(3.5)	
Business Miscellaneous savings	2.7	-	2.7	
Property Insurance Premiums	(31.9)	-	(31.9)	
Other Miscellaneous Variances	4.4	(0.9)	3.5	
<b>TOTAL</b>	<b>(121.3)</b>	<b>(20.3)</b>	<b>(141.6)</b>	

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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

## Economic Development & Regeneration Highlight Report – Q4 (end Mar 2022)

### Historic Issues

- None

### Current Quarter Issues

**Economic Development, Communities and Regeneration are currently forecasting a favourable variance of £15.6k, which is broken down as detailed below: -**

- Staff Costs in ED & Regeneration are well within budget. There have been some extra costs incurred for recruitment of £1k, and other, smaller miscellaneous items totalling £3.3k. ED have also brought in some income, which includes Inspira £3k, Growth & Innovation Fund £10k and the DWP Kickstart Programme £14.8k.
- In early 2021 the Council contracted with Play Market Management Ltd to run Rawtenstall Market. The budget for 2021/22 did not reflect this change in provider. The cost of utilities (excluding electricity until sub-meters are fitted as per the contract) are recharged to Play quarterly. The overall adverse variance on the Rawtenstall Market budget for 2021/22 is £70.3k. As part of the 2022/23 budget process the budgets were reviewed and the movements were reported in the MTFs.
- Whitaker Park Museum has suffered increases in Gas and Electricity of £6.1k and £16.5k respectively. Costs for Legionella and external site works totalling £560 and £425 respectively. Total overspend for the year £23.4k.
- Communities have net savings of £8.1k as a result of the Manager vacancy during the Year. Communities currently have an extra member of staff assisting with the day to day operations for community issues. Agreed costs have been recharged to Rossendale Leisure Trust for Staff working on the Together Active Futures Fund Programme in the sum of £11k. We have also transferred cost for activities related to COVID where eligible. The Living Well Living Better (LWLB) Programme ended in Mar 22 which cost £4.8k as the reserve is now depleted.

**Property Services and Facilities Management is currently showing an adverse variance of £128.3k.**

- Salary costs are showing an adverse variance of £6.9k.
- Facilities running costs are showing an adverse variance of £34.6k this is mainly due to the increase in utility costs.
- The estates income is showing an overall adverse variance of £78.8k New income target budgets have not been achieved within the year.
- Spinning point bus station is showing a surplus of £4.7k A favourable movement from Q3 of £13.4k due to the realignment of the facilities charges.
- Property Services proportion of insurance premiums is showing an overspend of £31.9k.

**Planning & Building Control are showing an adverse variance of £16.2k**

- Planning and Building Control staffing costs are showing a favourable variance of £133.1k, however this is offset by the consultancy costs (used for conservation cases and complicated cases, staff vacancies) which are showing £137.6k adverse.
- Planning / Building Control income reduced slightly in the final quarter still ending the year with an over achievement of £64.2k.
- Pre-application fees have an income target of £31.6k for 2021/22. However this budget has under achieved by £21.5k.
- Planning have received planning advice income (separate to Pre-App) of £18.5k.
- The Local Plan is in the final year; due to the Inspectorate costs of £97k and additional/improved projects costing a further £27k. This has resulted in the final net impact (after the use of reserves) being an adverse variance of £59.6k.

### Future Issues

- From 2022/23 the running costs for the Whittaker Museum transfer to the Whittaker CIC.

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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

## Corporate Services Directorate

Period 12 (Mar)

Corporate Management	2021/22 Org Budget £000	2021/221 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
<b>Corporate Management</b>					
Executive Office	350.5	335.0	15.4	17.4	(2.0)
Corporate Contingency	50.0	15.0	35.0	35.0	-
Exec Support & Corporate Subscriptions	64.9	36.0	28.9	21.9	7.0
Community Safety			-	-	-
<b>Legal Services</b>	172.5	134.9	37.6	17.2	20.4
<b>Land Charges</b>	(19.8)	(13.4)	(6.4)	(1.7)	(4.6)
<b>Democratic Services</b>					
Electoral Registration	77.6	72.7	4.9	4.3	0.5
Elections	79.4	75.2	4.2	4.3	(0.2)
Democratic Support	371.6	338.2	33.4	32.4	1.0
Mayoralty & Civic Events	53.5	50.4	3.2	(3.7)	6.9
Town Twinning	2.5	2.5	0.0	-	0.0
<b>Financial Services</b>					
Treasury Management	81.0	100.7	(19.7)	(11.2)	(8.5)
Insurance, Risk & Audit Fees	64.7	47.6	17.0	34.1	(17.1)
Financial Services Team	407.5	339.4	68.1	(17.7)	85.8
<b>People &amp; Policy</b>					
Human Resources	406.9	413.0	(6.1)	(11.0)	5.0
Corporate Support	230.6	182.5	48.1	37.8	10.3
Publicity	4.0	-	4.0	4.0	-
<b>Total</b>	<b>2,397.4</b>	<b>2,129.8</b>	<b>267.6</b>	<b>163.1</b>	<b>104.5</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
<b>Executive Office</b>				
Salary variances	48.4	(5.1)	43.3	
Subscriptions movement	(14.7)	15.7	1.0	
<b>Corporate Contingency</b>				
Use of contingency for grant support to Ribble Rivers Trust	35.0	-	35.0	
<b>Legal Services</b>				
Salary variances	11.0	-	11.0	
Professional fees / Legal books	3.9	14.0	17.9	
Legal income	2.9	4.5	7.4	
<b>Land Charges</b>				
Salary variances	(1.3)	-	(1.3)	
Land Charges Income	(1.2)	(4.8)	(6.0)	
<b>Electoral Registration</b>	4.3	0.7	5.0	
<b>Elections</b>	4.0		4.0	
<b>Democratic Support</b>				
Members savings	5.2	3.0	8.2	
Democratic services salary variances	25.0	3.1	28.1	
<b>Mayoralty &amp; Civic Events</b>				
Salary variances - mayoralty			-	
Democratic & Mayoralty savings	2.7	3.8	6.5	
<b>Financial Services Team</b>				
Salary variances - Accountants	(10.5)	2.8	(7.7)	
Salary variances - Exchequer	(7.0)	(1.4)	(8.4)	
External Audit - Accountancy	66.0	(31.4)	34.6	
Internal Audit - LCC	(1.4)	-	(1.4)	
Bank Charges	(39.8)	6.0	(33.8)	
Finance recharges to reserves (Covid)	-	83.6	83.6	
<b>Human Resources</b>				
Salary variances	23.8	(11.0)	12.8	
People and Policy - Corporate Marketing	(26.9)	-	(26.9)	
HR recharges to reserves (Covid)	-	16.0	16.0	
<b>Corporate Support</b>				
Salary variances	34.5	1.4	35.9	
<b>Publicity</b>				
Other Misc under / (over) spends - revised NI forecast/correction to Q1	(0.8)	3.6	2.8	
<b>TOTAL</b>	<b>163.1</b>	<b>104.5</b>	<b>267.6</b>	

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## Corporate Management Highlight Report – Q4 (end March 2022)

### Historic Issues

- None

### Current Quarter Issues

The Corporate Management outturn is now showing an under-spend at £267.6k favourable, the main movements being: -

