

Meeting of: The Cabinet

Date 19th July 2022

Time: 6.30pm

Venue: Council Chamber, The Business Centre, Futures Park, Bacup, OL13 0BB



The meeting can also be observed using the Zoom link below (please allow time for set up if accessing for the first time):

<https://zoom.us/j/97110557785?pwd=N212bTJRSWEwSnByK3l0UG5EL0c4dz09>

Meeting ID: 971 1055 7785

Passcode: 398240

A waiting room will be in place and observers will be admitted to the meeting at approx. 6.30pm.

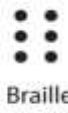
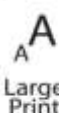
Supported by: Glenda Ashton, Committee and Member Services officer Tel: 01706 252423

Email: democracy@rossendalebc.gov.uk

ITEM		Lead Member/Contact Officer
A.	BUSINESS MATTERS	
A1.	Apologies for Absence	
A2.	Minutes of the last meeting To approve and sign as a correct record the Minutes of the meeting held on 9 th February 2022.	
A3.	Urgent Items of Business To note any items which the Chair has agreed to add to the Agenda on the grounds of urgency.	Clare Birtwistle, Monitoring Officer 01706 252438 clarebirtwistle@rossendalebc.gov.uk
A4.	Declarations of Interest <i>Members are advised to contact the Monitoring Officer in advance of the meeting to seek advice on interest issues if necessary.</i> Members are requested to indicate at this stage, any items on the agenda in which they intend to declare an interest. Members are reminded that, in accordance with the Local Government Act 2000 and the Council's Code of Conduct, they must declare the nature of any personal interest and, if the interest is prejudicial, withdraw from the meeting during consideration of the item.	
B.	COMMUNITY ENGAGEMENT	
B1.	Public Question Time Members of the public can register their question by contacting the Committee Officer. Groups with similar questions are advised to appoint and register a spokesperson.	

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

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ITEM		Lead Member/Contact Officer
	<p>This is an opportunity to ask a question about an agenda matter which the Council may be able to assist with. A time limit applies for each question and you are only able to address the meeting once.</p> <p>To register for public question time your question must be received no later than 9.00am two working days prior to the day of the meeting by emailing democracy@rossendalebc.gov.uk Please give your full name, telephone number and include a copy of your question.</p> <p>At the meeting you will be invited to speak at the appropriate time, please begin by giving your name and state whether you are speaking as an individual member of the public, or as a representative of a group. (Question time normally lasts up to 30 minutes).</p>	<p>Glenda Ashton, Committee and Member Services Officer 01706 252423 glendaashton@rossendalebc.gov.uk</p> <p>Please register an agenda related public question by emailing democracy@rossendalebc.gov.uk no later than 9.00am Thursday 14th July 2022</p>
C.	KEY DECISIONS	
C1.	Council Tax, Non-Domestic Rate & Housing Benefit overpayment write-offs	Councillor Walmsley/Karen Spencer Head of Finance/S151 Officer 01706 252409 karenspercer@rossendalebc.gov.uk
C2.	Customer Services Improvement Plan and Website development	Councillor Hughes/Adam Allen Director of Communities 01706 252428 adamallen@rossendalebc.gov.uk
C3.	Waste, recycling and street cleansing – Continual Improvement Plan	Councillor Lythgoe/Pat Killeen Head of Operations 01706 252519 patrickkilleen@rossendalebc.gov.uk
C4.	Annual Christmas lighting works tender	Councillor Walmsley/Lee Childs, Facilities Management Officer 01706 252527 leechilds@rossendalebc.gov.uk
C5.	Annual Building Capital Repairs Contract 2022/23	Councillor Walmsley/Lee Childs, Facilities Management Officer 01706 252527 leechilds@rossendalebc.gov.uk
D.	PERFORMANCE MATTERS	PERFORMANCE MATTERS
D1.	Financial Monitoring Report Q3 & Q4 2021/22 (Indicative Outturn)	Councillor Walmsley/Craig Finn Finance Manager 01706 252410 craigfinn@rossendalebc.gov.uk
E.	<p>EXCLUSION OF PUBLIC AND PRESS</p> <p>To consider passing the appropriate resolution under Section 100 (A)(4) of the Local Government Act 1972 that the press and public be excluded from the meeting during consideration of the following items of business since they involve the likely disclosure of exempt information under Part 1 Paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>	

ITEM		Lead Member/Contact Officer
E1.	Henrietta Street modifications	Councillor Lythgoe/Pat Killeen Head of Operations 01706 252519 patrickkilleen@rossendalebc.gov.uk



Neil Shaw
Chief Executive

Date Published: 11th July 2022

MINUTES OF: THE CABINET

Date of Meeting: Wednesday 9th February 2022

**Present: Councillor A Barnes (Chair)
Councillors Ashworth, Hughes, Serridge, Walmsley**

**In Attendance: Mr N Shaw, Chief Executive
Ms M Lewis, Director of Economic Development
Ms C Birtwistle, Head of Legal (Monitoring Officer)
Mrs K Spencer, Head of Finance (Section 151 Officer)
Mr C Finn, Finance Manager**

**Observers on Zoom: Councillors Neal and Pendlebury
2 members of public (inc 1 press)**

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Lythgoe.

2. MINUTES OF THE LAST MEETING

Resolved:

That the minutes of the meeting held on 19th January 2022 were agreed as a correct record.

3. URGENT ITEMS OF BUSINESS

There were no urgent items.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. PUBLIC QUESTION TIME

No written questions had been submitted.

6. CORPORATE PRIORITIES, BUDGET, COUNCIL TAX AND THE MEDIUM TERM FINANCIAL STRATEGY 2022/23

The Portfolio Holder for Resources outlined the report, which asked Cabinet to recommend that Council approve a revenue budget for 2022/23, a council tax increase of 1.99%, use £56k from the Transitional reserve to support the 2022/23 revenue budget and approve the proposed fees and charges.

Cabinet members were invited to comment on the report:

- Increasing Council tax had not been taken lightly.
- General increases in living and energy costs was noted.
- Budget to be reviewed in 6 months' time as we are in a dynamic situation.
- Costs to businesses had increased which the Council was not immune to.

Resolved:

Cabinet recommended that Council approve:

1. A revenue budget for 2022/23 of £8.991m, as detailed in the report.
2. A council tax increase of 1.99%, which equates to a rate for Band D for 2022/23 of £290.80.

3. Use of £56k from the Transitional reserve to support the 2022/23 revenue budget.
4. The proposed fees and charges attached at Appendix 1.

Reason for Decision:

To set a revenue budget for 2022/23. The council must remain focused on identifying and delivering further savings and income in order to ensure annual balanced budgets over the immediate and medium term. It must also ensure that all its budget resource allocations are directed to the core functions of the council and that the use of its resources drives the delivery of the council's Corporate Plan priorities.

Alternative Options Considered:

None.

7. CAPITAL STRATEGY 2022/23 TO 2024/25 AND CAPITAL PROGRAMME 2022/23

The Portfolio Holder for Resources outlined the report, which asked Cabinet to recommend that Council approve the capital programme for 2022/23 and associated capital expenditure and the Capital Strategy 2022/23 – 2025/26. That Cabinet approves the tender for the renovation of 8 empty homes properties.

Cabinet members were invited to comment on the report:

- The Finance team were thanked for their work preparing the reports.
- Narrowness of DFG grant and how we can use this fund to its full potential.

Resolved:

Cabinet recommended that Council approve:

1. The capital programme for 2022/23 and associated capital expenditure of £5.082m.
2. The Capital Strategy 2022/23 – 2025/26 attached at Appendix B.
3. Cabinet approved the tender for the renovation of 8 empty homes properties as set out in 4.10.

Reason for Decision:

The proposed capital programme for 2022/23 and up to 2025/26 represents an affordable plan, as indicated by the prudential borrowing performance indicators the Capital Strategy (Appendix B).

The deficit between capital resources and requirements over the future years looks set to continue. With severe pressures on the council's revenue resources throughout the MTFS it is likely that the council will need to take out further external borrowing, as reflected in the capital programme financing estimates. This will lead to interest costs, which will need to be included within the business case for each investment. When approving new schemes it is important that consideration is given to the impact they will have on the councils revenue budget through the Minimum Revenue Provision (MRP) charge.

Alternative Options Considered:

None.

8. TREASURY MANAGEMENT STRATEGY & TREASURY MANAGEMENT PRACTICES (UPDATES FOR 2022/23)

The Portfolio Holder for Resources outlined the report, which asked Cabinet to recommend that Council approves the Treasury Management Strategy Statement and the Treasury Management Policy and Practises and delegates any further minor amendments to the Head of Finance in consultation with the Portfolio Holder for Resources.

Cabinet members were invited to comment on the report:

- Use of treasury management generally.

Resolved:

Cabinet recommended that Council approves:

1. The Treasury Management Strategy Statement and the Treasury Management Policy and Practises.
2. The delegation of any further minor amendments to the Head of Finance in consultation with the Portfolio Holder for Resources.

Reason for Decision:

To ensure continued compliance with the Code and continue to manage the council’s exposure to financial risk.

Alternative Options Considered:

None.

The meeting concluded at 6.55pm

_____ CHAIR _____ DATE

Subject:	Council Tax, Non-Domestic Rate & Housing Benefit Overpayment Write Offs	Status:	For Publication
Report to:	Cabinet	Date:	19 th July 2022
Report of:	Head of Finance	Portfolio Holder:	Resources
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
Contact Officer:	Ian Walker	Telephone:	01706 252592
Email:	IanWalker@rossendalebc.gov.uk		

1. RECOMMENDATION(S)

- 1.1 Members are recommended to approve the write off of £26,101.99 in respect of irrecoverable Non-Domestic Rate debt (NNDR). Direct cost to Rossendale BC is £10,440.80.
- 1.2 Members are recommended to approve the write off of £38,495.81 in respect of irrecoverable Council Tax debt. Direct cost to Rossendale BC is £5,281.63.
- 1.3 Members are recommended to approve the write off of £22,732.57 in respect of irrecoverable Housing Benefit Overpayments. Direct cost to Rossendale BC is nil.
- 1.4 Members are recommended to agree the future schedule for write offs to be brought to Cabinet and for this to be a single, annual report going forward.

2. EXECUTIVE SUMMARY

- The purpose of the report is to request member authority to write off bad debts of Non-Domestic Rates, Housing Benefit Overpayment and Council Tax which are above the delegated limit of £5000 (see appendix).
- The sums to be written off are the amounts unpaid by the customer. Due to funding and precepting arrangements, the amounts borne by Rossendale in income foregone are lower than the totals written off.
- In each case, there are no more recovery options available to collect monies owed and therefore no prospect of collection in these cases.
- Appropriate Recovery action has been attempted; in the majority of cases there has been partial recovery of sums due, but the remaining balances are now irrecoverable.

3. BACKGROUND

- 3.1 It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable.
- 3.2 There is no delegated authority to write off debts in excess of £5000, and so member authorisation is required.

4. DETAILS

- 4.1 The sum of £26,101.99 is regarded as irrecoverable in respect of NNDR; the companies in question having variously gone into liquidation or absconded and the debts are therefore

recommended for write off. The write off amount is the total unpaid tax, due to the tier split between central government, county council and district, Rossendale will bear £10,440.80 of this sum directly.

- 4.2 There were no assets identified which could have been realised in order to offset the debts in these cases. In one of the two cases, partial payment was received.
- 4.3 The sum of £38,495.81 is regarded as irrecoverable in respect of Council Tax; it relates to individuals whose debts are now covered by Individual Voluntary Arrangements and Debt relief Orders. As such no further collections activity is possible. The write off amount is the total unpaid tax. Due to the split between precepts, Rossendale will bear £5,281.63 of this sum directly.
- 4.4 There were no assets identified which could have been realised in order to offset the debts in these cases. In four of the five cases partial payment was received.
- 4.5 The sum of £22,732.57 is regarded as irrecoverable in respect of Housing Benefit Overpayments; one case was due to local authority error and one relates to a party who is now deceased. The write off amount is the total overpayment. Due to subsidy arrangements, there is no direct cost to Rossendale.
- 4.6 As noted above, the direct costs to Rossendale are a proportion of the whole amounts to be written off. In respect of Council Tax and Non-Domestic Rates, they equate to the share of local taxation normally retained by Rossendale, 13.72% for Council Tax and 40% for Non-Domestic Rates.
- 4.7 For Housing Benefit overpayments, there is no fixed percentage. Housing Benefit subsidy arrangements are that, provided total overpayment caused by local authority error is less than 0.48% of all payments, then 40% subsidy is retained. Therefore where overpayments are fully recovered, Rossendale could potentially receive 140% of the value of the overpayment i.e. 40% housing benefit subsidy and the full value of the recovered sum. A collection rate of 60% is therefore a 'break even' figure for housing benefit overpayments.
- 4.8 In 2021/22 local authority error overpayments were under the threshold. Overpayments recovered vs raised was 89.3%. That is to say that overall, collection of housing benefits overpayment made a net credit, rather than a loss in 2021/22.

5. RISK

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

6. FINANCE

- 6.1 Each year the Council reviews its assessment of potential bad debts and sets aside sums for future recognition of uncollectable amounts.
- 6.2 The Council's share of the sums recommended for write-off are shown below:

- NNDR	£10,440.80 (40%)
- Council Tax	£5,281.63 (13.72%)
- Housing Benefit Overpayment	£0
- 6.3 The Council holds sufficient sums in the bad debt provisions for both NNDR and Council Tax to fund those amounts recommend for write-off.

7. LEGAL

There are no specific implications arising from the report as all means of recovery have presently been exhausted.

8. POLICY AND EQUALITIES IMPLICATIONS

The proposed write offs set out in this report are recommended in accordance with the Council's agreed write off policies and procedures.

All write-offs are considered with due regard on their own merit as required. This report is not proposing new services, policies, strategies, or plans (or significant changes to or reviews of them). It does not propose decisions about budget cuts or service changes/reductions. It is determined therefore, that this report is unlikely to have any adverse impacts under the Council's Equality Policy or associated equality duties, and has not been assessed for equalities impacts.

9. REASON FOR DECISION

It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable.