- Staff changes are £113.7k favourable, noting a review of the Q3 position and reassessment of National Insurance outturn forecasts and incorporating the annual pay award increases:
  - Corporate Management - saving of £43.3k
  - Legal Services – are showing a saving of £11k
  - Democratic Services – Saving of £28.1k, this forms part of the February 2021 efficiency savings plan
  - Elections are showing a saving of £28.1k due to Elections assistant taking phased retirement
  - Financial Services – adverse £16.1k linked to staffing appointments at higher than original budget assumptions, but does not reflect core staff time eligible for funding from Covid grant sums eg Track and Trace Administration grant. This has been incorporated elsewhere.
  - People & Policy (including Corporate Support) - following a recent restructure and after financing the corporate marketing contract of £26.9k, the part-year reductions have led to £21.8k underspend which will contribute towards the efficiency target set for the year.
- Local Land Charges income is showing an adverse variance of £6.4k. This slight variance 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 £15.7k on receipt of a share of a national rebate from Public Sector Audit Appointments (PSAA).
- Bank Charges due to the increase in volume of payments have led to adverse variance of £33.8k. A review of the contracts relating to these costs will be undertaken in 2022/23 to seek to reduce these costs going forwards. A shift in payment methods used is the main driver.
- There are funds unused in the corporate contingency fund of £35k resulting in a saving of this amount when compared to budget out-turn.
- There has been a £17.4k under-spend on legal and professional fees within legal. It is likely that these savings have been achieved by posting these costs directly to the business area to which they relate.
- At the year end an exercise was under-taken to review core costs and use available Covid funding where possible. Across corporate management a total of £99.6k has been allocated from Covid reserves against costs incurred.

### Futures Issues

- None

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## Monthly Financial Monitoring Report 2021/22 Q4 March 2022

### Corporate Services Directorate

Period 12 (Mar)

Non-Distributed Costs & Capital Financing	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	52.8	239.8	(187.0)	(184.6)	(2.3)
Other Non-distributed Costs	19.5	11.3	8.2	2.1	6.1
<b>Capital Financing</b>					
Minimum Revenue Provision	534.7	534.7	-	188.5	(188.5)
Interest (net)	122.0	129.8	(7.8)	(7.2)	(0.6)
<b>Total</b>	<b>729.0</b>	<b>915.6</b>	<b>(186.6)</b>	<b>(1.2)</b>	<b>(185.3)</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
<b>Employee &amp; Pension Costs</b>				
Vacancy control savings target - net	(200.0)	-	(200.0)	Red
Historical pension costs	17.9	-	17.9	Green
Other minor variances	(0.5)	-	(0.5)	Green
<b>Capital Financing</b>				
MRP Re-profile - added to reserves for future years' CAPEX	188.5	(188.5)	-	Green
Interest expenditure/income from bank accounts	(8.1)	-	(8.1)	Yellow
Other minor variances	1.0	3.2	4.2	Green
<b>TOTAL</b>	<b>(1.2)</b>	<b>(185.3)</b>	<b>(186.5)</b>	Red

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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

## Non-Distributed Costs & Capital Financing Highlight Report – Q4 (end March 2022)

### 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 Q4 projection is a £17.9k favourable variance.

### Current Quarter Issues

- The original budgeted staff savings target was £200k. Total savings in staff costs as at Q4 are now £269k, after applying funding contributions from reserves, provisions and Covid grant streams where eligible. Added to this is £25k of savings from employees purchasing additional leave. The significant variation relates to increased overtime and agency labour costs as included in the variation commentary for Operations. This gives an overall net favourable variance in staff costs of £69k. This position is currently realised across services with the target saving held in Non-Distributed Costs (NDC). The net variance presented in NDC is thus offset by performance in services, and is contained within the overall outturn.

<b>Net Employment Costs 2021/22 to end March</b>	<b>YTD Budget £000</b>	<b>YTD Actual £000</b>	<b>YTD Variance (Adv)/Fav £000</b>
<b>Communities Directorate</b>			
Customer Services	316	295	21
Operations Service	1,657	1,909	(252)
Communities Parks	783	678	105
Environmental Health	191	189	2
Licensing & Enforcement	314	221	93
Housing	249	245	4
<b>Economic Development Directorate</b>			
Planning Services	474	421	53
Building Control Services	122	119	3
Regeneration	99	94	5
Property Services	95	101	(6)
<b>Corporate Services</b>			
Corporate Management	374	320	54
Legal Services	152	142	10
Local Land Charges	39	41	(2)
Democratic Services	264	226	38
Financial Services	399	329	70
People & Policy	622	551	71
<b>Total Net Savings</b>	<b>6,150</b>	<b>5,881</b>	<b>269</b>
<b>Additional Leave</b>			<b>25</b>
<b>Total Staff Savings</b>			<b>294</b>
<b>Original Savings Target</b>			<b>(225)</b>
<b>Staff Variance</b>			<b>69</b>

- Interest income as expected was below the budget by c£8k. Due to the Coronavirus Pandemic banking institutions cut the interest rates from March 2020 and despite the recent rise (December 2021 and March 2022), it has been impossible to manage funds in a way to recoup these losses in such a short period of time. In addition, the level of uncertainty around income collection has prompted officers to keep cash flow mainly with instant accounts throughout the year.
- Projected savings on MRP: £188.5k, as proposed in Q3 out turn. This will be reviewed once the capital scheme is concluded. It has been proposed to transfer this under spend to Finance reserves to assist with delayed Capital Scheme funding going forwards.

### Future Issues

The 'Cost of Living Crisis' continues to dominate headlines with a potential impact on future pay award negotiations and the MTFs assumptions. Similarly, the next pension triennial valuation results are due with effect from 2022/23 with the impact as yet unknown.

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# Monthly Financial Monitoring Report 2021/22 Q4 March 2022

## 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
<b>Balance at 01/04/2021</b>	<b>387.7</b>	<b>74.0</b>	<b>6,228.9</b>	<b>1,789.5</b>	<b>112.8</b>	<b>1,389.2</b>
<b>Funds Received 2021/22</b>						
Collection Fund - S31 Grants (NNDR1)			1,091.0			
Collection Fund - Renewable Energy (NNDR1/3)			175.0			
New Homes Bonus				213.0		
Lower Tier Services Grant				93.0		
Other Revenue income received			1,008.0	102.0	10.0	321.9
<b>Total Funds Available</b>	<b>387.7</b>	<b>74.0</b>	<b>8,502.9</b>	<b>2,197.5</b>	<b>122.8</b>	<b>1,711.1</b>
<b>2021/22 Published Budget Utilisation</b>						
New Homes Bonus				(213.0)		
Lower Tier Services Grant				(93.0)		
General budget support				(606.0)		
<b>2021/22 Other Utilisation Plans</b>						
Transfers between Reserves			(1,091.0)	1,091.0		
Budget support - Covid related costs						(902.2)
Support Forward Plan					(57.8)	
Economic Development Projects	(117.6)					
Total Utilisation Commitment	(117.6)	0.0	(1,091.0)	179.0	(57.8)	(902.2)
<b>Reserve Estimates 31/3/2022</b>	<b>270.1</b>	<b>74.0</b>	<b>7,411.9</b>	<b>2,376.5</b>	<b>65.0</b>	<b>808.9</b>
<b>Future Contributions/Utilisation Plans</b>						
<b>2022/23 Plans</b>	<b>(270.1)</b>	<b>0.0</b>	<b>(1,666.0)</b>	<b>(174.5)</b>	<b>(10.0)</b>	<b>(15.9)</b>
2024/25 Plans	0.0		(1,601.0)	(400.0)		
2025/26 Plans						
<b>Potential Reserve Balances</b>	<b>(0.0)</b>	<b>74.0</b>	<b>4,144.9</b>	<b>1,802.0</b>	<b>55.0</b>	<b>793.0</b>

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		5.7
Bacup Future High Street Project	0.0	49.9	165.4	23.1
Bacup Heritage Action Zone Officer SOD 31/03/19	0.0	0.0	19.4	18.6
<b>Total 2021/22 Projects</b>	<b>1,071.5</b>	<b>815.7</b>	<b>270.1</b>	<b>117.6</b>

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<b>Earmarked Reserves (cash-backed items only)</b>	Vehicle Reserve	Leisure Reserve	Rawtenstall Bus Station	Directorate Reserves	General Reserve	<b>Total</b>
	AN060130	AN060118	AN060150	AN06		
<b>Balance at 01/04/2021</b>	<b>189.1</b>	<b>55.5</b>	<b>517.0</b>	<b>973.6</b>	<b>1,000.0</b>	<b>12,717.4</b>
<b>Funds Received 2020/21</b>						
Collection Fund - S31 Grants						1,091.0
Collection Fund - Renewable Energy						175.0
New Homes Bonus						213.0
Lower Tier Services Grant						93.0
Other Revenue income received				121.8		1,563.7
<b>Total Funds Available</b>	<b>189.1</b>	<b>55.5</b>	<b>517.0</b>	<b>1,095.4</b>	<b>1,000.0</b>	<b>15,853.1</b>
<b>2021/22 Published Budget Utilisation</b>						
New Homes Bonus						(213.0)
Lower Tier Services Grant						(93.0)
General budget support						(606.0)
<b>2021/22 Other Utilisation Plans</b>						
Transfers between Reserves						0.0
IER				0.4		0.4
Budget support - Covid related costs						(902.2)
Support Forward Plan						(57.8)
Economic Development Projects				(21.0)		(138.6)
Legionella Risk Assessment				6.0		6.0
Living Well, Living Better Project				(14.2)		(14.2)
Haslingden Task Force				(2.5)		(2.5)
Homelessness and Communities Projects				83.2		83.2
Support Future MRP costs - delayed CAPEX				188.5		188.5
Future Leisure and Wellbeing Options KKP		(8.9)				(8.9)
Redmond Review - Future New Burdens (Audit)				18.2		18.2
20% Broken Homes - Trfr from Prov to Resv				126.7		126.7
Property-related projects				14.1		14.1
Total Utilisation Commitment	0.0	(8.9)	0.0	399.4		(1,599.1)
<b>Reserve Estimates 31/3/2022</b>	<b>189.1</b>	<b>46.6</b>	<b>517.0</b>	<b>1,494.8</b>	<b>1,000.0</b>	<b>14,254.0</b>
<b>Future Contributions/Utilisation Plans</b>						
<b>2022/23 Plans</b>	(30.0)			(155.8)		(2,322.3)
2024/25 Plans				(42.0)		(2,043.0)
2025/26 Plans						0.0
<b>Potential Reserve Balances</b>	<b>159.1</b>	<b>46.6</b>	<b>517.0</b>	<b>1,297.0</b>	<b>1,000.0</b>	<b>9,888.7</b>

\*Directorate Reserve includes technical change to treatment of Fixing Broken Housing Market sums previously held as 'Provision'.

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## Monthly Financial Monitoring Report 2021/22 Q4 March 2022

### Current issues

As noted on page 2, the adverse variance on the General Fund of £210.2k will require a contribution from the Response and Recovery Reserve to support the budget. This includes utilisation of additional Covid related funding to finance core staff costs, deployed during the pandemic (eg Track and Trace grant administration, contribution to Lateral Flow Tests).

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.

As above, the 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 Q4, the estimated net contribution from the reserve, including bridging the forecast adverse variance of £210.2k, is £902.2k. Details of these commitments are included in the Covid summary on page 41.

Agreed detail of the usage of the Employment & Transport Reserve to support expenditure incurred in 2021/22 can be seen in the table on page 22.

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## Monthly Financial Monitoring Report 2021/22 Q4 March 2022

### 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		
<b>Balance at 01/04/2021</b>	<b>1,858.3</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>0.0</b>	<b>1,919.7</b>
<b>New Funds Received 2021/22</b>						
Grant due/received	1,160.1				4,531.6	5,691.7
<b>Total Funds Available</b>	<b>3,018.3</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>4,531.6</b>	<b>7,611.3</b>
<b>Utilisation in 2021/22</b>						
DFGs Outturn 2021/22	(797.0)					(797.0)
Transforming Lives/Hoarding Projects						0.0
Homelessness Project						0.0
Domestic Abuse Projects						0.0
Covid related expenditure					(4,195.5)	(4,195.5)
Movement to Earmarked Reserves						0.0
<b>Anticipated Balance 31/03/2022</b>	<b>2,221.3</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>336.1</b>	<b>2,618.9</b>
<b>Future Utilisation Plans</b>						
2022/23 plans	(1,000.0)	(52.9)	0.0	0.0	0.0	(1,052.9)
2023/24 plans	(858.2)	0.0	0.0	0.0	0.0	(858.2)
<b>Potential Reserve Balances</b>	<b>363.1</b>	<b>0.0</b>	<b>6.8</b>	<b>1.7</b>	<b>336.1</b>	<b>707.8</b>

In addition to the £1,858k of unspent DFG grant brought forward, the 2021/22 allocation of £1,160k has been confirmed, giving total DFG resources of £3,018.3k. For the purpose of the above table, future utilisation plans recognise an estimated profile of DFG grants received to date only, and do not include estimation of any future receipts from the Better Care Fund. The Council's approved Medium Term Capital Strategy assumes DFG grant receipts in the sum of £1,000k per year over the plan period and will be updated in due course to reflect the recent confirmation that the DFG allocation for the Council for 2022/23 is again £1,160k.

Covid Grants unapplied reflect those sums received for Business Support only. More details in respect of Covid grant sums received in year are shown at pages 41 and 42.

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### Staff Costs, including agency

Net Employment Costs 2021/22 to end March	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
<b>Communities Directorate</b>								
Customer Services	316	295	21	(13)	34	7.8	0.0	0
Operations Service*	1,657	1,909	(252)	(128)	(124)	53.0	0.0	3
Parks & Cemeteries*	783	678	105	65	40	23.0	0.0	1
Environmental Health	191	189	2	15	(13)	7.0	0.0	0
Licensing & Enforcement	314	221	93	(6)	99	6.0	0.0	0
Housing	249	245	4	29	(25)	7.0	0.0	1
<b>Economic Development Directorate</b>								
Planning Services	474	421	53	56	(3)	11.4	0.0	2
Building Control Services	122	119	3	8	(5)	3.0	0.0	0
Regeneration	99	94	5	22	(17)	5.0	0.0	0
Property Services	95	101	(6)	(4)	(2)	3.6	0.0	0
<b>Corporate Services</b>								
Corporate Management	374	320	54	41	13	4.0	0.0	1
Legal Services	152	142	10	4	6	3.0	0.0	0
Local Land Charges	39	41	(2)	(2)	-	1.0	0.0	0
Democratic Services	264	226	38	30	8	7.4	0.0	0
Financial Services	399	329	70	4	66	9.0	0.0	0
People & Policy	622	551	71	53	18	17.6	0.0	0
<b>Total Net Savings</b>	<b>6,150</b>	<b>5,881</b>	<b>269</b>	<b>174</b>	<b>95</b>	<b>168.8</b>	<b>0.0</b>	<b>8.0</b>

- The net employee savings presented in the annual variances summary are a consolidation of Operations and Parks and Cemeteries direct costs, including the adverse variance related to retention of the Education Officer post and Supervisory capacity. These are included in commentary elsewhere in this report.

### Treasury Management & Cash Flow Monitoring

At the end of March the bank balances were £16.9m. Maintenance of significant cash balances in Q4 (and throughout the year) are largely as a result of a delay to the anticipated repayment of sums reported at Q1. It was originally estimated that c£6m of funding held over from 2020/21 would be repayable to Government by the end of September 21. The latest information now suggests that this will become due in 2022/23. Current estimates suggest returnable sums due in late Q2 or early Q3 of 2022/23 and this timing is assumed in future cashflow planning.