No background papers

ROSSENDALE BOROUGH COUNCIL

NON RECOVERABLE LOCAL TAXATION DEBTS FOR WRITE OFF

Council Tax

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
****582	Mrs *** **	****Cloughfold BB4 ***	2010/11	Individual Voluntary Arrangement (IVA)	£1,047.74	
			2011/12		£967.78	
			2012/13		£892.64	
			2014/15		£1,053.82	
			2015/16		£490.10	
			2016/17		£575.72	
			2017/18		£1,140.75	
			2018/19		£1,204.00	
			2019/20		£1,261.10	
			2020/21		£788.47	
****942	Miss *** **	****Waterfoot BB4 ***	2014/15	Individual Voluntary Arrangement (IVA)	£251.92	
			2015/16		£573.46	
			2016/17		£827.99	
			2017/18		£1,008.70	
			2018/19		£1,204.00	
			2019/20		£1,261.10	
			2020/21		£1,308.14	
			2021/22		£1,360.03	
****245	Mr*** **	****Waterfoot BB4 ***	2011/12	Debt Relief Order (DRO)	£6.50	
			2012/13		£165.55	
			2013/14		£847.37	
			2014/15		£700.00	
			2015/16		£1,059.40	
			2016/17		£975.00	
			2017/18		£1,235.75	
2018/19	£1,299.00					

2019/20	£1,353.60	
2020/21	£1,308.14	
2021/22	£1,452.53	£10,402.84

****917	Ms *** **	****Bacup OL13 ***	2016/17	Individual Voluntary Arrangement (IVA)	£96.79	
			2017/18		£992.61	
			2018/19		£1,204.00	
			2019/20		£1,261.10	
			2020/21		£1,308.14	
			2021/22		£961.34	£5,823.98

****829	Mr**** **	****Helmshore BB4 ***	2018/19	Individual Voluntary Arrangement (IVA)	£1,272.61	
			2019/20		£1,353.60	
			2020/1		£1,308.14	
			2021/22		£1,117.18	£5,051.53

National Non Domestic Rates

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
****321	Loop Photography Ltd	UNIT 14-17 New Hall Hey Business Park, New Hall Hey Road, Rossendale BB4 6HL	2016/17 2017/18	Administration	£16,038.14 £4,052.61	£20,090.75
****535	Mr**** **	**** Rossendale BB4 ***	2016/17 2017/18 2018/19	Bankrupcy	£266.24 £3,363.10 £2,381.90	£6,011.24

Benefit Overpayments

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
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45	*** **	* Stacksteads OL13 ***	30/09/19 - 14/03/21	Overpayment deemed irrecoverable at Tribunal	7625.46	7625.46
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62	Exors *** **	* Bacup OL13***	04/01/10 - 20/12/15	Claimant deceased before payment arrangement cleared	15107.11	15107.11
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Total write offs with a value overe £5000						£87,330.37
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Subject:	Customer Services Continual Improvement Plan and Web Development	Status:	For Publication
Report to:	Cabinet	Date:	19 th July 2022
Report of:	Director of Communities	Portfolio Holder:	Communities
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	Yes/No	Attached: Yes/No
Biodiversity Impact Assessment:	Required:	Yes/No	Attached: Yes/No
Contact Officer:	Adam Allen	Telephone:	01706 252492
Email:	adamallen@rossendalebc.gov.uk		

1. RECOMMENDATIONS

- 1.1 That Cabinet note the result of consultations and agree the attached Customer Services Improvement Plan.
- 1.2 That Cabinet agree to the procurement of a new website and digital improvements through the company Jadu using a procurement framework.

2. EXECUTIVE SUMMARY

- The council has re-examined its approach to how it responds to customer enquiries, requests and complaints.
- Whilst our customers generally receive a good service the council recognises there are areas where it needs to improve the quality and consistency of the response to customers.
- A range of consultations and surveys have taken place in the past six months which have helped to inform a Customer Services Continual Improvement Plan.
- This report summarises the improvements that have previously been implemented to improve customer services, the approach taken to consultation, the key findings of those consultations and the resultant key actions included within the plan.
- This report summarises the key findings in relation to the council's existing website, the scope for a new website and a recommendation that Jadu are procured to undertake the work using an existing procurement framework.
- In February 2022, Council approved a sum of £80k to develop the website and digital customer offer.

3. BACKGROUND

- 3.1 Over the past two years, a number of improvements have been introduced to improve our services to customers, these improvements have included:

- Agreeing a Digital Strategy which sets the vision for our future digital services and establishes the required investment to improve our digital offer
- All staff have been trained in customer service excellence
- Established a robust complaints and enquiries system
- Established monitoring arrangements for our partnership with Capita, setting a strong performance and governance framework for our largest area of customer contact.
- Developed and are currently implementing Corporate Values which emphasise putting the customer first
- Introduced Middle Manager and All Staff sessions which focus on continually improving our services.
- Introduced technology that allows flexible working whilst ensuring standards of customer care are retained
- Introduced new protocols to improve the general quality of call handling and emails.
- Introduced feedback cards for refuse staff which can be given to residents who wish to contact the council about any council services

3.2 During April and May of this year, the Council conducted a residents' survey to better understand our residents' perceptions of Rossendale as a place and their satisfaction with Council services. This survey included questions regarding the current website. In addition three focus groups were held, staff surveys undertaken and mystery shopping exercises conducted. A new telephone system introduced in April 2022 has provided detailed calls data that has also been used to inform the action plan.

3.3 Key Findings from the residents' survey included:

- 735 responses were received from a mix of online returns and face to face surveys
- 47% have contacted the council in the past 6 months
- The most popular method of contacting the Council is telephone (45%) followed by email (38%) which is a sharp rise in email contact compared to 2019 (26%)
- A strong desire from residents to see all town centres improved
- 60% rated the refuse service as good or excellent
- 75% rated the conditions of local roads as poor (though residents have a high awareness that this is a County Council service)
- Fly Tipping was seen as a key concern of residents with 72% seeing it as a significant or slight issue
- The most popular method of finding out about the Council is social media (64%) with 23% using the Council website for this
- 13% rated the Council website as poor with 31% rating is at average. 21% suggested it was good or excellent
- Focus groups were generally much more positive about services and the website

3.4 This report focuses on the findings from all the consultations that relate to customer services and the website. The report is not intended to provide a comprehensive summary of all the evidence gathered, but rather provide a rationale for the actions included in the plan and the scope for the new website.

3.5 Officers have identified the following key areas of focus for the plan:

- Provide services based on what the customer wants – Understanding the customer
- Getting the Culture Right
- Getting the Systems Right
- Demonstrating and Maintaining Success

4. IMPROVING CUSTOMER SERVICE

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4.1 This section summarises key evidence gathered relating to each priority area and the actions proposed.

Understanding the Customer

4.2 In the past six months, extensive work has been undertaken to understand our customers and their perceptions and satisfaction with council services. The action plan includes an ongoing commitment to repeat the residents' survey annually, to use focus groups regularly and expand their use to include consultation on major service changes. The resident survey in future years will be better aligned with the surveys undertaken nationally by the Local Government Association. This will allow us to benchmark more accurately against the national satisfaction rating for councils which in 2022 is 64%, up from 56% in 2021. Our figures are not directly comparable, however 24% of respondents expressed some dissatisfaction with our services.

4.3 Mystery Shopping will be embedded and undertaken regularly to monitor call response across all services. This year we introduced follow up calls to customers by Corporate Management Team Members. This allows the quality of the overall response to be better understood. This will continue with six calls being made by each member of CMT each month.

4.4 When a service is developing a new strategy that requires community engagement, we will utilise our Communities team expertise across the council to provide advice and support. We will also create a repository for customer and resident data which can inform our service delivery.

Getting the Systems Right

4.5 The most popular method of contacting the Council is by telephone, with 45% of residents using this method. Call data illustrates that we take approximately 1600 calls each week with 65% being answered by One Stop Shop, 31% by Corporate Support and 4% being answered by Licensing. The average length of calls range between 2 and 4 minutes. Average caller wait times or ring times are below 1 minute 30 seconds for One Stop Shop. This compares well with others. For calls into other parts of the council, ring time average below 50 seconds.

4.6 A key action in the plan is to utilise the new telephone system reporting to produce monthly performance dashboards which will help us address underperformance in any particular area. This will provide essential data to enable effective resource planning across the organisation.

4.7 Preferred methods of contacting the council match very closely with how people do actually contact us. Telephone accounts for 45% of contact and emails 38%.

4.8 The preferred method of finding out information about the Council is through social media (64%) followed by the council website (23%). Residents are clearly using national social media platforms to track what the council is doing and to find out information. This is a significant shift over recent years and more traditional methods like local print media. An action will be undertaken to increase the amount of information and 'good news' stories shared on social media and to improve our website. This should help improve the profile and reputation of the council as well as responding to the preferences of residents.

4.9 Focus groups suggested a high level of satisfaction with the One Stop Shop and the appointment system was welcomed as it allowed most queries to be completed over the phone. When an appointment was necessary, customers were informed of everything they needed to bring with them, reducing repeat visits.

- 4.10 We will embed the appointment system for One Stop Shop as the permanent model and to evaluate what other services could utilise the space within the One Stop Shop now it is less busy.
- 4.11 Focus groups highlighted that the automated voice answering system is unpleasant and that there are too many menu options before a human operator is reached. Introducing a new voice answering system is in progress and will be in place for August 2022. The new system will have a human voice and will streamline the options available. The new system will allow all Rossendale staff to record a personal message and it allows the customer to be routed directly to the person who the customer has asked for more quickly.
- 4.12 The recent Member survey supports customer survey data to suggest initial contact is generally good. However, in certain service areas requests and enquiries are not always followed up as desired. Refuse services score positively for satisfaction overall but were highlighted as an area that could improve in terms of responsiveness when things do go wrong. Work has identified that a key barrier to ensuring requests are followed up is the different software systems used by Corporate Support and Operations. These two systems do not allow for easy updates on enquiries between the two services. It is likely that both systems will continue to be used. However, it will be possible to move as many customer related elements as possible on to the customer facing Idox system used by Corporate Support. This will improve responsiveness and customer feedback.
- 4.13 Mystery Shopping did highlight that a high number of calls that are diverted to an internal extension are going to answerphone. The new telephone system presents the opportunity to more easily divert calls and use of 'hunt groups' to ensure calls are answered by a member of the team. An action is included in the plan to fully utilise these features where appropriate and aim to reduce the dependence on answerphones.
- 4.14 Although Refuse scored relatively well in terms of overall satisfaction, we know the number of missed bins is slightly higher than we would like. We are assessing the use of In-Cab technology to improve the real time monitoring of refuse collections and improve our feedback and response to the customer.
- 4.15 The residents survey highlighted dissatisfaction with the borough's roads with 75% of respondents rating them as poor. There was a high level of recognition that it is Lancashire County Council that maintain the roads. Focus groups suggested that it was not always clear how to contact LCC and that they tended to contact Rossendale Council to report and chase issues rather than contact LCC direct. An improvement to the current system of providing numbers to customers or reporting on their behalf is to have a number on our telephone system that transfers the customer automatically to LCC. There is a cost to this and it is being investigated further.

Getting the Culture Right

- 4.16 Focus groups commended the council on the helpfulness and friendliness of officers. We do wish to ensure that this is consistent across all services. Work has been undertaken in the past 12 months to engage staff in improving how we respond to customers and Elected Members. This includes introducing customer focussed corporate values, specific training for all staff and additional all staff sessions every 6 months along with Middle Manager sessions every quarter. These sessions will continue as part of the action plan.

- 4.17 Mystery Shopping demonstrated that Corporate Support answer calls quickly and use the correct greeting. However, the picture is more mixed for other services with 70% using the correct greeting. An action is included to undertake refresher training for all staff each year on customer services and to emphasise and embed current protocols. Mystery Shopping will continue to monitor our levels of service.
- 4.18 A high number of services requests relate to our Refuse services and this remains a key area of focus. Changes have taken place such as operations staff sitting with Corporate Support each week but a more structured joint customer service improvement group will be developed to use the wealth of data now available to make further improvements. Embedding new protocols or systems within services does require a strong constancy of purpose and customer service champions have proved very successful in this. An action has been included to expand the number of customer service champions by combining it with the role of web champion in each service.

Demonstrating and Maintaining Success

- 4.19 Work has been undertaken to research what is required to obtain an accredited customer services award such as the Customer Services Excellence Award or the Institute of Customer Services accreditation. This accreditation provides an established framework to improve and is an external sign of progress. It is proposed that once the immediate improvements are implemented, a full evaluation of these models will be undertaken.
- 4.20 Many actions previously mentioned in this report will help us to demonstrate our quality of service and to monitor improvements. This includes undertaking the annual resident survey, focus groups, customer feedback and mystery shopping. In addition the post of the Corporate Performance Officer will be adapted to include customer service excellence.
- 4.21 The Customer Services Improvement Action Plan – which captures all the actions - is attached as an appendix to this report.

5. A BETTER COUNCIL WEBSITE

- 5.1 Over the past twelve months a series of improvements have taken place as part of our work to deliver the digital customer element of our Digital Strategy which was agreed by council in 2021. This has included offering more online forms for revenues and benefits services, improving the searching and viewing of planning applications on the website and a range of security enhancements.
- 5.2 The digital customer strand includes improvements to our website and also to many connected functions such as forms and integrated systems. Funding for these improvements has been agreed by council and are included in the Medium Term Financial Strategy. We are keen to further improve the current website.
- 5.3 There are technical limitations to the existing website. Its architecture relies on a shared template model. This is very cost effective to purchase initially but does prove inflexible and expensive when it comes to updating any design element of the website. Our website template is shared with other councils and the provider Jadu is hoping to move away from supporting the shared template model and move to each authority having their own individual template. It is likely that support will end in the next few years for the shared template model, although no confirmation of timescales have been provided. The website connects to a number of other software packages to share information; the smooth integration of these systems is critical to an effective customer experience when using the web. Over time this integration will become more costly and difficult with our existing website solution.

5.4 In addition to these technical limitations, a refreshed website allows us to review what residents, elected members and staff want to see from the council website and better meet their requirements. Extensive consultation has taken place through the resident survey, focus groups and with staff web champions. The results of this consultation has enabled a firm proposal to be developed.

5.5 The key findings included:

- 13% of residents stated the website was poor versus 21% who think it is good or excellent. A high level (31%) stated that it was average.
- 38% of residents state that they contact the council via email, this is likely to be via a website link. 5.4% stated specifically that they contact the council via the website.
- Focus groups and comments through the resident survey do suggest a high satisfaction with the website due to its simplicity and search functionality. Though they do think the site is dull and that it does not promote the borough very well due to a lack of photos and up to date information on the homepage.
- Web champions like the simplicity of the current website and like that it is easy to update.
- The high number of clicks to access a download was highlighted.
- Certain forms on the website were described as clunky to use and this was a common view, for example the garden waste bin application process.
- It was commented that very little up to date news is immediately visible on the website and it is not attractive. It was also commented that there are no links to social media feeds.
- A commonly held view was that the website should be more dynamic and provide a more positive impression of the borough.
- There are pages that include out of date information. A full content audit is underway to address this.

5.6 By refreshing the website and moving to a different architecture which uses our own individual template, we will be able to incorporate changes to address this feedback. For example, we will be able to incorporate photos and a moving carousel to provide up to date information promoting the council and the borough. We will be able to link to social media and display social media feeds if required. Forms and downloading files will be quicker and more functional as forms will be incorporated into the website itself.

5.7 Options for the procurement of a refreshed website have been examined. A simple redesign of the existing website would be limited due to the shared template but colours could be changed. Photos, carousels and social media links are not possible and it will be costly to upgrade colours etc. for limited benefit.

5.8 It is possible to commission a bespoke website designed specifically for Rossendale Council. This does require substantial staff input and the purchase of substantial developer time. Estimated costs for a simple bespoke website are in excess of £120k and it is likely to take at least 18 months to fully implement. This is over the budget allocated and it is considered over-

engineering for our purposes. It could also introduce complexities when integrating with other systems.

5.9 The preferred solution is to procure an individual template model via Jadu our existing provider. This template will also be based on more recent software architecture which improves functionality and future integration. The website would retain the current taxonomy in terms of data structure but would enable photographic backgrounds, social feeds and links, revolving carousels.

5.10 The cost of this option excluding our own staffing costs is £77,800. A capital allocation of £80k is available for the work. This option would include migration to the new system and new forms development. It should be noted that migrating to a new website will require Council staff to undertake considerable work to re-populate parts of the website. This does however also provide the opportunity to refresh content to ensure its relevance and accuracy.

5.11 Full Council agreed an allocation of £80k in the Medium Term Financial Strategy for the improvement of digital customer contact and it is recommended that we procure the new website from Jadu under a procurement framework. Once the contract is let, there will be further consultation and engagement to engage customers, staff and elected members in its final design.

6. RISK

6.1 There is a risk in continuing with our existing website which has limitations in terms of customer experience and also will present increasing risk in terms of future integration and support.

6.2 Procurement and development of a new website introduces a risk of unforeseen integration issues. These will be minimized by staying with our current provider. There is a further risk that staff will not be able to dedicate the time to migrating content and checking content. A strong corporate commitment to ensuring web champions are allocated specific time to migrate and verify their pages will be needed.

7. FINANCE

The Council's 2022/23 Capital Programme includes £80k for procurement of an updated website.

8. LEGAL

The procurement of the new website will be via a framework call off. This is in compliance with the Council's Contract Procedure Rules and Public Procurement regulations. An appropriate call off agreement will be entered into with Jadu which reflects the needs of the Council.

9. POLICY AND EQUALITIES IMPLICATIONS

9.1 The customer services improvement plan and web development with support the delivery of the Council's Corporate Plan and support the effective and efficient delivery of customers services of the council.

9.2 Any equality implications related to the implementation of the customer services improvement plan will be given consideration in a relevant and proportionate manner.

10. REASON FOR DECISION

10.1 The Customer Services Continual Improvement Action Plan is based on extensive customer consultation and will make improvements to our levels of customer service in a short space of time. The council agreed to develop plans for a new website as part of the digital strategy

agreed by council in late 2021. This report provides an outline scope and procurement approach for the website in order to progress the work.

Background Papers	
Document	Place of Inspection
Digital Strategy	https://www.rossendale.gov.uk/meetings/meeting/1249/council

APPENDIX 1 – CUSTOMER SERVICES CONTINUAL IMPROVEMENT ACTION PLAN

Objective A – Understanding the customer

Action	Implementation Date	Current Position
Utilise focus groups annually to assess our quality of service	In Place	These will be conducted using in house expertise and are likely include at least three focus groups per year.
Develop an engagement and consultation best practice hub within the Council's Communities Team	Q3 22/23	This will provide advice and support in engaging groups across Rosendale as well as being a depository for demographic data about the borough.
Regular follow up contact by CMT members to ascertain the quality of response	In Place	This has taken place in April 22 and will be completed monthly with each CMT member calling at least six customers to gather feedback.
Undertake an annual residents survey that aligns with the LGA national survey for benchmarking.	In Place	This will be undertaken in May each year in house using matching questions and methodology to the LGA residents survey to allow benchmarking with other authorities and national averages.
Introduce monthly customer dashboard covering OSS face to face, appointments and call patterns	Q2 22/23	This will be used to understand demand patterns and ensure sufficient resource is available to deal with requests ie resource utilisation.

Objective B – Getting the culture right

Action	Completion date	Current Position
Undertaken annual customer services training for all staff	In Place	Full sessions took place this year and light tough refresher sessions will take place early each calendar year.
Ensure that staff and manager sessions continually emphasise customer service excellence.	In Place	This will continue during the six monthly all staff engagement sessions and the quarterly middle manager sessions.
Ensure that all staff record a voice message so that the IVR picks up their name so when customers ring the call can routed directly to the person they want.	Q2 22/23	All training documents for Cisco Jabber have been put on to Learning Pool need to ensure that all staff record customer name message. This will the customer experience.
Create a joint customer services groups working group between Operations and Corporate Support to drive improvement in customer response.	Q2 22/23	This group will focus on improving the systems currently used to ensure that contact can be recorded, monitored and improved.
Undertaking Mystery Shopping at regular intervals across the organisation	In Place	Future mystery shopping will be conducted entirely independently by an external organisation.
Establish Champion roles for every service that duplicate the web champion role to ensure standards are maintained.	Q2 22/23	
Assess the feasibility of obtaining a recognised customer service standard such as Customer Service Excellence or Institute of Customer Services	Q3 22/23	

Objective C – Getting the systems right

Action	Completion date	Current Position
Introduce a refreshed website	Q4 22/23	Firm proposals received and approval to progress sought in this report
Aim to increase the level of information provided over council social media and examine the possibility of service requests through socials.		
Conduct a feasibility into in-cab technology to reduce missed bins on refuse rounds		As part of systems review look for one application that provides all requirements ie in cab solution, operations back office system.
Introduce protocols to monitor and reduce officer reliance on voice mails. .	Q2 22/23	Set up hunt groups to prevent customer calls going to voice message for all service areas.
Introduce a new telephone welcoming and call routing system.	Q2 22/23	This system has been procured and implemented. The new human voice and reduced options menu will be live in July 22.
Maintain and Improve where possible the One Stop Shop Appointment System	Ongoing	This will include a review of the usage of the One Stop Shop by other services and external partners.
Seek to transfer calls directly to Lancashire County Council for Highways and other County delivered services.	Q2 22/23	This is likely to incur costs associated with the cost of calls being transferred. Options to have prescribed messages for customers relating to specific issues for example message of the day. This can be used at certain times for example in bad weather put gritting messages, flooding, snow etc.
A review of back office Operations IT systems relating to customer service	Q3 23/23	As above

Objective D – Demonstrating and Maintaining Success

Action	Completion date	Current Position
Establish a performance and customer service excellence officer post.	Q2 22/23	
Introduce monthly performance dashboard.	Q2 22/23	This will be introduced in August and modified following feedback.
Assess the feasibility of obtaining a recognised customer service standard such as Customer Service Excellence or Institute of Customer Services	Q4 22/23	This will take place following other actions being completed to give us the most accurate assesment of service quality. .

Subject:	Waste, Recycling and Street Cleansing Services – Continual Improvement Action Plan	Status:	For Publication
Report to:	Cabinet	Date:	19/07/22
Report of:	Head of Operations	Portfolio Holder:	Environment
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: Yes/No	Attached:	Yes/No
Biodiversity Impact Assessment:	Required: Yes/No	Attached:	Yes/No
Contact Officer:	Patrick Killeen	Telephone:	01706 217777
Email:	patrickkilleen@rossendalebc.gov.uk		

1. RECOMMENDATION

- 1.1 That CMT/Cabinet notes this report as an update on the current performance of the Waste, Recycling and Street Cleansing operation and support the continual improvement action plan.

2. EXECUTIVE SUMMARY

- 2.1 Operations is the largest single service area in the Council and has the largest expenditure of any service at £2.5m. Waste, Recycling and Street Cleansing is the largest function within Operations. A number of service improvements and efficiencies have taken place in recent years and performance is closely monitored through a monthly performance dashboard. The service is considered cost efficient and achieved high satisfaction ratings in the recent residents' survey; however, with it being the largest and most visible service of the Council, it is essential that we continually improve the service in a structured way. A series of key objectives have been identified and actions to deliver each objective are being progressed. These are based on consultation and are:

- Increase recycling rates across the borough.
- Review of collections operation.
- Implementing new national legislation.
- Improve the prosecution and removal of fly tipping.
- Maximise income.
- Culture Change
- Improve Street Cleansing and litter bin collections

- 2.2 There remains significant uncertainty regarding the national picture in terms of refuse collections. In December 2021, the Environment Bill was passed in Parliament and this will commit the Council to possible additional expenditure and services, one prime example being the separate collection of food waste. Government suggested previously that this could be financed nationally; however, no further details on this have been provided. The purpose of the continual improvement plan outlined in this report is to get our waste operation running as efficiently as possible in anticipation of a long-term waste strategy for the Council later in the year, which can be based on clear national guidance.

3. BACKGROUND

- 3.1 The waste services element of operations employs 48 staff. This includes nine refuse crews that empty over 51,000 bins per week. There are three types of bin currently used in Rossendale; these are general household waste, glass and plastics and a waste paper and cardboard round. In addition, residents have the option of subscribing to our garden waste bin for £40 per annum.
- 3.2 Waste, Recycling and Cleansing Service improvement now forms one of the Council's Corporate projects and reports to the Corporate Management Programme Board Quarterly.
- 3.3 A number of specific improvements have been implemented, examples of these include:
- A restructure to introduce additional supervisory capacity
 - The employment of an interim Head of Service
 - A financed vehicle replacement programme to reduce downtime of vehicles
 - All staff training on customer service excellence
 - The introduction of Street Sweeping routes, which have been shared with members
 - The Introduction of Operation Trident to tackle fly tipping by increasing prosecutions and ensuring quicker removal
 - A recruitment drive to reduce the number of agency staff being used
 - The introduction of checklists for areas such as litter bin emptying
 - The introduction of a performance dashboard which is shared monthly with the portfolio holder
- 3.4 In addition, there are a number of further improvements, which we wish to make, and these are outlined in this report and brought together in the attached action plan.

Current Performance

- 3.5 Work has been undertaken to assess the performance of the Waste, Recycling and Cleansing function and a performance dashboard introduced. Key findings include:
- Operations empty approximately 51,000 bins each week. Out of these we have on average 150 that are missed due to access problems or other reasons, this equates to 0.003% of bins being missed. Each authority measures this indicator differently and accurate information is sketchy. After examining figures provided by other districts it is felt that, our figure appears slightly higher than others. Our slightly higher figure is likely to be due to the topography of the borough, but we do see this as an area for improvement. Crews are being engaged in regular meetings to improve this and crews are sent back on the same day to rectify missed bins. It is important to note that overtime on Saturdays is rarely used for missed bin collections and rounds are completed in the working week (Tuesday to Friday).
 - During a typical month staffing costs are £110k with approximately £80k of this being full time staff and the remainder agency. Agency staff do not cost any more than employed staff, however there is a push to ensure that a full establishment of employed staff is in place. Stage one of this is complete.
 - The number of reported fly tips is approximately 100 per month, operation Trident has resulted in 45 fixed penalty notices being issued for fly tipping and an extra 20 prosecutions now going through the courts. Our target average time for removing fly tipping is 5 working days. This target was not achieved up to Jan 2022 due to staffing pressures through the LGV driver shortage. The target was achieved in February 2022 and will be achieved consistently with the new systems being implemented.

- All litterbins in the borough are being emptied as per the schedule and this is monitored monthly.

3.6 It should be noted that there is still limited benchmarking information available with which to judge our performance against others and work is being progressed to develop work with neighbouring authorities.

3.7 A recruitment process is currently underway for a permanent Head of Operations

4. DETAILS

4.1 The complete action plan is included in Appendix 1, below is a short summary for each objective and the key actions that have been included:

4.2 Increase recycling rates across the borough

A recycling campaign and pilot study have been designed and will commence in August 2022. This pilot study taking place at Thorburn Drive, Whitworth – 53 properties, Queensway and Woodside Crescent, Newchurch – 129 properties, Townsend Street, Waterfoot plus side streets off Townsend Street – 72 properties and Spinners Drive and Thor Drive, Whitworth – 61 properties. The pilot study will engage residents in improving their recycling rates and will monitor closely the levels of recycling. In addition there will be a borough wide publicity campaign to promote recycling. The findings of the pilot study will be used to inform the future waste strategy.

The actions linked to this objective are:

- Carry out a pilot scheme within the area to demonstrate what engaging and educating residents can achieve.
- Launch a borough wide campaign to encourage recycling
- Review the provision of receptacles and the size to determine if this would increase the amount of recycling presented by households.
- Roll out good practices across the borough.

4.3 Review of collections operation.

Resident satisfaction for waste services is relatively high compared to other areas with 60% of residents rating the service either good or excellent. Only 10% rated it poor. In focus groups, residents have suggested there is some dissatisfaction with the number of bins cluttering up streets in general. There is an allocation in this year's capital programme for depot improvements.