During the period the Council has also received continued funding support for the ongoing response to the pandemic eg Omicron grants, Additional Restrictions Grant and Homelessness Support Funding. In most cases, payments to eligible recipients were made during the period. The most significant receipts were in respect of the Energy Rebate Scheme (£4m) and Covid Additional Relief Grant (£1m) for businesses who had not received any prior financial support in response to the pandemic.

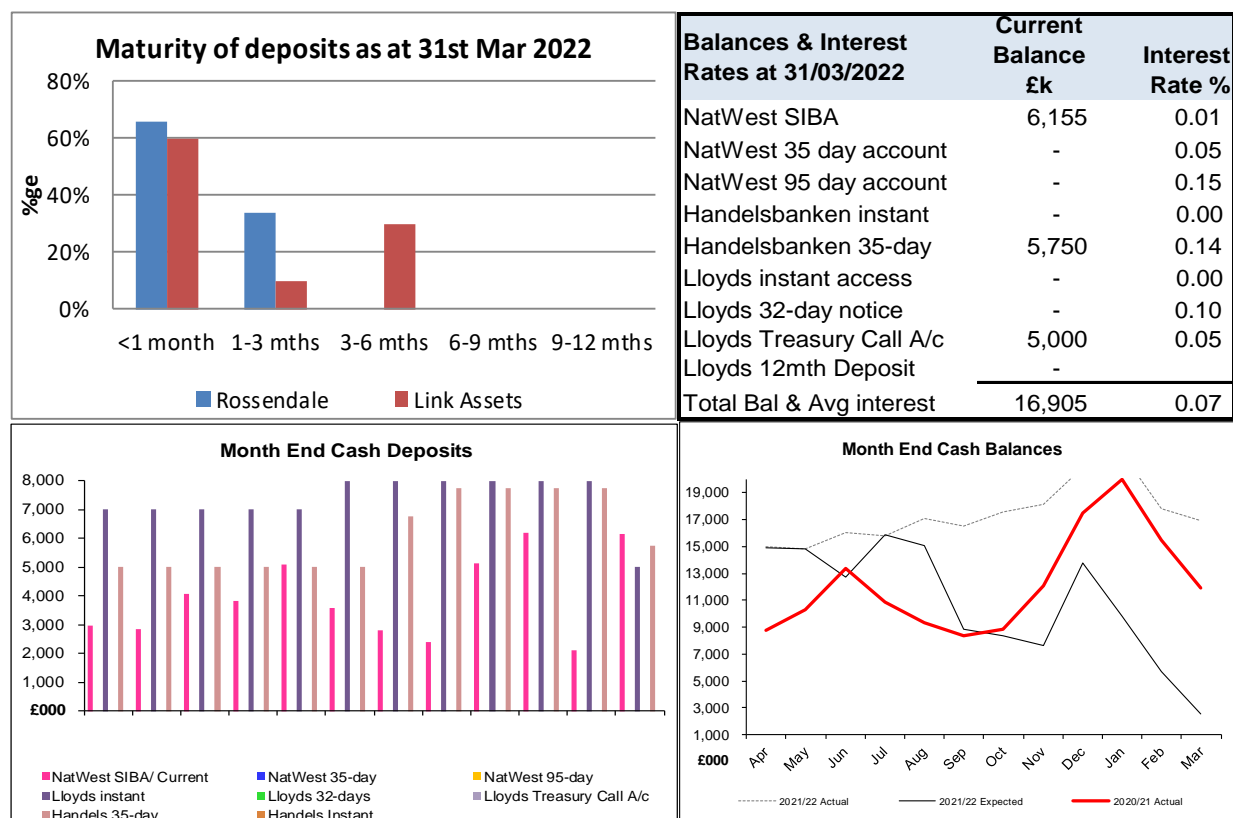
These receipts have sustained the Council's temporary cash balances at historically high levels.

Given the increase to Bank Rate and the temporary cash balances available to invest, the Council has taken a more proactive approach to managing its cash balances into 2022/23 to

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maximise interest receivable, relative to its budget estimate, and to mitigate the impact of rising costs as far as possible, a result of historically high inflation pressures.



During the quarter, the Bank of England voted to increase the 'Bank Rate' on 3<sup>rd</sup> February 2022 and again on 17<sup>th</sup> March 2022, increasing from 0.25% to 0.50% and subsequently to 0.75%. Indeed the Monetary Policy Committee (MPC) increased the bank rate again on 5<sup>th</sup> May 2022, increasing the rate from 0.75% to 1.00%.

The Council's strategy remains to retain a significant portion of its balances as liquid funds, to ensure it can respond promptly when required to meet its commitments as they fall due (revenue and capital expenditure).

Instant access arrangements typically return lower interest rates despite the recent hikes in bank rate. In many cases there has been no uplift to interest rates on offer to the Council from its existing relationships.

As per the commentary above, the Council is taking a more proactive approach to fixed and longer-term investments for a smaller proportion of its surplus balances. In accordance with the approved Treasury Management Strategy, these deposits will be placed with high quality Counterparties eg Central Government, Other Local Authorities. The strategy is considered prudent in the context of CIPFA's Prudential Code which prioritises Security and Liquidity over Yield (SLY).

At 31<sup>st</sup> March 2022, the Council's portfolio mix consists of liquid funds of £11.1m and call account sums (35 day notice) of £5.8m.

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Interest Forecast	Budget 2021/22	Forecast 2021/22	Variance Fav/(Adv)	Change Fav/(Adv)
<b>Revenue</b>				
Interest payable (PWLB)	(137.5)	(137.5)	0.0	0.0
Other interest payable	(1.0)	0.0	1.0	1.0
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	16.4	7.8	(8.6)	(8.6)
<b>Net Interest</b>	<b>(122.1)</b>	<b>(129.7)</b>	<b>(7.6)</b>	<b>(7.6)</b>

The average effective interest rate at the end of Q4 was 0.07%, 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 (£16.4k) when compared to 20/21 (compare budget of £76.4k) at Q4, the interest income is an adverse variance of £8.6k.

### Economic Outlook

#### (Released June 22)

The Consumer Prices Index rose by 7.8% in the 12 months to April 2022, up from 6.2% in March. The largest upward contributions to the annual CPIH inflation rate in April 2022 came from housing and household services (2.76 percentage points, principally from electricity, gas and other fuels, and owner occupiers' housing costs) and transport (1.47 percentage points, principally from motor fuels and second-hand cars).

Average petrol prices stood at 161.8 pence per litre in April 2022, compared with 125.5 pence per litre a year earlier. The April 2022 price is the highest recorded. The average price of diesel in April 2022, which was 176.1 pence per litre, was also the highest on record. The 12-month rate for motor fuels and lubricants was 31.4%, the highest since before the start of the constructed historical series in January 1989.

These increases are likely to impact on the original forward planning assumptions approved when setting the budget for 2022/23 and Medium Term Financial Strategy (MTFS), and particularly budgets for utility supplies, fuel for fleet vehicles, any contractual obligations linked to CPI uplifts and potentially future pay award for Council staff.

Work continues to assess and review the MTFS as part of the closure of the Councils accounts for 2021/22.

### 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.

The increase to Bank Rate during the quarter has affected the borrowing rates on offer from PWLB.

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Given the updated cashflow forecast above, the Council's Capital plans, and in accordance with the approved Treasury Management Strategy, the Council continues to assess its borrowing options and timing of any external borrowing, given the delay to the repayment of sums to Government, and the positive impact on its working capital.

### Interest rate forward predictions

The Council's treasury management advisors, Link, have reviewed their interest rate forecast over the next 12 months following Bank Rate change at the end of Q2, suggestions of future rate rises in the short-term and rising inflation rates.