The actions linked to this objective are:

- Reduction in the number of missed bins
- Reduce overall agency spend
- Reduce overtime spend
- Clarify procedure on removal of side waste and lane end collections
- Improve Customer Care/Experience
- Undertake a review of collections by 2023.
- Review software provisions for real time in cab reporting
- A review of back office technology and our website
- Review the customer experience in partnership with Corporate Support.

- Introduce a performance management system that drives continual improvement and demonstrates service effectiveness
- To work with LCC on a more efficient waste transfer and disposal process including their review of depots and waste transfer stations
- Upgrade the depot at Henrietta Street to be more effective

4.4 Implementing new national legislation.

We are awaiting further national guidance on the implementation of the Environment Bill in order to put firm proposals to council around future bin collections.

The actions linked to this objective are:

- Monitor and implement new government legislation
- Develop a waste strategy that is aligned with national guidance.

4.5 Improve the prosecution and removal of fly tipping.

In the recent residents' survey, fly tipping was seen as a major issue for residents with 72% seeing it as either a slight issue or a significant issue. Operation Trident has seen success in prosecutions, but it remains a key priority of the action plan. The enforcement team has been expanded and extra cameras have been purchased. Joint work with the police has resulted in the sharing of information from their Automatic Number Plate Recognition System. Levels of fly tipping reported appear to compare favourably with other districts in Lancashire; however, residents and elected members do see this as a key priority.

The actions linked to this objective are:

- Introduction of new joint protocols for the PPU team and Operations team for dealing with reports of fly tipping
- Develop Operation Trident to gather evidence via both Operations and PPU to identify individuals that are responsible for fly tipping.
- Develop the Town Centre Caretaker role to focus on removing smaller fly tips immediately and reporting larger ones
- Increase the level of enforcement action by the PPU team on those responsible for fly tipping
- Raise awareness with residents and businesses on the impact of fly tipping and publicise successful enforcement.
- To work in conjunction with the PPU team to ensure all businesses in the area are aware of their responsibility to have appropriate collections in place to remove business waste.

4.6 Maximise income

During 2021, a number of pilot studies and feasibilities were completed to examine the potential of increasing income. A crematorium for Rossendale was discounted through feasibility and a bin-cleaning pilot showed small returns for the significant staff input. The establishment of our own MOT test centre remains a possibility for future years; however, the key areas of income remain our commercial waste collection service and our gardens waste bin service. This is therefore the focus of the action plan.

The actions linked to this objective are:

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- Introducing a dedicated officer to increase the number of local businesses that use our collection service.
- To increase awareness of the garden waste service we provide through all communication channels.

4.7 Culture Change

A key element of the continual improvement plan is to ensure that staff are engaged in the changes. Regular staff meetings take place and individual meetings with crews to discuss issues and performance. Training has taken place with all staff on customer care and referral cards have been issued to give to customers that may have queries about other council services.

The actions linked to this objective are:

- Staff engagement to articulate expectations and engage the workforce in continual improvement.
- Increased monitoring of collections and overall performance to be shared with individual crews
- Introduce Corporate Values and celebrate successes

4.8 Improve street cleansing and litter bin provision

New street cleansing routes were introduced late in 2021 and are now embedded. Routes have been shared with members and they are now being closely monitored. The amount of waste being collected by street cleansing has risen from approximately 60 tonnes per month to 160 tonnes, which demonstrates the effectiveness of the new routes in clearing more litter and detritus.

The actions linked to this objective are:

- Review street cleansing and introduce fixed routes
- Develop the Town Centre Caretaker role to focus on litterbin emptying and smaller fly tipping removal as a priority.
- Undertake stage two of the litterbin review and introduce additional bins.
- Introduce monitoring of litter bin emptying
- Continually improve our relations with local Pride Groups and support them to maximise their impact.

4.9 Conclusion

A number of actions have been taken to improve the efficiency and effectiveness of our Waste, Recycling and Cleansing Services. A performance management framework has been adopted and is now embedded. In addition, the programme of improvements are monitored through the Council's Programme Board and a separate specific project board, which includes the Director of Communities, Chief Executive and Portfolio Holder.

The action plan attached will be monitored through this board, as will the performance indicators.

5. RISK

5.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Reduction in overtime spend. If this is not reduced we risk an overspend on the budget.
- Reduction in agency spend. If this is not reduced we risk an overspend on the budget.
- Clarity on the removal of side waste and lane end collections is required. If we are to remove all side waste, the benefit is a cleaner borough. However, this could affect recycling rates.
- Demonstrating service effectiveness is key to understanding that we are providing value for money.

6. FINANCE

There are no financial implications arising from this report.

7. LEGAL

There are no legal implications arising from this update report.

8. POLICY AND EQUALITIES IMPLICATIONS

There are no policy or equalities implications.

9. REASON FOR DECISION

It is important to update Members on the work being undertaken to improve services and for Cabinet to agree that the priorities in the action plan.

Background Papers	
Document	Place of Inspection
Operations Continual Improvement Plan	Attached

APPENDIX 1 – WASTE, RECYCLING AND STREET CLEANSING – CONTINUAL IMPROVEMENT PLAN

Objective A - Increase recycling rates across the Borough

Action	Completion date	Current Position
A1 - Carry out a pilot scheme to demonstrate what engaging and educating residents can achieve.	Q2 – 2022/23	This scheme is designed and will be presented to Cabinet in July 2022 for agreement.
A2 - Launch a Borough Wide Campaign to encourage recycling	Q2 – 2022/23	This scheme is designed and will be presented to Cabinet in July 2022 for agreement.
A3 - Review the provision of receptacles' and the size to determine if this would increase the amount of recycling presented by households.	Q3 – 2022/23	
A4 - Roll out good practices across the borough.	Q1 – 2023/24	

Objective B - Review of collections operation

Action	Completion date	Current Position
B1 - Reduction in the number of missed bins	Ongoing	PI's monitored monthly and fortnightly continual improvement meetings are tackling this.
B2 - Reduce overall Agency spend	Q2 2022/23	Stage 1 complete to staff up to full establishment. Stage 2 involves increasing establishment to reduce agency use further.
B3 - Reduce overtime spend	Ongoing	As part of B2, work to
B4 - Clarify procedure on removal of side waste and Lane end collections	Q3 2022/23	
B5 - Improve Customer Care/Experience	Ongoing	Training complete and further actions included in the corporate customer services action plan.
B6 - Introduce a performance management system that drives continual improvement and demonstrates service effectiveness	Complete	This is in place and being used at fortnightly Continual Improvement Meetings
B7 - Undertake a review of collections by 2023	Q4 2022/23	
B8 - Review software provisions for real time in cab reporting	Q3 2022/23	Initial proposal received, possible capital bid for 23/24

B9 - A review of back office technology and our website	Q4 2022/23	Website being completed as part of digital strategy, back office systems review will form part of this work
B10 - Review the customer experience in partnership with Corporate Support	Q3 2022/23	This is a key action in the Customer Services Improvement Plan
B11 - To work with LCC on a more efficient waste transfer and disposal process including their review of depots and waste transfer stations	Q1 2023/24	This is being led by LCC and we are actively engaged
B12 - Upgrade the depot at Henrietta Street to be more effective	Q3 2022/23	Capital agreed and report to cabinet in July 22

Objective C - Implementing new national legislation

Action	Completion date	Current Position
C1 - Monitor and implement new government legislation	Ongoing	Awaiting further guidance
C2 - Develop a waste strategy that is aligned with national guidance	Q4 2022/23	This will be dependent on guidance being received

Objective D - Improve the removal and prosecution of fly tipping

Action	Completion date	Current Position
D1 - Introduction of new joint protocols for the PPU team and Operations team for dealing with reports of fly tipping	Complete	Bi weekly updates with Head of PPU and Head of Ops to progress any actions and provide feedback to all staff.
D2 - Develop the Town Centre Caretaker role to focus on removing smaller fly tips immediately and reporting larger ones	Q2 2022/23	Awaiting recruitment of final person but this is being implemented now. Waiting on Regrading of post prior to going out to advert again.
D3 - Develop Operation Trident to gather evidence via both Operations and PPU to identify individuals that are responsible for fly tipping.	Complete	This process is in place but is being continually improved Further training to be deployed to Ops staff on evidence gathering

D4 - Increase the level of enforcement action by the PPU team on those responsible for fly tipping	Complete	Enforcement has increased but needs to be continually monitored and improved
D5 - Raise awareness with residents and businesses on the impact of fly tipping and publicise successful enforcement	Ongoing	All prosecutions are now publicised
D6 - To work in conjunction with the PPU team to ensure all businesses in the area are aware of their responsibility to have appropriate collections in place to remove business waste	Q4 2022/23	This is now complete for key town centre businesses and is on schedule to be completed for all 2000 businesses by early 23 Regular updates between PPU and Ops taking place to monitor progress.

Objective E - Maximise income

Action	Completion date	Current Position
E1 - Introducing a dedicated Officer to increase the number of local businesses that use our collection service.	Complete	Number of customers and the increase in revenue to be monitored monthly through the KPIs.
E2 - To increase awareness of the garden waste service we provide through all communication channels	Ongoing	This will be repeated annually.

Objective F - Culture change and continuous improvement

Action	Completion date	Current Position
F1 - All staff engagement sessions to articulate expectations and engage the workforce in improvement	Ongoing	Further engagement sessions are to be rolled out.
F2 - Increased monitoring of collections and overall performance to be shared with individual crews	Ongoing	This is now taking place with every individual crew engaged each 10 week period

F3 - Introduce corporate values and celebrate successes	Q3 2022/23	The values have been launched and are being introduced through all staffs sessions
F4 - Training sessions on emerging issues and customer service	Ongoing	

Objective G - Improve Street Cleansing and litter bin collections

Action	Completion date	Current Position
G1 - Review Street cleansing and introduce fixed routes	Complete	Performance indicators reviewed monthly to monitor performance.
G2 - Develop the Town Centre Caretaker role to focus on litterbin emptying and smaller fly tipping removal as a priority.	Q2 2022/23	Awaiting recruitment of final person but this is being implemented now
G3 - Undertake stage two of the litterbin review and introduce additional bins	Q2 2022/23	
G4 - Introduce monitoring of litter bin emptying	Complete	This is being continually monitored through reviews of KPIs each month.
G5 - Continually improve our relations with local Pride Groups and support them to maximise their impact	Ongoing	Active involvement in Rawtenstall Britain in Bloom bid

Subject:	Annual Christmas Lighting Works Tender	Status:	For Publication
Report to:	Cabinet	Date:	19 th July 2022
Report of:	Facilities Management Officer	Portfolio Holder:	Resources
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached: No	No
Biodiversity Impact Assessment:	Required: No	Attached: No	No
Contact Officer:	Lee Childs	Telephone:	01706 252527
Email:	leechilds@rossendalebc.gov.uk		

1. RECOMMENDATIONS

- 1.1 That Cabinet approves the appointment of DES for the annual Christmas lighting contract. In the event that the contract is not accepted for any reason, it is agreed that the next highest scoring bidder will be awarded the contract.
- 1.2 That the Head of Legal be authorised to complete the necessary legal agreement for the 4-year contract.

2. EXECUTIVE SUMMARY

- 2.1 The Council's Christmas Lighting Contract has come to an end and it is necessary to tender for a new contract in line with the Council's constitution.
- 2.2 Officers have completed a tender exercise based on previous contract pricing but the submitted prices have materially exceeded the £100k threshold that requires Cabinet approval under the Council's Constitution.
- 2.3 Cabinet is requested to accept the most economically advantageous tender and appoint the successful tenderer for a period of 4 years.

3. BACKGROUND

- 3.1 The Christmas lighting tender includes works to annually install and switch on the Borough Christmas lighting systems, which are generally sited on the highway, in parks and on public buildings. The contract works also include testing, repairs and a planned renewal of the equipment. Note: new lighting systems when installed are always specified to be light - omitting diodes (LED) to ensure the green credentials of the authority.
- 3.2 The works are normally done outside of standard working hours in the months of October, November, December and January. It is specialised works mainly working on the highway at high level requiring specialist vehicles with a driver and an electrician manning each vehicle and therefore organisations who carry out such works are limited.
- 3.3 The successful tender must ensure all the lighting is operational for the beginning of December and must allow to attend any formal community lead Christmas lighting switch on events and subsequently all lighting must be switched off within the first week in January.

4. DETAILS

- 4.1 The Christmas Lighting contract was last tendered in 2016 for a five year period and subsequently carried out successfully by Lighting and Building Services. The annual cost for this was approximately £22k.
- 4.2 In line with the Contract Procedure Rules, the contract was tendered in April 2022 with the expectation of the total tender price being lower than 100k for the four years duration of the contract period. However, evaluation of the tenders received has shown the new contract price for the four years to be £130.476 (£32,619.00 per annum) materially taking it over the 100k threshold where approval from Cabinet would be required to undertake a tender exercise.
- 4.3 The reasons for these increases are attributed to general inflation over the past 6 years since last tendered and a further larger spike in the increase in materials, labour and fuel in the last two years. Within this tender there is also an additional planned annual renewal regime of the Christmas lighting and associated equipment where a percentage of lighting is renewed annually to ensure the systems do not fall into disrepair
- 4.4 When tendered, the contract was advertised on the Contracts Finder portal and the Rossendale Council website. The tender was split 80% price and 20% quality with 5 % each for health and safety, references, social values and time scales.
- 4.5 The Council received three tender submissions which were scored and evaluated. Details of the evaluation can be found at Appendix 1 (confidential). All tenderers scored a full 20% on the quality and tender prices were found to be correct.
- 4.6 DES has been scored as the highest scoring bidder and it is therefore proposed to award the contract to them. In the event that they are unable to accept the contract for any reason it is proposed to offer the contract to the next highest scoring bidder.

5. RISK

- 5.1 Failure to have a Christmas lighting contract in place would have a reputational risk for the Council as officers would not be able to provide sufficient resource, capacity or expertise to carry out the works in-house.
- 5.2 Failure to tender in line with the Contract Procedure Rules would put the Council at risk of challenge.

6. FINANCE

- 6.1 The annual cost of the winning tender will be met from within the annual revenue budget of £32.8k.

7. LEGAL

- 7.1 Cabinet is required to approve all tenders over £100k under the terms of the Constitution. It was officers' reasonable belief that the contract price would be under this limit but as there is a material increase in the price which is over the threshold, Cabinet is requested to consider the matter and authorise officers to proceed if they are minded to accept the position.
- 7.2 The tender exercise has been completed in line with the Contract Procedure Rules and is capable of being awarded to the highest scoring bidder.

8. POLICY AND EQUALITIES IMPLICATIONS

8.1 No policy and equalities implications

9. REASON FOR DECISION

9.1 To award the contract to the highest scoring bidder to ensure continuity of service for the annual Christmas lighting in the borough.

Background Papers	
Document	Place of Inspection
Appendix 1 - Evaluation	Confidential appendix due to its commercially sensitive nature.

Subject:	2022/23 Building Capital Repairs Contract	Status:	For Publication		
Report to:	Cabinet	Date:	19 th July 2022		
Report of:	Facilities Manager	Portfolio Holder:	Resources		
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/>	Special Urgency	<input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached:	No	
Biodiversity Impact Assessment:	Required:	No	Attached:	No	
Contact Officer:	Lee Childs	Telephone:	01706 252527		
Email:	leechilds@rossendalebc.gov.uk				

1. RECOMMENDATIONS

- 1.1 Cabinet to approve the list of works on the 2022/23 Capital Building Repairs Contract and authorise officers to go out to tender.
- 1.2 Cabinet delegates the appointment of the contractor to the Head of People and Policy in consultation with the Portfolio Holder

2. EXECUTIVE SUMMARY

- 2.1 The purpose of the annual Capital Building Repairs Contract is to keep buildings, structures and other council assets up to a standard of good repair.
- 2.2 The contract allows economies of scale when tendering different works together and avoids individual procurement of separate planned works. This contract also results in keeping reactive repairs down to a minimum and provides for more efficient facilities management with officers having to manage one contractor only instead of multiple contracts.
- 2.3 This contract is not designed to contribute or subsidise other projects and is prepared using the IPF Stock Condition reports.
- 2.4 The three priority criteria the works are -:
 - Health and Safety
 - Wind and Weather Tight
 - Public Facing
- 2.5 The Contract Procedure Rules require Cabinet to approve any contract with an expenditure of over £100k prior to going out to tender.

3. BACKGROUND

- 3.1 This is the sixteenth year of the annual capital building repairs contract where works are identified and carried out having regards to the recommended works from the IPF stock condition reports, the day to day reactive repairs surveys/reports and feedback from officers and building managers.
- 3.2 The proposed works will form the basis of the tender and a specification will be drawn up to precisely detail the Council's requirements. It is officer's opinion that the list of works will be achievable within the stipulated budget envelope but this will be tested in the tender process.

Some minor value engineering may be undertaken without putting the Council at risk of challenge.

4. DETAILS

4.1 As detailed above the proposed works have been selected following consideration of the stock condition surveys and officers working knowledge of council owned assets.

4.2 Works to be considered under the 2022/23 contract are:-

- Whitworth, Rawtenstall & Haslingden Chapels – Carry out roofing works, repairs and painting.
- Haslingden Chapel - Carry out internal decoration.
- The Ashcroft – Carry out roofing works.
- The Adrenaline Centre – Carry out roofing works.
- Marl Pits Pool – Renewal of final exit fire doors.
- Clare House – Carry out external repairs and painting.
- Deed Room – Form new deed room in Futures Park and transfer deeds from Stubbylee.
- Whitworth Museum – Take down chimney and make good roof.
- Whitaker Park Public W/C – Carry out deep clean and internal decorations.
- Whitaker Park Museum – Install new mains electrical distribution boards.
- Rawtenstall Market – Repairs and painting to external cabins.
- Hall Street Car Park – Resurfacing.
- Rochdale Road Car Park – Resurfacing.
- Futures Park Car Park – Reline.
- Mechanics Hall – Install new boiler.
- Futures Park – Install new LED lighting.

4.3 When tendered, the contract will be advertised on the Contracts Finder portal and the Council website. The opportunity will also be brought to attention of known contractors. The tender will be evaluated on the basis of 80% price and 20% quality with 5% each for health and safety, references, social values and insurances.

5. RISK

5.1 If this annual contract does not proceed the council buildings, structures and assets will suffer from deterioration with health and safety implications and increased repair cost when finally addressed.

5.2 The cost of the works far exceeding the cost envelopes. It is not envisaged that this will be the case and internal costs estimates have shown to fall within budget.

5.3 Contractors not being aware of the opportunity. This will be extensively advertised and be published both on the Council's website and the government procurement portal.

6. FINANCE

6.1 It is proposed to fund the projects detailed above from several different schemes :-

2022/23 Capital Building Repairs Budget

2021/22 Futures Park Accommodation Project Slippage

2022/ 23 Car Parks Capital Budget

The new boiler at the mechanics Hall and the Futures Park LED lighting will be funded from external grants where possible and/or the Carbon Reduction Fund Capital Budget subject to

approval by the Executive Member Resources, the Climate Change Member Champion and the S151 Officer.

Clare House Revenue Reserves

- 6.2 Should the budgets not be enough to cover the whole works they will be prioritised to fit within the available budget.

7. LEGAL

- 7.1 The legal implications are covered within the body of the report. A JCT Minor Works Building Contract will be entered into with the successful tenderer once the appointment of the contractor has been approved.

8. POLICY AND EQUALITIES IMPLICATIONS

- 8.1 No policy or equalities implications

9. REASON FOR DECISION

- 9.1 Cabinet to approve the level of works and tender process for the 2022/23 contract to maintain council owned assets ensuring that the same do not suffer from deterioration with health and safety implications and increased repair cost when finally addressed.

Background Papers	
Document	Place of Inspection
Appendix 1 works with budget prices	Confidential – Futures Park

Subject:	Financial Monitoring Report Q3 & Q4 2021/22 (Indicative Outturn)	Status:	For Publication
Report to:	Cabinet	Date:	19 th July 2022
Report of:	Finance Manager	Portfolio Holder:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
Contact Officer:	Craig Finn	Telephone:	01706 252410
Email:	craigfinn@rossendalebc.gov.uk		

1. RECOMMENDATION(S)

- 1.1 That Cabinet note the contents of the Q3 and Q4 2021/22 financial monitoring reports.

2. EXECUTIVE SUMMARY

- This report provides an indicative estimate of the Council's General Fund Revenue outturn, Collection Fund performance and Capital outturn for the year ended 31 March 2022.
- At 31 March 2022, the Council has reported an adverse variance of £210.2k against an approved net budget for the year of £8,902k. This is an improvement of £302.2k from the forecast reported at Q3 (£512.5k) and will require a contribution from the Response and Recovery Reserve to balance the budget.
- Positive movement in Q4 is largely down to the conclusion of the exercise to assess the eligibility of financing core staffing costs from Covid related administration funding. This has made a positive contribution of c£200k to the outturn forecast at Q3.
- At the time of this report work continues on the more technical aspects of the Council's Collection Fund Account (Council Tax and Business Rates), particularly with regard to the Council's share of Section31 Grant due as compensation for 'lost' income owing to the mandated reliefs introduced by Central Government after setting of the Budget. As per original plans, the Council's share of Section31 Grant, once confirmed, will be transferred to the Local Business Rates Retention Reserve.
- Reserves remain at historically high levels at the Balance Sheet date being earmarked in most cases to meet specific expenditure. An example being the Local Business Rates Retention Reserve as noted above, to fund future anticipated deficits on the Collection Fund Account.
- The original budget estimate for 2021/22 included £184k of efficiency targets. Most were met either in full or in part.
- The approved Capital Programme for 2021/22 was agreed in the sum of £9,852k, including prior year slippage brought forward of £3,765k. The indicative Capital outturn for the year is £5,598k. Slippage requirements into 2022/23, including the associated funding sources, total £3,971k. The main variation on the Capital Programme was in respect of Empty Homes expenditure. No budget slippage is anticipated for this scheme into 2022/23. At the time of this report, the most effective method of financing the Capital outturn is being reviewed.

3. BACKGROUND

3.1 The 2021/22 MTFS set a balanced Budget for the year based on the assumptions made at that time. The Covid pandemic has continued to impact on the economy and result in unplanned expenditure for the Council, including lost revenues.

4. DETAILS

REVENUE

4.1 This is the final monitoring report of the year 2021/22 and is considered to be the indicative outturn.

4.2 The forecast position is an adverse variance of £210.2k when compared to an original budget of £8,902k. It is proposed that this adverse variance will be met from the response and recovery reserve.

4.3 The most notable variances at Q4 are shown below and broadly replicate those themes reported at Q3. Significant exceptions relate to the utilisation of Covid related grant funding to meet budgeted staff costs where eligible, and financial benefits to the Council's General Fund upon early draft closure of the Council's Collection Fund Account:

- £69k favourable – employee savings contribution above the efficiency target for the year. This includes use of eligible Covid funding to meet Council core staff costs.
- £59k adverse – being an improvement on forecast court cost income estimated throughout the year at £100k against a budget of £300k.
- £80k favourable – upon early draft closure of the Council's Collection Fund Account and assessment of adequate cover for 'bad debts', a sum of £80k can be released to the Council's General Fund to support the budget.
- £101k adverse – Deferred repayment of loans granted to the Rossendale Leisure Trust agreed by Council in February 2021.
- £88k adverse – The highest recorded fuel costs since 2013 having an impact on the cost of the operational fleet vehicles.
- £58k adverse - At Q4, an adverse variance of £58k is estimated for Local Plan costs, arising from the requirements of the Planning Inspectorate.
- £189k adverse – being the reversal of the Minimum Revenue Provision (MRP) 'saving' estimated at Q3. These sums have now been set aside as a contribution to the Finance Reserve to support the revenue budget in future years as delayed capital expenditure commitments fall due. This movement represents a 'swing' from Q3 but has no adverse variation to the year-end outturn position.

4.4 Full details and explanations are included in appendix 1.

CAPITAL

4.5 The Usable Capital Receipts brought forward at the 1st April totalled £2,233k.

- 4.6 The value of the budgeted capital scheme expenditure for 2021/22 was £6,239k to which £3,765k slippage was added. New schemes added to the programme in year include: Whitworth Wild Play (£16k), Futures Park improvement works (£44k), infrastructure works for the installation of Electric Vehicle charging points (£101k) and improvement works to the running track at Marl Pits (£250k). In addition, improvement works to Henrietta St Depot have been undertaken (£22k) and the indicative grant for DFGs (£1,000k) has been firmed up at £1,160k. Where appropriate, originally approved schemes were re-profiled over the life of the medium term Capital Programme to align to the timing of likely expenditure. The estimated in year expenditure was £9,852k with an indicative outturn of £5,598k.
- 4.7 Anticipated slippage into 2022/23 is estimated at £3,971k.
- 4.8 The total in the Useable Capital Receipts Reserve at the end of 2021/22 is £650k. This recognises the most effective form of financing capital expenditure incurred. It remains noted that capital resources are earmarked for Whitworth projects (£100k) and Haslingden projects (£236k).
- 4.9 The most effective method of funding the Councils' Capital outturn is currently being determined.

TREASURY

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

COLLECTION FUND

- 4.12 Council Tax collection statistics have not yet returned to pre-pandemic levels. Whilst Business Rates collection performance appears to have returned to pre-pandemic levels, the reliefs awarded are masking the true position. Work continues to assess the final surplus/deficit positions on Council Tax and Business Rates Accounts respectively.
- 4.13 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 down to 66% of liability with effect from July 21. The Government has issued additional Section31 grants to cover this lost income. A similar scheme is set to operate in 2022/23, for which the Council will again receive compensation through S31 grant.

EARMARKED RESERVES

- 4.11 The total cash-backed earmarked reserves brought forward at 1st April 2021 were £12,717k. The Earmarked Reserves closing balance at the 31 March 2022 are £14,254k, however do not include any additional share of Section31 Grant in respect of the Expanded Retail Relief scheme. These figures will be assessed on final closure of the Collection Fund.
- 4.12 Earmarked Reserve balances also include compensation received in 2020/21 required to fund future years' deficits on the Collection Fund owing to the pandemic. Amounts are to be

released over the next three years to ease the cashflow burden, as agreed by changes to legislation ('spreading the deficit'). Estimated usage through the life of the MTFs, is projected to reduce this to £9,887k by March 2026.

5 RISK

All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues (eg inflationary pressures and rising living costs) and opportunities and in particular service department net expenditure.
- Budget setting for future years is now treated as an integral part of financial monitoring during the current year and the impact of variances being reported here will be considered by officers when preparing the detailed 2023/24 budgets.
- The council must explore ways of bridging its forecast annual funding gap. Amongst other things this may include becoming more commercially aware, aiming to grow its resources alongside the challenges to its cost base.
- The implications of the Fair Funding review and the proposed new national scheme for the local retention of business rates have been postponed again until April 2023. An alternative mechanism for redistributing funding to authorities most in need may therefore need to be determined. The implications for this Council remain unknown.
- The Government announced a three-year Spending Review alongside the autumn budget on 27 October, the first multi-year funding settlement since 2018. However, the final Local Government Finance Settlement announced on 7 February 2022, confirmed a single year settlement for 2022/23 only. This continues to impact on the certainty around future financial planning arrangements.

6 CONCLUSIONS

- 6.1 Robust monitoring of the General Fund and MTFs is essential to control risks expressed in section 5 above and the Council continues to undertake this.
- 6.2 The Council's overall financial position improved due to the 2020/21 adjusted outturn position, most notably due to the increase in reserves. However, these temporary balances are earmarked for specific purposes, not least, the ongoing impact of Covid, which is still not completely known and remains a risk.
- 6.3 Despite a continued cost reduction programme, the on-going challenge remains for the Council to continue its savings agenda in order to help realise its medium term saving and targets. Members, collectively, continue to face difficult choices in order to balance expenditure with available resources over the medium term. The Council must remain focused on delivering further efficiencies. However, the increase in energy costs, vehicle fuel costs, the rising inflation rate which is affecting contract costs and the impending pay award, which is expected to be above the estimate included within the MTFs, is making this more difficult.
- 6.4 The Final Local Government Finance settlement was announced on 7 February 2022 and is a single year settlement for 2022/23 only. The settlement included the continuation of the Lower Tier Services grant and New Homes Bonus in to 2022/23 and the introduction of a new one off Service grant for 2022/23. Over the coming months the Department for Levelling

Up, Housing and Communities is carrying out a review of council funding to ensure funding allocations for councils are based on an up-to-date assessment of their needs and resources, with a view to implementing the revised funding scheme from 2023/24 onwards. It is not yet known what impact the review will have on the Council's funding levels, however this poses a significant risk to the MTFs. The Government has recently stated that the financial settlement due be announced in the Autumn of 2023 will be a two year settlement for 2023/24 and 2024/25.