<i>at 31st Mar 2022</i>	<b>Current Rates</b>	<b>Mar 2022</b>	<b>Jun 2022</b>	<b>Sep 2022</b>	<b>Dec 2022</b>	<b>Mar 2023</b>
<b>Base Rate</b>	0.75%	0.75%	1.25%	1.50%	1.75%	2.00%
<b>25yr PWLB*</b>	2.76%	2.54%	3.00%	3.10%	3.10%	3.20%
<b>25yr PWLB</b>	2.96%	2.74%	3.20%	3.30%	3.30%	3.40%

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 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 24<sup>th</sup> February 2021.

At the end of March 2022, the Council received on-account sums in excess of £4m to fund the Government's £150 Energy Rebate Scheme for 2022/23. This resulted in the Council breaching its approved Counterparty limit with its main bankers, Nat West, on 1 April 2022 by c£900k.

### Sundry Debts Monitoring

Invoices raised in the year, to the end of Q4 totalled £2,737k. As at March 22, £246k (9%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 81%.

During the period to date, c50% of debts raised before April 2021 and still outstanding, had also been recovered.

### Doubtful debts

The debtor days in Q4, based on a rolling 12 month average has increased from 78 days to 94 days, for collection of sums due. This figure exceeds the target average of 80 days and is being investigated.

However, this increase is likely to be linked to slower recovery of 'aged' debt, for which the Council has set aside sufficient sums in the event of non-recovery (100%). The Council will consider any decision to write-off sums in due course following an analysis of recovery attempts eg Debtor has 'gone away' or sums are considered uneconomical to pursue further. Any such decision will be reported to Cabinet in accordance with the Council's Constitution.

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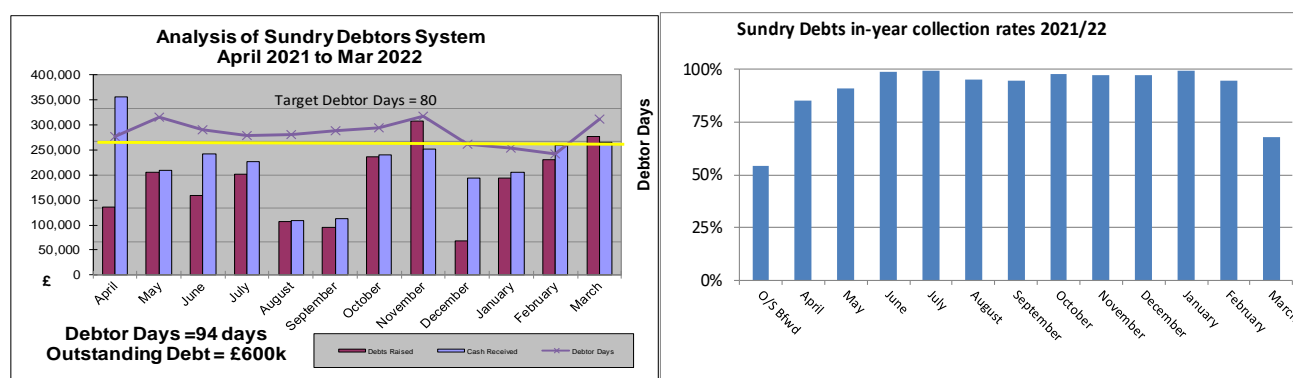
Indeed, at the time of this report, a further £115k of the £246k referred to above as overdue for 2021/22 had been collected.

Following a significant increase to the level of cover for bad and doubtful debts during 2020/21, the Council has a provision of c79% for debts its considered to be at risk of going unpaid (impairment) and c63% for total debt issued and considered overdue.

Given the subsequent collection performance of Q4 debts into 2022/23, the current level of provision at financial year-end is therefore adequate but will be maintained under review throughout 2022/23, given the ongoing, challenging economic conditions for individuals and businesses.

The general impairment provision to be carried forward at 31 March 2022 remains at £380.6k, with an additional £5.4k for Licensing debts.

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		30 Sep 2021	31 Dec 2021	31 Mar 2022	Doubtful Debts	
	£k	£k	£k	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	60.2	57.6		56.3		49.0	49.0	45.9	45.9	100%	45.9
2016/17 Debt	19.7	19.9		19.9		19.7	19.7	19.7	19.7	100%	19.7
2017/18 Debt	71.9	71.6		72.0		71.6	71.5	71.5	68.8	100%	68.8
2018/19 Debt	72.8	73.6		69.4		61.5	61.2	61.2	61.2	100%	61.2
2019/20 Debt	138.9	36.4		35.4		31.2	29.7	27.8	26.7	100%	26.7
2020/21 Debt				518.1		155.6	139.6	136.3	131.6	100%	131.6
2021/22 Debt											
Q1 Jun				0.0	30.6	183.0	163.6	152.2	119.1	75%	89.3
Q2 Sept				0.0		0.0	31.2	14.6	10.9	30%	3.3
Q3 Dec				0.0		0.0	0.0	107.4	15.1	30%	4.5
Q4 Mar						0.0	0.0		100.4	30%	30.1
<b>Total Debt o/s</b>	<b>363.5</b>	<b>751.3</b>		<b>771.2</b>		<b>571.6</b>	<b>565.5</b>	<b>636.6</b>	<b>599.4</b>		<b>481.1</b>

### 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.

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### Capital

#### Capital Resources

**Table 1 - 2021/22 receipts**

Major Receipts:	Original Budget £000	Year to Date £000	Outturn £000
<b>Capital Receipts</b>			
Land & Property Sales	50	210	210
Obsolete refuse vehicles	50	190	190
<b>Net receipts to table 2</b>	100	400	400

**Table 2 - Useable Capital Resources**

Useable Capital Resources	£ 000
Balance at April 2021	2,233
Capital Grants in 2021/22	3,049
Capital Receipts in 2021/22	400
	<b>5,682</b>
Revenue Contributions	
from Earmarked Reserves	102
from Revenue Operations	-
<b>Total Capital Resources 2021/22</b>	<b>5,784</b>
Capital Prog funding applied	(5,133)
<b>Total Capital Resources March 2022</b>	<b>650</b>
Capital Receipts Reserve (housing)	-
Capital Receipts Reserve (Whitworth)	100
Capital Receipts Reserve (Haslingden)	236
Capital Receipts Reserve (unalloc)	314

#### Current issues

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 1<sup>st</sup> April 2021 was £2,233k. This figure remains subject to audit of the 2020/21 accounts and the financing of 20/21 capital expenditure.

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

The original 2021/22 estimate for DFGs included in the programme was £1,000k. This was revised in year to the actual grant confirmation of £1,160k.

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New projects during the year are shown in the table below and include Whitworth Wild Play (£16k) and Water Recreational ground (£4k), plus improvement works to Henrietta Street Depot (£22k). Budget provision for Enforced Sales (CPOs) has also been added in the sum of £60k.

The Council approved an addition of £44k to the Capital Programme in September 21 for Business Centre (Futures Park) improvement works. This is currently being shown as financed from capital receipts (as the most effective form of financing) but may be funded from borrowing, as necessary.

The Council received capital grant in the sum of £101k from Lancaster City Council (as Accountable Body) for installation of Electric Vehicle charging points in support the Council's climate change and reduced carbon commitments. The Council has in turn used this funding in full to deliver the charging point infrastructure via the appointed contractor. The appointed contractor was been approved through the NHS procurement framework, as a compliant route to market (Electric Vehicles Charging Point Framework).

Additionally, the programme now includes infrastructure works to Rawtenstall Town Square (Public Realm) funded by LCC external grant (£80k) and Marl Pits running track improvements from external funders, including Sport England, (£125k) plus the Council's own match funding from borrowing (£100k).