7 FINANCE

The financial implications are fully set out in Appendix 1.

8 LEGAL

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

9 POLICY AND EQUALITIES IMPLICATIONS

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

10 REASON FOR DECISION

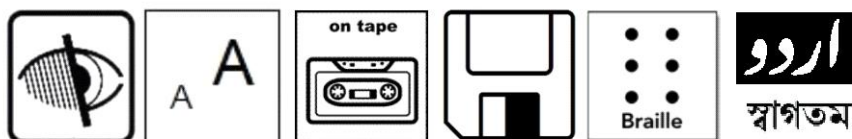
10.1 Cabinet are recommended to note the Q3 monitoring report (Appendix 2) and the draft outturn position at Q4 (Appendix 1).

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

Financial Monitoring Report

2021/22 Q3 as at end of December 2021

Including a Glossary of terms on page 40



Monthly Financial Monitoring Report 2021/22 Q3 December 2021

General Fund Revenue Operations – pages 6 to 21

The Covid pandemic continues to influence the Council's financial performance into 2021/22. The net impact is an adverse variance of £512.5k on the General Fund at Q3 when compared to the original budget of £8,902k. This is an increase of £49.8k on the position reported at Q2 (£462.6k) The Council has held over the balance of Covid support grants received in 20/21 where able to do so and has received additional grant support in the year to date to assist with the ongoing financial pressures faced.

The forecast outturn position at Q3 utilises Covid sums carried forward to meet ongoing eligible expenditure. In addition, the adverse variance reported above is proposed to be met from the Response and Recovery Reserve unless and until further Covid related grant funding is to be made available in year from Government departments. At the time of this report, the Council is undertaking an exercise to review eligible core expenditure incurred eg staffing costs that it can legitimately fund from Covid grant monies. This should have the effect of reducing the Council's Net Cost of Services in 2021/22.

Earmarked Revenue Reserves – page 22 to 24

The total cash-backed Earmarked Reserves brought forward at 1st 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 21/22 Net Service costs. Similarly, the Council is to receive £93k of Lower Tier Services Grant as part of the 21/22 Local Government Finance Settlement, and this too will be used to fund Net Service costs.

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

The approved budget for 21/22 also includes transfer to the Business Rates Retention Reserve of Section 31 Grant compensation for eligible reliefs afforded to qualifying business, received in year. This is estimated at £1,091k as per the Council's original NNDR1 submission in January 2021.

Following Government's decision to extend the Expanded Retail Relief into 2021/22, an announcement made after submission of the original NNDR1 return, the Council expects to receive additional Section 31 Grant compensation for this scheme. The Council's share is estimated in the sum of £564k and will also be contributed to the Business Rates Retention Reserve.

The Council also intends to contribute its receipt for renewable energy in the sum of £183k before releasing sums for general budget support at a value of £606k. The intention is to transfer Section 31 grant receipts to the Transitional Budgetary Support Reserve at financial year-end.

The Planning Reserve is expected to be required in full in year to support £124k of costs including those in relation to the current Local Plan. At Q3, the adverse variance of £66k estimated for Local Plan costs, arising from the requirements of the Planning Inspectorate is unchanged from Q2. This is included in the forecast outturn.

Responsible Section/Team	Financial Services	Page	2
Responsible Author	Finance Manager	Produced	31/12/2021
Dates covered in this review	2021/22 Monitoring	Next review	31/03/2022

Monthly Financial Monitoring Report 2021/22 Q3 December 2021

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

The closing balance of earmarked reserves at the 31st March 2022, including sums specifically ring-fenced to fund future deficits on the Collection Fund is estimated at £12,412k. Based on current plans and forecast commitments at the time of this report, earmarked reserves are anticipated to reduce to £6,954k over the life of the MTFs by March 2026.

Government Grants Unapplied – page 24

The opening value of Government Grants Unapplied at the 1st 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 £3,893k. 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 35. Some of these grants are ring-fenced for specific activities with any remaining balance having to be repaid to the originating body whereas others can be released to support the budget. At Q3, the required funding level from the Response and Recovery Reserve for spend to date, known commitments and to make good the Q3 variance of £512.5k is £2,316k.

Staff Monitoring – page 25

The table on page 25 shows the forecast staffing variances for the year based on Q3 actuals. The forecast for the year is currently £192k, noting the movement within Operations due to the updated forecast for use of agency labour and potential overtime requirements until year-end. This is made up of £167k from general staff turnover and vacancies, plus £25k from additional leave purchased by staff throughout the year. This is now a £34k adverse variance compared to the 2021/22 budget target of £225k.

Treasury & Cash Management - page 25 to 28

At the end of December, the bank balances were £20,860k. These resources continue to be higher than normal due to the level of Covid related Government grants received and held over from 20/21, including significant sums not yet returned to Government as part of the agreed reconciliation conditions. Due to the pandemic, banking institutions held interest rates at historically low levels, linking their product offerings to Bank of England 'Bank Rate'. At the time of this report the Bank of England has, for the first time in a number of years, increased Bank Rate at successive Monetary Policy Committee (MPC) meetings, increasing the rate from 0.10% to 0.25% (December 2021) to 0.50% respectively (February 2022). With the uncertainty around income and Covid-19 response requirements, and depressed interest rate levels on offer from approved counterparties (despite recent increases), Council officers have retained funds in instant access/liquid accounts. Consequently, the interest income forecast has been retained at £8.7k, as per Q2, against an original budget target of £16.4k, and is not considered to increase materially following the uplift in 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 £513k of doubtful debts. Following a significant increase to the provision for bad debts during 20/21, the level of cover for sums outstanding and that risk going unpaid is considered adequate at this time (c74% cover), but will continue to be monitored throughout the year.

Responsible Section/Team	Financial Services	Page	3
Responsible Author	Finance Manager	Produced	31/12/2021
Dates covered in this review	2021/22 Monitoring	Next review	31/03/2022

Monthly Financial Monitoring Report 2021/22 Q3 December 2021

Capital Receipts – page 30

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

Capital Grants due for projects in 2021/22 is expected to total £5,512k.

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

On current assumptions, the Capital Receipts Reserve is expected to total £105k at the year-end, reflecting the most cost effective method of financing the Council's 2021/22 forecast 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 33

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 DFG allocation has now been confirmed at £1,160k

The revised capital programme for 2021/22 is £9,818k.

Collection Fund 2021/22 (Council Tax & NNDR) - page 34 to 37

Council Tax collection levels are recovering however they are still not back to pre-pandemic levels also business rate collection continues to be lower than performance prior to Covid.

The Council Tax account is predicting an overall surplus of £66k for Rossendale. Court Cost income has yet to be realised, however we continue to estimate to receive £100k against a budget of £300k (consistent with Q2) giving an adverse variance of c£200k included in the projected outturn on page 5.

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

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 must be applied to accounts before 31st March 2022 and consequently sums are likely to impact on the outturn surplus/deficit position at the financial year-end, given similar compensation arrangements for 'lost' Collection Fund income into the Council's General Fund. This scheme is referred to as the Covid Additional Relief Fund (CARF).

Responsible Section/Team	Financial Services	Page	4
Responsible Author	Finance Manager	Produced	31/12/2021
Dates covered in this review	2021/22 Monitoring	Next review	31/03/2022

Monthly Financial Monitoring Report 2021/22 Q3 December 2021

Covid 19 – page 38 to 39

The Council has received various Covid related grants throughout the year and these have been itemised on page 38. 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 pending (c£3m), However the Council anticipates receipt and award of additional ARG sums and Omicron related grants to eligible recipients in Q4.

Responsible Section/Team	Financial Services	Page	5
Responsible Author	Finance Manager	Produced	31/12/2021
Dates covered in this review	2021/22 Monitoring	Next review	31/03/2022

Monthly Financial Monitoring Report 2021/22 Q3 December 2021

General Fund Summary - Period 9 (Quarter 3)

Service Area	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr3 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,405.4	1,726.6	(321.2)	(252.8)	(68.3)
Operational Functions	1,832.8	2,140.7	(307.9)	(148.8)	(159.0)
Communities (Parks and Cemeteries)	677.8	570.1	107.7	46.1	61.6
Public Protection Unit	155.5	149.3	6.2	(1.7)	7.9
Environmental Health	207.6	194.4	13.2	(6.0)	19.1
Licensing & Enforcement	115.4	125.9	(10.4)	(18.6)	8.2
Housing	497.4	538.0	(40.6)	(35.1)	(5.5)
Economic Development Directorate					
Planning Services	290.3	298.9	(8.6)	(9.0)	0.4
Building Control Services	(7.5)	(33.5)	26.1	27.5	(1.4)
Regeneration	336.1	349.0	(13.0)	(62.4)	49.4
Property Services	265.4	391.2	(125.8)	(32.0)	(93.8)
Corporate Management Directorate					
Corporate Management	465.4	391.1	74.3	41.9	32.4
Legal Services	172.5	155.3	17.2	7.5	9.6
Local Land Charges	(19.8)	(18.0)	(1.7)	(5.9)	4.2
Democratic Services	584.6	547.3	37.4	34.4	3.0
Financial Services	553.2	547.9	5.2	(19.8)	25.1
People and Policy	641.5	610.7	30.8	42.8	(12.0)
Non Distributed Costs	72.3	254.8	(182.6)	(184.6)	2.1
Capital Financing and Interest	656.7	475.4	181.4	114.0	67.4
TOTAL Service Cost	8,902.70	9,415.2	(512.5)	(462.6)	(49.8)
LESS Use of Earmarked Reserves					
Retained Business Rates Reserve	(2,180.0)	(2,180.0)	-	-	-
Response and Recovery Reserve	-	(512.5)	(512.5)	(462.6)	(49.8)
Lower Tier Services Grant	(93.0)	(93.0)	-	-	-
Transitional Budgetary Reserve	(606.0)	(606.0)	-	-	-
LESS Use of New Homes Bonus Grant	(213.0)	(213.0)	-	-	-
Net Service Cost	5,810.7	5,810.7	-	-	0.0

The monitoring report at Q3 21/22 is forecasting a predicted adverse variance of £512.5k (up from the forecast £462.6k at Q2). This forecast position will require a contribution of £512.5k from the Response and Recovery Reserve to balance the approved budget for the year, subject to the receipt of additional funding from Government.

At the time of this report, and in preparation for the closure of the Council's accounts for 2021/22, a review of core expenditure incurred in support of the response to the pandemic eg staffing costs, is being undertaken to assess eligibility of financing these from Covid related grant funding, to ease the pressure on Service budgets, and reduce the forecast adverse variance.

The main variances are shown in the table below. These largely replicate variances reported at Q2, being updated where relevant for amended year-end forecasts, and include: -

- Staff cost reductions are forecasting an adverse variance of £34k at year end against the required £200k of vacancy savings. In addition, staff have committed to fund £25k of additional leave to be taken over the course of the year, and this in line with budget expectations.
- Members are reminded that no court sessions were held throughout 20/21 owing to the pandemic, and this continues to have an impact into 21/22. Estimated court cost income has been assumed at £100k at Q3 (consistent with the Q2 forecast), down from the

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£300k approved budget. This is considered prudent as recovery action has recommenced in 21/22 with court cost income likely to follow. As this remains difficult to quantify, an adverse variance of £200k is therefore included in the forecast outturn.

- The deferred repayment of loans granted to the Rossendale Leisure Trust agreed by Council in February 2021 has an adverse variance on the forecast outturn in the sum of £101k. This is the final year of the agreement with repayments to commence from 22/23. Deferred payments relating to 20/21 and 21/22 will result in extension to the agreed repayment terms with income receipts now due in 26/27 and 34/35, where previously assumed to end in 25/26 and 33/34 respectively.
- Additional costs associated with delivering the Local Plan, based on further discussions with the Planning Inspectorate, are estimated at £66k. Sums held in the Planning Reserve are anticipated to be utilised in full to meet expenditure but these additional costs are therefore to be met from the Response and Recovery Reserve.
- As reported at Q2, an analysis of Central IT costs has identified software licence expenditure committed in 21/22 that relates, in part, to future years. In accordance with correct accountancy practice, these sums have been 'pre-paid' into 22/23. Included in the forecast outturn at Q3 are IT related costs incurred for the Rossendale Leisure Trust (£111k) that are assumed to be underwritten by the Council, and thus not to be recharged. Further analysis of the Council's commitments for annual licences is underway to ensure adequate budget provision exists annually, to meet its contractual commitments.
- 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 Q3, there is an estimated adverse variance on the revenue account of £83k. This estimate 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.
- Original budget assumptions pertaining to Rawtenstall Market included the recharge of eligible expenditure firstly incurred by the Council, to the managing agent, as an 'income stream'. However, discussions remain ongoing to determine an appropriate level of subsidy given the ongoing impact of Covid and also infrastructure arrangements for the supply and recharge of rising utility costs to tenants. At Q3, the working assumption is that the rechargeable income will be subsidised until the position is clarified. The impact is an adverse variance at Q3 of £63k of foregone 'income'.
- An adverse outturn variance of c£60k is assumed at Q3 in relation to income from commercial property rents, owing to the current economic climate.
- The Council is due to re-tender for Insurance cover and, at the same time, assess the adequacy of its revenue budget as part of the budget cycle and MTFs development. Insurance premiums have increased over time and beyond the forecast increases assumed in the budget estimates. On receipt of the premium for 21/22, the net budget 'gap' has been identified at £32k and this adverse position is included in the forecast outturn.

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- Significant increases to fuel 'pump prices' continue to impact the Council, and in particular the cost of its Operational fleet vehicles (Refuse Collection, Parks). Economic commentary (page 27) acknowledges the highest recorded fuel prices since 2013 and on current forecasts, an adverse variance of £82k is assumed in the outturn projection. The Council also continues to be impacted by rising utility costs for its own facilities.
- 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 a further favourable variance of £67k, contributing a favourable variance in the year in the sum of £189k.