As part of the development of the Medium Term Financial Strategy (MTFS) and upon receipt of recent information, original Capital Plans have been re-profiled eg the timing of receipt of vehicles as per the Fleet Replacement Programme and assumed timing of costs over eg Bacup HAZ.

The total grant income expected for the approved capital programme was £5,512k. Current funding for slippage carried forward into the 2021/22 Capital Programme 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. Commentary on Capital outturn can be seen from page 34.

The total in the Useable Capital Receipts Reserve at the end of 2021/22 is currently expected to be £650k. This represents the most effective method of financing the planned Capital spend in 2021/22. It is noted that Capital resources remain earmarked for Whitworth projects (£100k) and Haslingden regeneration (£230k) respectively and that the Council will assess the most effective method of financing these projects as they fall due.

### **Future issues**

Slippage on schemes approved in the 2021/22 programme will be moved into 2022/23 where relevant, along with the estimated source of financing.

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### Capital Programme Spending

#### Capital Programme Monitoring 2021/22

Capital Programme 2021/22	Original Cap Prog	Revised Cap Prog	Spent	Full-Year Forecast	Variance (Adv)/Fav	Estimated Slippage	Adj Variance (Adv)/Fav	Indicative Funding Arrangements				
	£000	£000	£000	£000	£000	£000	£000	Grants/Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	
<b>Communities Directorate</b>												
Operations	1,344	1,055	1,148	1,148	-93	0	-93	0	1,148	0	0	0
Communities	30	304	383	383	-79	0	-79	322	51	0	10	10
Housing	1,600	3,764	1,037	1,037	2,727	2,216	511	797	240	0	0	0
<b>Economic Dev Directorate</b>												
Whitaker	250	787	541	541	246	246	0	514	0	27	0	0
Ski Rossendale	0	0	0	0	0	0	0	0	0	0	0	0
Futures Park	1,297	1,724	1,177	1,177	547	547	0	466	462	75	175	175
Spinning Point Ph1 & 2	0	33	13	13	20	20	0	0	13	0	0	0
Property Repairs & Maint	100	497	464	464	33	33	0	208	170	0	84	84
Bacup Historic England	868	472	525	525	-33	0	-53	525	0	0	0	0
Haslingden 2040 NLHF	500	500	0	0	500	500	0	0	0	0	0	0
Rawtenstall Market Electrical Works	0	101	0	0	101	101	0	0	0	0	0	0
Rawtenstall Public Realm Town Square	0	366	310	310	56	56	0	217	0	0	93	93
Carbon reduction Fund	250	250	0	0	250	250	0	0	0	0	0	0
	<b>6,239</b>	<b>9,853</b>	<b>5,599</b>	<b>5,598</b>	<b>4,255</b>	<b>3,969</b>	<b>286</b>	<b>3,049</b>	<b>2,085</b>	<b>102</b>	<b>362</b>	<b>362</b>

Capital Programme 2021/22	£000	Funded by
<b>Original Capital Programme</b>	<b>6,239</b>	
<b>Slippage from 2020/21</b>	<b>3,765</b>	see list
<b>New capital projects in 2021/22</b>		
Whitworth wild play	16	s106 grants
DFG	160	External Grants
CPO/Enforced Sales	60	Capital Receipt
Electric Charging Points	101	External Funding
Henrietta St Depot	22	Capital Receipt
Futures Park Accomodation Project	44	Capital Receipt
Rawtenstall Market Electrical Works	101	Internal Borrowing
Marl Pits Running Track	225	External Funding
<b>Reprofiled Projects 2021/22</b>		
Vehicles/Equipment	-466	
Communities	-1	
Whitaker Park Museum Refurb	156	
Spinning Point - Town Square Oub Rlm	-134	
Bacup Historic England	-340	
Property Repairs and Maint	20	
Edgeside Park Pump Track	34	
Futures Park Infrastructure	-150	
<b>Revised Capital Programme</b>	<b>9,852</b>	

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Slippage items cfwd at end of 2020/21	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
<b>Communities Directorate</b>					
Operational Vehicles	177				177
Playgrounds (community projects)	23	23			
Cemeteries	40		40		
Pathways	60		60		
Sports Playing Fields	0				
DFGs	1,848	1,848			
CPOs	21		21		
	<b>2,169</b>	<b>1,871</b>	<b>121</b>	<b>0</b>	<b>177</b>
<b>Economic Development Directorate</b>					
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		
	<b>1,596</b>	<b>298</b>	<b>683</b>	<b>38</b>	<b>577</b>
	<b>3,765</b>	<b>2,169</b>	<b>804</b>	<b>38</b>	<b>754</b>
Slippage items cfwd at end of 2021/22	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
<b>Communities Directorate</b>					
DFGs	2,211	2,211			
CPOs	5		5		
	<b>2,217</b>	<b>2,211</b>	<b>5</b>	<b>0</b>	<b>0</b>
<b>Economic Development Directorate</b>					
Whitaker	246	246			
Futures Park	547				547
Spinning Point Ph1 & 2	20				20
Property Repairs & Maint	34				34
Haslingden 2040 NLHF	500	454		46	
Rawtenstall Market Electrical Works	101				101
Rawtenstall Public Realm Town Square	56				56
Carbon reduction Fund	250				250
	<b>1,754</b>	<b>700</b>	<b>0</b>	<b>46</b>	<b>1,008</b>
	<b>3,971</b>	<b>2,912</b>	<b>5</b>	<b>46</b>	<b>1,008</b>

### Capital Programme

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

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To this was added slippage of £3,765k in 2021/22, including DFG's and new, smaller projects in the sum of £42k. A revised estimate for DFGs has been made following confirmation of the 21/22 grant allocation with a net increase of £160k. Additional projects for Electric Vehicle charging point installation (£101k) improvement works at Futures Park (£44k), additional grant funding to support works on the Public Realm (£80k) and improvement to the Marl Pits running track (£225k) have also been added. An assessment of the timing of 'spend' has been undertaken as part of development of the MTFs and cost estimates re-profiled over the medium term. The revised 2021/22 capital programme is now estimated at £9,818k. More details are provided in the above tables.

The indicative outturn position for the Councils' capital expenditure at 31 March 2022 is £5,598k. The Council is currently assessing the most cost effective way of financing this expenditure from available resources, namely external grants and contributions, capital receipts and 'prudential' (internal/external) borrowing. The Council's current strategy is to finance expenditure from capital receipts where it is able to do so, to limit the future impact on the Council's revenue account ie sums set aside for ongoing repayment of loan principal and interest. However, it is acknowledged that the Council has an underlying need to borrow to finance its capital plans and proceeds from the disposal of assets are a finite resource.

As above, the revised Capital Programme was re-profiled as part of development of the MTFs, with timing of likely spend estimated. The actual timing of spend as at 31 March 2022 has caused an adverse variation against this estimate that will see future years' estimated spend adjusted to reflect spend being incurred earlier than anticipated.

The variation for Housing relates principally to the Empty Homes Scheme to ensure properties remain fit to let. There has been a significant underspend during the year. At the time of this report, no slippage in respect of Empty Homes is estimated to be required to meet possible future capital commitments; the base budget estimate within the approved Capital MTFs at £600k is deemed adequate.

Other items of estimated slippage and the associated funding arrangements are shown in the table above.

The revised Capital Programme over the life of the MTFs will be amended to reflect the timing variation as outlined above and finalisation of slippage adjustments.