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 forecast outturn position as noted above requires a contribution from the Response and Recovery Reserve to balance the 21/22 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 Q3
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 are being achieved but are below the Efficiency Target as reported on page 21.
IT Efficiencies	10	Owing to costs incurred for RLT that are not to be recharged, the target has not been met.
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.
Total Efficiency Targets	184	

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Annual Variances	Q1	Q2	Q3	Q4	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	
Communitites Directorate						
Customer Services and e-Government						
Staff costs	6.1	2.1	-		8.2	
Housing Benefits subsidy and admin grant	(58.5)	33.6	(29.2)		(54.1)	
Housing Benefit Local Council Tax support grant	42.8	-	-		42.8	
Housing Benefit bailiff fees	18.3	-	-		18.3	
Revenues & Benefits administration Contract	14.6	-	-		14.6	
Court costs recovered (net of bad debt provision)	(20.0)	-	-		(20.0)	
Business Rates - net costs of collection and s31 grants	(220.8)	-	-		(220.8)	
Central IT Costs	(12.0)	40.1	(34.2)		(6.1)	
Leisure Services - Deferred income from loan	(101.0)	-	(4.8)		(105.8)	
Other minor variances	(9.9)	11.7	(0.1)		1.7	(321.2)
Operational Functions and Communities						
Staff costs (including agency and overtime)	(8.7)	20.2	(112.1)		(100.6)	
Street sweep running costs	5.0	(5.4)	(25.3)		(25.7)	
Garden Waste Income Less Costs	(3.3)	5.8	2.8		5.3	
Extra Costs within Refuse	(52.2)	(26.2)	51.4		(27.0)	
Markets Income & Running expenses	-	(12.3)	(1.6)		(13.9)	
Trade Waste & Bulks Net income	26.0	26.0	(0.3)		51.7	
Fuel, Vehicle Maint and Hire	(7.3)	(68.7)	(43.5)		(119.5)	
Communities (Parks and Cemeteries)						
Parks & Open Spaces	9.7	(1.8)	(12.5)		(4.6)	
Cemeteries Net income	-	(0.7)	37.0		36.3	
Other minor variances	(3.6)	(5.2)	6.6		(2.2)	(200.2)
PPU, Env Hlth, Licensing and Housing						
Staff costs - net all areas	10.8	43.8	7.5		62.1	
Environmental Health						
Environmental Health administration expenses	2.4	(5.0)	10.4		7.8	
Environmental Health Fixed Penalty Notice Inc Adverse	(12.0)	3.2	19.1		10.3	
Licensing & Enforcement						
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		(1.8)	
Housing						
Empty Homes	-	(58.0)	(25.0)		(83.0)	
Strategic Housing, Housing Options and Private Ren.	10.1	(17.4)	(4.7)		(12.0)	
Housing - Extra Agency Costs	-	(18.6)	18.6		-	
Other minor variances	11.6	(15.0)	(3.5)		(6.9)	(31.7)
Economic Development Directorate						
Planning Services						
Staff costs (net of grant & fee income) - net all areas	55.0	4.2	7.4		66.6	
Planning Application Fee Income	75.7	(6.2)	(10.0)		59.5	
Planning Consultancy Professional fees	(60.6)	(11.8)	2.6		(69.8)	
Advice / consulting on Planning Applications	-	18.5	-		18.5	
Planning Pre-apps	(22.4)	-	-		(22.4)	
Building Control Services						
Building Control Fee Income	19.8	2.0	(2.1)		19.7	
Regeneration						
Economic development admin costs and Markets	(2.7)	(65.7)	(3.6)		(72.0)	
Childrens Partnership Board Grant income	1.1	4.9	54.6		60.6	
Other Property Running costs	21.1	-	(28.8)		(7.7)	
Spinning Point bus station	(8.7)	-	-		(8.7)	
Estates Income (Excluding Town Hall, Futures Park)	11.4	(2.5)	(28.5)		(19.6)	
Forward Planning - Local Plan	-	(66.5)	-		(66.5)	
Futures Park Plot 1 - deferred income	-	-	(30.0)		(30.0)	
Insurance & Service Charge - Futures Park plot 5	28.1	(60.0)	-		(31.9)	
Business Centre rentals	2.9	-	-		2.9	
Other minor variances	5.3	(18.7)	(7.1)		(20.5)	(121.3)
Corporate Management Directorate						
Corporate Management						
Staff costs - net all areas	96.7	10.4	5.6		112.7	
Use of Corp Contingency - Ribble Rivers grant	-	-	35.0		35.0	
Subscription movement	-	-	(15.0)		(15.0)	
Legal Services						
Legal income	(3.4)	0.9	5.4		2.9	
Democratic Services and Member costs	3.7	1.1	1.7		6.5	
Local Land Charges						
Land Charges income	(3.2)	(1.6)	3.6		(1.2)	
Financial Services						
Internal and External Audit - Finance	3.2	7.5	32.5		43.2	
Bank Charges	(17.0)	(1.7)	0.7		(18.0)	
People and Policy						
People and Policy administration costs	(12.5)	(3.4)	(11.0)		(26.9)	
Other minor variances	2.0	18.1	3.8		23.9	
Non-Distributed Costs						
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)	
Capital Financing and Interest						
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		1.0	161.9
Favourable/(adverse) variance	-192.2	-270.4	-49.9	0.0	-512.5	-512.5

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Communities Directorate

Period 9 (Dec)

Customer Services & ICT	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr3 (Adv)/Fav £000
Customer Services					
Benefits Administration	(234.3)	(289.2)	54.9	62.8	(8.0)
Benefits Granted	(23.7)	5.0	(28.8)	(27.4)	(1.4)
Local Tax Collection	(378.6)	(157.8)	(220.8)	(215.3)	(5.5)
Revenues & Benefits Partnership	1,046.7	1,046.7	-	14.6	(14.6)
Strategic Functions					
Management and Support	75.0	76.4	(1.4)	(0.8)	(0.6)
Service Assurance Team	128.5	140.5	(12.0)	(7.2)	(4.8)
Central Telephones	5.4	8.1	(2.7)	(0.2)	(2.5)
Central Printing	3.9	(2.3)	6.1	2.9	3.2
ICT Support	712.1	703.4	8.7	38.2	(29.5)
Leisure Services	70.5	195.8	(125.3)	(120.5)	(4.8)
Total	1,405.4	1,726.6	(321.2)	(252.8)	(68.4)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Benefits Admin			
Staff	8.2	1.0	9.2
Housing Benefit administration grant	15.3	-	15.3
Housing Benefit Subsidy (net grant position)	(27.6)	-	(27.6)
Housing Benefit External Audit fee	(13.0)	-	(13.0)
Housing Benefit Local Council Tax support grant	42.8	-	42.8
Housing Benefit bailiff fees	18.3	-	18.3
Benefits Granted			
Revenues & Benefits administration contract	14.6	(14.6)	-
Local Tax Collection			
CTax & BRates - court costs (net of bad debt provision)	(20.0)		(20.0)
Revenues & Benefits Partnership			
Business Rates - net costs of collection/court cost income	(220.8)	(15.5)	(236.3)
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
Service Assurance Team			
SAT Team Grants received (incl Universal Credit)	77.1		77.1
SAT Team additional costs (incl Universal Credit) funded by grants	(77.1)		(77.1)
ICT Support			
Central IT Costs	28.3	(31.7)	(3.4)
Switchboard internet telephony costs	(0.1)	(2.5)	(2.6)
Leisure Services			
Leisure Services - Deferred income from loan repayments where income originally assumed	(101.0)	(4.8)	(105.8)
Other minor variances	2.2	(0.2)	2.0
TOTAL	(252.8)	(68.3)	(321.1)

colour indicates related items

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Customer Service & ICT Highlight Report – Q3 (end December 2021)

Historic Issues

- None.

Current Quarter's Issues

At Q3 the forecast variance is £321.2k adverse, an adverse movement of £68.3k from Q2, the main changes being: -

- A favourable staffing movement of £1k in the quarter which has increased to a favourable forecast outturn estimate of £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 £13k 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. No movement from Q2.
- 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 Q2 report.
- At the end of Q3 the total value of court costs raised is £20k short of where we anticipated. Following last year's temporary hold on pursuing both NNDR and Council Tax debt, recovery through the courts has now re-commenced, however a budget shortfall is anticipated and has been forecasted to be one third of budgeted cost at £6k in line with the anticipated reduction in income from court fees.
- The Service Assurance Team has received new burdens and Universal Credit introduction grants of £80k so far, but officers are currently assuming that all of these grants will be used to fund additional work of software changes or administration either in 2021/22 or the beginning of 2022/23, so the net variance being predicted is £nil. The 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.
- The Revenues and Benefits administration contract costs are projecting a budget neutral position, this is due to future costs being uncertain and the prudent principle being applied so that forecast outturn equals budget, however actuals are below this level as at end of Q3.
- There has been a £4k adverse variance on the Service Assurance Team due to unavoidable professional fees being incurred relating to the resolution of rateable value disputes.
- Deferred income from loan repayments relating to leisure services are as previously reported – being an adverse variance of £101k relative to original budget assumptions. Also in leisure is an overspend in the quarter on computer equipment amounting to £10k.
- Central IT are forecasting an overspend due to two main reasons;
 1. Firstly, there has been an additional spend of £5k on costs related to RLT which are borne by the Council, and £6k on firewall costs.
 2. There has been an £11k adverse movement on computer software annual licences. This is due to a full prepayment review being carried out in Q3. This variance follows a review of provisions and reserves and is after any such funding provisions have been applied. The £11k comprises a mix of lower value unforeseen cost increases on hosting fees and licences.

Future Issues

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

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Communities Directorate

Period 9 (Dec)

Operations & Communities	2021/22 Org Budget £000	2021/22 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Operational Functions					
Operations Admin & Vehicle Maintenance	340.6	387.9	(47.3)	(60.2)	12.9
Refuse & Recycling	1,129.5	1,375.7	(246.2)	(97.0)	(149.3)
Street Sweeping	385.3	385.0	0.2	21.2	(21.0)
Markets	(22.5)	(8.0)	(14.5)	(12.9)	(1.6)
Communities					
Parks & Open Spaces	905.1	831.9	73.1	45.0	28.1
Cemeteries	(227.2)	(261.8)	34.6	1.1	33.5
Total	2,510.6	2,710.8	(200.2)	(102.7)	(97.4)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Operations Admin & Vehicle Maintenance			
Operations Efficiency Saving on Henrietta Street	(53.4)	(2.6)	(56.0)
Fleet Management Vacancy and Agency	2.8	0.8	3.6
Henrietta Street	(4.0)	(2.1)	(6.1)
Vehicle Maintenance (including tyres/ parts)	(22.2)	8.9	(13.3)
Fleet Running Costs MOTs	(3.7)	(14.4)	(18.1)
Fleet - extra fuel costs	(56.0)	(26.0)	(82.0)
Refuse & Recycling			
Refuse Salaries and Agency	(35.3)	(83.4)	(118.7)
General Garden Waste Expenditure	(4.1)	-	(4.1)
Garden Waste income	9.1	0.3	9.4
Bin Repairs and Litter Bins	(15.0)	(10.0)	(25.0)
Refuse purchase of tools and equipment and protective clothing	(2.0)	-	(2.0)
Trade Waste - Tipping Fees	(25.0)	23.0	(2.0)
Trade Waste - income	49.3	4.4	53.7
Street Sweeping			
Street Sweeping Salaries	51.5	(33.4)	18.1
Street Sweeping Hire of Vehicle	(31.0)	-	(31.0)
Street Sweep Insurance Settlements	13.5	-	13.5
Weed Killing	(6.0)	-	(6.0)
Street Sweep Litter Bins	(2.2)	-	(2.2)
Markets			
Market Income down	(12.3)	(1.6)	(13.9)
Parks & Open Spaces			
Parks Salary Variances (Including temporary gardeners)	67.7	20.0	87.7
Parks Extra Costs	(16.1)	(2.3)	(18.4)
Parks & Open Spaces S106	13.8	-	13.8
Cemeteries			
Cemeteries Repairs	(5.0)	(0.1)	(5.1)
Cemetery Income & Internment Fees	4.3	37.1	41.4
Other Variances			
Overtime Budgets (net all areas)	(21.8)	(13.5)	(35.3)
Other Variances	0.4	(2.6)	(2.2)
TOTAL	(102.7)	(97.5)	(200.2)

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Operations Highlight Report – Q3 (end of December 2021)

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

Current Quarter Issues: At the end of Q3, an adverse variance of £200.1k is forecast to the year-end for Operations and Communities, this is an increase of £97k since Q2. The overspend is the result of additional overtime of £35.3k and agency Costs are overspent by £161.4k. There has been an agreement to increase the supervisory provision within Refuse on permanent basis along with an Education Officer that has now been added to the budgeted substantive base from 22-23 onwards.

- At Q1, Garden Waste services had achieved the income budget target and has generated an estimated £9k of extra income.
- Within Refuse and Recycling, there has been additional pressure associated with Agency staff, which will be closely monitored throughout 21-22. The Refuse team are dealing with these pressures, much of which were associated with COVID19.
- Also within Refuse and Recycling, the Trade Waste Sector has made a favourable contribution to Q3 with agreements being put in place that have exceeded the income targets by £52k net across the different options available to traders.
- It is estimated that costs associated with the refurbishment and replacement of wheeled Bins will exceed the revenue budget by £25k. Additional costs incurred are linked to the supply of extra bins for newly built houses in the borough. There has also been extra Garden Waste Expenditure £4.2k.
- Within Street Sweep, there have been two vehicles damaged with net insurance settlements of £13.5k having been received. These vehicles were earmarked for replacement later in the year but in the interim, hire costs for 30 weeks' cover is causing a £27k pressure on the vehicle budget. Other pressures within Street Sweep include the Weed Killing and Caretaker Whitworth budget in the sum of £19.4k. Forecast expenditure for these budget lines is estimated at £25k, causing an adverse variance of c£6k.
- Vehicle Maintenance costs are being carefully monitored to try to avoid any overspend at the year-end. Fuel costs have risen dramatically over the summer and autumn causing the forecast out-turns to be overspent by a prudent £92k if the trend continues.
- Markets for Bacup and Haslingden have not achieved budget income costing £14k.
- Cemeteries income is forecast to over achieve budget by an estimate of £36k.
- Extra costs for the purchase of tools and equipment £11k, Protective Clothing £2.6k and External Contracts on Parks for £4k.