### **Capital project activity**

- Indicative Capital expenditure for 2021/22 is £5,598k. This includes:
- Total DFG spend of £797k;
- Spend on acquisition of replacement vehicles and equipment of £1,148k;
- Spend on the construction of Plot 1 Futures Park of £1,177k;
- Total spend on Whitaker Park Museum Refurbishment of £541k.
- Downward revision of spend estimated at Q3 for Plot 1 and the Whitaker relates to commitments anticipated to be received before 31 March 2022 which did not materialise. These estimated costs form part of the slippage sums referred to above.

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### Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP	Revised MRP	Potential
	Budget	Required	(Additions)
	2021/22	2021/22	/ Savings
	£000	£000	£000
Corporate	534.7	346.2	188.5
Leisure Investment	126.00	129.8	-3.8
	660.7	476.0	184.7

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

The MRP cost has been re-profiled to achieve a favourable variance in year of £188.5k for the Council's projects and a slight overspend against the leisure specific scheme, giving an overall favourable variance of £184.7k. These sums will be added to the Finance Reserve in recognition of delays to approved capital expenditure, to support the revenue budget when spend falls due.

The favourable variance is mainly attributable to the delays in purchasing operational vehicles.

The position remains indicative as the financing of the Council's capital expenditure is finalised.

### Section 106 Receipts Monitoring

<b>Section 106 Agreements</b>	Third Party	RBC Revenue	RBC Capital	
<b>2021/22022</b>	Projects	Projects	projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2021	324.5	107.8	674.8	<b>1,107.2</b>
Deposits received in 2021/22	13.3	9.7	143.0	<b>166.0</b>
Deposits applied in 2021/22	(11.2)	(12.9)	(47.5)	<b>-71.6</b>
<b>Current Balance</b>	<b>326.6</b>	<b>104.6</b>	<b>770.4</b>	<b>1,201.6</b>

The value of S106 agreements brought forward on the 1<sup>st</sup> April was £1,107k. To the end of March 2022, £166k of new S106 deposits have been received and £72k of monies held have been applied to fund expenditure.

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Section 106 Agreements in detail	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
<b>Balance bfwd at 1st April 2021</b>	<b>324.5</b>	<b>107.8</b>	<b>674.8</b>	<b>1,107.2</b>
Douglas Rd		(10.0)		(10.0)
Orama Mill			(13.2)	(13.2)
Land at Reeds Home		9.7		<b>9.7</b>
Horse & Jockey, Edenfield	(5.0)			(5.0)
Orama Mill			(6.0)	(6.0)
Croft End Mill			(7.0)	(7.0)
Scout Moor	(0.1)			(0.1)
Scout Moor	13.3			<b>13.3</b>
Land off BRE, Whitewell Bottom		(2.0)		(2.0)
Reedsholme			143.0	<b>143.0</b>
York St Chapel	(4.1)			(4.1)
Horse & Jockey, Edenfield			(8.3)	(8.3)
Orama Mill			(10.2)	(10.2)
Albion Mill		(1.0)		(1.0)
Bacup Rd, waterfoot	(2.0)			(2.0)
New Hall Hey			(2.8)	(2.8)
<b>Balance held as at Mar 2022</b>	<b>326.6</b>	<b>104.6</b>	<b>770.3</b>	<b>1,201.5</b>

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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	37.66	36.85	36.25	37.37	33.92	33.96
August	47.10	47.03	46.90	45.24	46.71	48.98	49.93	50.82	48.55	47.63
September	56.20	56.05	56.01	54.29	55.43	57.60	58.43	58.34	57.84	56.05
October	65.58	65.32	65.23	63.29	71.16	65.57	67.95	67.52	68.97	64.90
November	74.81	74.52	74.78	72.30	78.43	74.28	74.77	74.26	77.15	73.09
December	84.03	83.55	83.33	80.90	82.12	82.46	83.00	82.70	85.92	81.41
January	92.93	92.72	92.48	89.90	90.96	91.18	91.11	90.91	90.17	89.90
February	94.90	94.90	94.60	92.37	93.43	95.10	95.73	95.00	93.66	95.13
March	96.40	96.70	96.32	95.72	95.59	98.40	98.47	97.78	94.19	98.15

Collection rates for Council Tax are recovering but are not yet back at pre-pandemic levels with collection performance for 2021/22 slightly below that of 2020/21 (-0.13%). This remains an area of focus into 2022/23 given the 'Cost of Living Crisis' and potential impact on future collection.

For Business Rates however, the year-end outturn position has returned to pre-pandemic levels.

As reported at Q3 the level of relief awarded to eligible businesses into 2021/22 (extension of the 'Expanded Retail Relief' scheme for which the Council is compensated by Government) reduced from 100% to 66% with effect from 1 July 2021, until 31 March 2022. At the time of the Q3 report, a potential risk to recovery as businesses re-organise themselves to meet their liabilities where previously, due to Covid-19, these were nil was identified. Collection rates suggest this did not materialise. However, it should also be noted that additional funding for businesses which continued to be impacted by the pandemic was announced and released in Q4 (Additional Restrictions Grant and Covid Additional Relief Funding). The latter having the impact of reducing business rate liability for a number of eligible business and thus reducing the risk of non-collection, with correspondingly positive impact on collection rates.

### Council Tax Collection Fund

At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £135k (down from Q3 estimate of £474k). The change in Q4 represents a more detailed assessment of historic debts and likely recovery of sums outstanding. Based on this assessment, the doubtful debt provision applied at Q4, for which the Council bears its share, has reduced from £1,400k to £1,369k. This is a provision for 'losses on collection' for outstanding amounts relating to both current and prior years. This year RBC's share of the Council Tax is 13.98%, equating to £19k of the forecast surplus at Q4. As above, this is a reduction on Q3 due to the net impact of the application and

Council Tax Forecast 2021/22	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000
Council Tax Collectable (after Discounts & Exemptions)	43,494	43,463	43,450	43,136
less Doubtful Debt Provision	(700)	(700)	(1,400)	(1,369)
	<b>42,794</b>	<b>42,763</b>	<b>42,050</b>	<b>41,768</b>
less Precepts for 2021/22				
Lancashire County Council	(29,677)	(29,677)	(29,677)	(29,677)
Police	(4,615)	(4,615)	(4,615)	(4,615)
Fire	(1,473)	(1,473)	(1,473)	(1,473)
Rosendale Borough Council	(5,811)	(5,811)	(5,811)	(5,867)
	<b>(41,576)</b>	<b>(41,576)</b>	<b>(41,576)</b>	<b>(41,632)</b>
<b>Surplus / (Deficit)</b>	<b>1,218</b>	<b>1,187</b>	<b>474</b>	<b>135</b>
<b>RBC Share = 13.98%</b>	<b>170</b>	<b>166</b>	<b>66</b>	<b>19</b>

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award of qualifying exemptions and discounts, recognition of the Whitworth precept in addition to the major preceptors (LCC, Police and Fire) but mostly down to the review of aged debts and assessment of likelihood of (non) payment.

### Local retention of 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 (2021/22 NNDR1), and in accordance with guidance, no compensation from Government in the form of additional Section31 grant was assumed in relation to Covid-19.

The Government extended the 'Expanded Retail Relief' scheme for eligible businesses, albeit with modified terms. For those businesses in scope of the scheme, relief reduced from 100% to 66% of their liability from 1 July 2021 until 31 March 2022.

The above retail relief will continue into 2022/23, at a rate of 50% relief to qualifying businesses. The Council will expect to receive its share of 'compensation' for this relief into its General Fund as Section 31 Grant.

As previously reported, 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 budget submission for 2021/22. 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.

Whilst the Council is fully compensated for '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.

In addition, the Department for Levelling Up, Housing and Communities (DLUHC) announced in December 2021, that £1.5bn of reliefs would be made available to local government to support eligible businesses who to date, have been affected by the pandemic, but have been unable to access existing Covid funding linked to business rates.

These reliefs are covered by the Covid Additional Relief Fund (CARF) for which the Council received its share in the sum of c£1m.

These reliefs have been applied to accounts for the year ending 31<sup>st</sup> March 2022 and consequently impact on the outturn surplus/deficit position at the financial year-end. Similar compensation arrangements also exist for this 'lost' Collection Fund income.

The continuation of Expanded Retail Relief and application of the CARF scheme in 2021/22 has given rise to a projected deficit on the Business Rates Collection Fund Account of £1,074k, of which the Council's share is £430k and will be made good in future years from Section 31 Grant income as noted above.

Business Rates Collection Fund 2021/22 (50% Pool)	NNDR1	Q1	Q2	Q3	Out-turn
	£000	£000	£000	£000	£000
Net Liability Due	13,325	12,997	13,199	11,909	11,995
Less Transitional Payments due to MHCLG	5	5	5	7	7
Less Cost of Collection Allowance	(96)	(96)	(96)	(97)	(96)
Less Doubtful Debt Provision	(500)	(500)	(300)	(300)	(246)
Less Appeals Provision	(530)	(530)	(530)	(560)	(530)
Less Renewables 100% to RBC	(183)	(183)	(183)	(183)	(183)
<b>Net NNDR due</b>	<b>A</b>	<b>12,021</b>	<b>11,693</b>	<b>12,095</b>	<b>10,776</b>
Less Trans surcharge	B	0	0	0	0
Less Precepts		(12,021)	(12,021)	(12,021)	(12,021)
Cash Surplus/(Deficit)	C	0	(328)	74	(1,245)
<b>RBC Share = C x 40%</b>	<b>D</b>	<b>0</b>	<b>(131)</b>	<b>30</b>	<b>(430)</b>
Central Government share 50%			(164)	37	(537)
LCC and Fire share 10%			(33)	7	(107)

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In simple terms, the net liability due from businesses as a result, has decreased. However, under existing legislation, the Council is required to make good its payments to major preceptors as originally assumed, despite a reduction in Collection Fund income.

As previously reported, due to the introduction of new reliefs after setting the Budget, movement on the Business Rates Collection Fund Account has been somewhat volatile, noting the movement on the estimated surplus/deficit position reported throughout the year.

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.

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000	Out-turn £000
Business Rates Income	A+B	12,021	11,693	12,095	10,776	10,947
RBC Share = 40%		4,808	4,677	4,838	4,310	4,379
less tariff paid to Lancashire Pool		(2,714)	(2,714)	(2,714)	(2,714)	(2,714)
add S31 Grants (for Levy calculation)	E	1,091	1,091	1,091	1,655	1,611
Subtotal		3,185	3,054	3,215	3,251	3,277
RBC Baseline Funding Level used in Budget		2,180	2,180	2,180	2,180	2,180
<b>Surplus for Levy Calculations</b>	<b>F</b>	<b>1,005</b>	<b>874</b>	<b>1,035</b>	<b>1,071</b>	<b>1,097</b>
Levy due for non Pool membership 50%		(503)	(437)	(518)	(536)	(548)
Levy payable as Pool member 10% of above		(50)	(44)	(52)	(54)	(55)
<b>Retained Levy through Pool membership</b>	<b>G</b>	<b>452</b>	<b>393</b>	<b>466</b>	<b>482</b>	<b>493</b>

Based on continuation of the same model for 2021/22, 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 £493k (up from £482k at Q3). The increase in Section 31 Grants relates to the Council's share of income forgone as a result of the extension of the Expanded Retail Relief scheme.

It should be noted that this remains an estimate based on original budget submission assumptions and finalisation of the outturn position (due for conclusion at the end of June 2022), which has already seen changes as a consequence of continued Government support to certain sectors eg retail sector, not originally assumed at the time of the original budget submission in January 2021.

The retained levy estimate therefore remains subject to change at the time of this report.

The Council has opted to retain membership of the Lancashire Business Rates Pool into 2022/23.

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## Covid Grants 2021/22

During the year to date, 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 21/22 £	Amount Applied 21/22 £	Closing Balance £	Description
LA Covid Support	252,069	415,695	93,894	573,870	This is to support the Council's Covid related costs and supplement lost income.
Hardship Fund	93,465	0	86,594	6,871	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)	658,943	107,253	435,691	330,505	Department of Health funding to cover <b>specific</b> expenditure relating to the pandemic. Confirmation has been received that committed funding can be carried forward into 22/23.
Compliance & Enforcement	28,924	0	28,906	18	To be spent on Covid compliance & enforcement measures. There is potential that ultimately any unspent funding will have to be returned.
Self Isolation Practical Support	0	107,440	107,440	0	This is to support vulnerable residents whilst they are self isolating - this is not the Track & Trace Self Isolation grants. Includes funding to support core staffing costs as eligible
Public Protection - COVID response	35,898	63,118	74,751	24,265	This to support community based surge testing capacity
Self Isolation Grants (£500)	109,612	564,527	659,547	14,592	This is the Track and Trace self isolation grant scheme to support vulnerable residents whilst they are self isolating. It includes Admin Grant funding to be applied to eligible temporary and core staff costs
Emergency Assistance	4,584	0	0	4,584	For provision of emergency assistance to members of the community.
Clinically Extremely Vulnerable	64,187	0	0	64,187	To support the Council in delivering support to people shielding and the community hub.
Lateral Flow Testing Support	0	69,775	69,775	0	Additional contribution funding c/o Lancashire County Council/DHSC for testing sites, communication and (core) staffing costs.
Household Support Fund	0	260,000	259,232	768	Funding from DWP to provide support to vulnerable households over the Winter period.
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.

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The remaining balances will be moved to reserves to support Covid related expenditure in 2022/23 and are included in the Response and Recovery balances in the Earmarked Reserves section of this report.

In addition to the grants detailed above the Council acts as agent for the Government in delivering grants to local businesses. The Restart Grant scheme has now closed with unspent sums to be returned to Government. The ARG scheme has also concluded with all sums transferred to eligible applicants.

<b>Business Grants - The Council is acting as Agent for these grants, any funding remaining will be reclaimed or reimbursed by Government.</b>				
<b>Covid Business Grants</b>	<b>Amount Received £</b>	<b>Amount Allocated £</b>	<b>Remaining Balance £</b>	<b>Description</b>
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
ARG Grants	1,069,443	1,069,443	0	The latest round of the Additional Restrictions Grant (ARG) scheme is targeted towards those sectors that we have identified as a priority for additional support, recognising that the lifting of restrictions will not mean as rapid a return to normality as it would for others.
<b>Total</b>	<b>4,531,617</b>	<b>4,195,481</b>	<b>336,136</b>	

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## Glossary

### Accrual

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

### Capital expenditure

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

### Capital Grants Received in Advance

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

### Capital Receipts

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

### Cash & Cash Equivalents

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

### Collection Fund

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

### Compulsory Purchase Order (CPO)

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

### Consumer Price Index (CPI)

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

### Earmarked Reserves

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

### Full Time Equivalent (FTE)

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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.

### 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.

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## Monthly Financial Monitoring Report 2021/22 Q4 March 2022

### Reserve

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

### Revenue account

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

### Section 106 Agreement

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

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آپ کو ان معلومات کا خلاصہ سے صرف میں آڈیو کیسٹ پر یا انگریزی کے علاوہ کسی اور زبان میں درکار ہے تو اس کے  
میری میں بتائیں، ہم آپ کے لئے اس کا انتظام کریں گے۔  
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آپنی اگر اس وقت کے سارے سہولتوں بڑھانے کے لیے، آڈیو یا کاسٹ سے اٹھنا یا انگریزی کے علاوہ کسی اور زبان میں درکار ہے تو اس کے  
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Other formats available on request.

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