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 achieving Council targets at the end of Quarter 3. 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 is currently trialling the use of alternative fuel (HVO – Hydrotreated Vegetable Oil) in a number vehicle's as part of the commitment to reduce CO2 emissions. Subject to performance and impact on service delivery, an assessment of the cost/benefits will be taken at a future date regarding larger scale transfer to alternative fuel.

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Communities Directorate

Period 9 (Dec)

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 3 (Adv)/Fav £000
Public Protection Unit	155.5	149.3	6.2	(1.7)	7.9
Environmental Health	207.6	194.4	13.2	(6.0)	19.1
Licensing & Enforcement	115.4	125.9	(10.4)	(18.6)	8.2
Strategic Housing					
Housing Strategy	56.6	39.9	16.7	6.7	10.0
Private Sector Housing Renewals	(0.7)	(27.3)	26.6	17.3	9.3
Homelessness	141.5	142.4	(0.9)	(1.2)	0.2
Empty Homes Scheme	300.0	383.0	(83.0)	(58.0)	(25.0)
Total	975.9	1,007.6	(31.7)	(61.4)	29.7

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
Environmental Health			
Environmental Health - staffing and consultant	5.4	-	5.4
Housing Strategy - staffing	25.3	(3.9)	21.4
Licensing & Enforcement			
Licensing & Enforcement - staffing	(1.3)	(0.5)	(1.8)
Computer Purchase & Software costs for Licensing	4.6	0.3	4.9
Taxi misc income	(3.6)	4.7	1.1
Animal Licensing income	(9.5)	1.7	(7.8)
Housing Strategy			
Other Variances EH Income Contributions and Direct Cost Savings	(2.6)	0.1	(2.5)
EH Fixed Penalty Notice Income Adverse	(8.8)	19.1	10.3
Extra Income on Administration Costs	(7.6)	0.2	(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	(1.7)	7.9	6.2
Strategic Housing Direct Costs		(4.7)	(4.7)
Housing - Extra Agency Costs	(18.6)	18.6	-
Private Hire income & expenditure	(9.0)	(0.7)	(9.7)
Hackney income & expenditure	0.2	1.3	1.5
Private Sector Housing Renewals			
Private Sector Renewals - Staffing	17.7	11.9	29.6
Homelessness			
Homelessness - staffing	7.5	-	7.5
Empty Homes Scheme			
Empty Homes Scheme	(58.0)	(25.0)	(83.0)
Other Variances	(1.7)	(1.3)	(3.0)
TOTAL	(61.4)	29.7	(31.8)

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Public Protection and Housing Highlight Report – Q3 (end Dec 2021)

Historic Issues

- Nothing reported

Current Quarter Issues

At the end of Q3 the Public Protection Unit and Housing Services budgets are projecting an adverse variance of £31.7k, with the main movements being:

- The vacancy in Housing Strategy for the Strategic Housing Manager post has now been filled. A forecast savings of £21.4k has been generated based on no occupancy for the first half of the year. Environmental Health has generated savings of £5.4k on staffing with appointments being made at spinal column points below those assumed in the budget estimates.
- Other Staffing savings include Private Sector Renewal £29.8k and Homelessness Team £7.5k.
- Housing have used Agency professionals to cover vacancies whilst the new team has been recruited to, incurring £18.6k of costs that have now been transferred to COVID as the work done in the team was centred around preventing homelessness during the lock down and ad hoc restrictions that were in place during the year.
- Within the Housing Options Team – there is currently a shortfall on recovery of administration costs in the sum of £5k
- Environmental Health have savings against direct costs totalling £10.2k
- Within Environmental Health, the Fixed Penalty Notice income target will not be achieved as the contract arrangements are not complete for 21-22 leaving a shortfall of £15k. However, during the year a number of other contributions have been made £6.9k
- 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 £6.1k forecasted to the year end.
- During the second quarter empty homes have exceeded the budget with an adverse forecast out-turn of £83k. 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:**
 - The Licensing Salary costs are showing an adverse variance of £1.8k.
 - The net Taxi Licencing budget is forecasting an adverse variance of £2.2k. This is predominantly due to reduced income levels.
 - Animal Licensing income is projected to forecast an adverse variance of £7.8k.

Future Issues

Taxi Licensing – subject to approval – 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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Economic Development Directorate

Period 9 (Dec)

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 3 (Adv)/Fav £000
Planning					
Development Control	143.0	79.2	63.7	60.8	2.9
Forward Planning	147.3	219.7	(72.4)	(69.8)	(2.5)
Building Control					
Building Control - Fee Earning Account	(43.2)	(61.4)	18.2	20.9	(2.7)
Building Control - Statutory Function	31.7	31.2	0.6	0.0	0.6
Building Control - Street Signs	4.0	(3.3)	7.3	6.6	0.7
Regeneration					
Regeneration Mangement	139.1	78.6	60.4	6.1	54.4
Economic Regeneration and Rawtenstall Market	70.5	142.5	(72.0)	(68.4)	(3.5)
Whitaker Park Museum	71.5	72.9	(1.4)	0.0	(1.4)
Tourisms	40.0	40.0	(0.0)	(0.0)	(0.0)
Area Forums	15.0	15.0	-	-	-
Property Services & Facilities Management					
Property Services Team	98.0	78.2	19.8	19.1	0.7
Corporate Estates	(345.2)	(386.1)	40.9	103.6	(62.7)
Non Domestic Estates	(117.3)	(125.3)	8.0	9.3	(1.3)
Office Accommodation	32.4	29.3	3.1	7.6	(4.5)
Operational Properties	353.7	386.8	(33.1)	(9.8)	(23.3)
Leisure Properties	53.0	122.5	(69.5)	(67.6)	(2.0)
Bus Shelters	57.2	145.0	(87.8)	(86.8)	(1.0)
Business Centre	133.7	140.9	(7.2)	(7.5)	0.3
Total	884.3	1,005.6	(121.3)	(75.9)	(45.5)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
Planning			
Planning / Forward Planning staffing	145.4	-	145.4
Planning/Forward Planning Consultancy fees/ Legal fees	(145.7)	2.6	(143.1)
Planning Application Fee Income (excluding additional 20% broken housing market)	69.5	(10.0)	59.5
Pre-App Income	(22.4)	-	(22.4)
Advice / consulting on Planning Applications	18.5	-	18.5
Forward Planning - Local Plan	(66.5)	-	(66.5)
Building Control			
Building Control staffing	3.6	-	3.6
Building Control Fees	21.8	(2.1)	19.7
Regeneration Mangement			
Communities vacancy saving and transferred costs to COMF for COVID related activities	6.0	54.4	60.4
Economic Regeneration and Rawtenstall Market			
Economic development admin costs & reduced market income	(68.4)	(3.6)	(72.0)
Property Services Team			
Property Services staffing	(5.4)	-	(5.4)
Pool Car, CCTV, Emergency Planning	1.5	-	1.5
Corporate Estates			
Non Domestic Estates			
All other Estates income; Industrial units	(0.8)	(58.5)	(59.3)
Operational Properties			
Property Running Costs: Repairs & Maintenance	0.3	(12.7)	(12.4)
Electricity, Gas & Water	(15.9)	(15.6)	(31.5)
NNDR - excluding Spinning Point bus station	21.5	(0.5)	21.0
Leisure Properties			
Bus Station / Shelters			
Spinning Point Bus Station running costs	(8.7)	-	(8.7)
Business Centre			
Business Centre rentals	2.9	-	2.9
Business Centre cleaning costs	(7.0)	(1.5)	(8.5)
Business Miscellaneous savings	5.8	(3.1)	2.7
Property Insurance Premiums	(31.9)	-	(31.9)
Other Miscellaneous Variances	-	5.1	5.1
TOTAL	(75.8)	(45.5)	(121.3)

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Economic Development & Regeneration Highlight Report – Q3 (end Dec 2021)

Historic Issues

- None

Current Quarter Issues

Economic Development, Communities and Regeneration are currently forecasting an adverse variance of £12.9k, which is broken down as detailed below: -

- Staff Costs in ED & Regeneration are within budget. There have been some extra costs incurred for recruitment of £3.9k, and other, smaller miscellaneous items totalling £3.9k.
- The running of Rawtenstall Market has changed ownership to Play Ltd and it has been agreed that year one will be subsidised by the Council. Thus, the budgeted income in 21-22 will be Nil – subsidy needed net of recharges will be £62.5k. The recharges to Play Ltd will be for the Utilities which will be done quarterly. With ED there will also be some reserves matched to Staffing Costs for one of the Staff up to May 21. Note Electricity Costs for RBC for the Market are overspent by £1.2k.
- Communities have net savings of £6.9k 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. There has now been costs recharged to Rossendale Leisure Trust for Staff working on the Together Active Futures Fund Programme £7k. We have also transferred cost for activities related to COVID £47k.

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

- Salary costs are showing an adverse variance of £5.4k.
- Facilities running costs are showing an adverse variance of £31.5k Forecast has moved adversely for remainder of year due to fuel price increases
- The Estates income is showing an overall adverse variance of £59.3k New income target budgets are not looking likely to be achieved this financial year
- Spinning point bus station is running at a cost of £8.7k, this is due to the delayed start to the anticipated rental income from the retail units.
- 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 £149k, however this is offset by the consultancy costs (used for conservation cases and complicated cases, staff vacancies) which are projected to be £143k adverse
- Planning / Building Control income is projected to show an over achievement of £79.2k
- Pre-application fees have an income target of £31.6k for 21/22. At Q2 the actual income received is £8.4k. Consequently an under achievement of income estimated at £22.4k is projected
- Planning have received planning advice income (separate to Pre-App) of £20k to date
- The Local Plan is in the final year; due to the Inspectorate costs and additional/improved projects. The final cost is projected over by £66.5k (after the use of reserves)

Future Issues

- Officers are reviewing the Whittaker Museum utilities budget overspend, working with the museum to draw up a commercial lease and separate funding agreement.

The Local Plan Inspectorate instructed RBC to commission further studies after the inspection in September 2020. The Inspectorate costs for 2021/22 are £97k and further studies costing £27k. Consideration will need to be given to funding these costs as the anticipated figure exceeds the sums available in the Planning Reserve. The projected over spend is £66k

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Corporate Services Directorate

Period 9 (Dec)

Corporate Management	2021/22 Org Budget £000	2021/221 Forecast £000	2021/22 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Corporate Management					
Executive Office	350.5	333.1	17.4	11.6	5.8
Corporate Contingency	50.0	15.0	35.0	-	35.0
Exec Support & Corporate Subscriptions	64.9	43.1	21.9	30.3	(8.5)
Community Safety			-	-	-
Legal Services	172.5	155.3	17.2	7.5	9.6
Land Charges	(19.8)	(18.0)	(1.7)	(5.9)	4.2
Democratic Services					-
Electoral Registration	77.6	73.3	4.3	4.3	-
Elections	79.4	75.1	4.3	4.2	0.2
Democratic Support	371.6	339.2	32.4	27.8	4.6
Mayoralty & Civic Events	53.5	57.2	(3.7)	(2.0)	(1.8)
Town Twinning	2.5	2.5	-	0.0	(0.0)
Financial Services					-
Treasury Management	81.0	92.2	(11.2)	(9.0)	(2.2)
Insurance, Risk & Audit Fees	64.7	30.6	34.1	(1.3)	35.4
Financial Services Team	407.5	425.2	(17.7)	(9.5)	(8.1)
People & Policy					-
Human Resources	406.9	417.9	(11.0)	9.5	(20.5)
Corporate Support	230.6	192.7	37.8	29.3	8.6
Publicity	4.0	-	4.0	4.0	-
Total	2,397.4	2,234.3	163.1	100.8	62.3

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
Executive Office			
Salary variances	41.3	7.1	48.4
Subscriptions movement	-	(14.7)	(14.7)
Corporate Contingency			
Use of contingency for grant support to Ribble Rivers Trust	-	35.0	35.0
Legal Services			
Salary variances	5.4	5.6	11.0
Professional fees / Legal books	5.3	(1.4)	3.9
Legal income	(2.5)	5.4	2.9
Land Charges			
Salary variances	(4.8)	-	(4.8)
Land Charges Income	(4.8)	3.6	(1.2)
Electoral Registration			
Democratic Support			
Democratic services salary variances	24.0	-	24.0
Mayoralty & Civic Events			
Salary variances - mayoralty	1.2	-	1.2
Salary variances - elections	8.6	-	8.6
Members savings	0.5	1.7	2.2
Democratic & Mayoralty savings	4.3	1.2	5.5
Financial Services Team			
Salary variances - Accountants	(9.5)	(1.0)	(10.5)
Salary variances - Exchequer	(1.0)	(6.0)	(7.0)
External Audit - Accountancy	12.0	(3.0)	9.0
Internal Audit - LCC	(1.4)	35.5	34.1
Bank Charges	(18.7)	0.7	(18.0)
Human Resources			
Salary variances	31.8	(8.0)	23.8
People and Policy administration costs	(15.9)	(11.0)	(26.9)
Corporate Support			
Salary variances	26.5	8.0	34.5
Publicity			
Other Misc under / (over) spends - revised NI forecast/correction to Q1	(1.5)	3.6	2.1
TOTAL	100.8	62.3	163.1

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Corporate Management Highlight Report – Q3 (end Dec 2021)

Historic Issues

- None

Current Quarter Issues

The Corporate Management outturn is now showing an under-spend at £162.8k favourable, the main movements being: -

- Staff changes are £129.2k favourable, noting a review of the Q1 position and reassessment of National Insurance outturn forecasts:
 - Corporate Management - saving of £48k
 - Legal Services – are showing a saving of £11k
 - Democratic Services – Saving of £25k, this forms part of the February 2021 efficiency savings plan
 - Elections are showing a saving of £8.6k due to Elections assistant taking phased retirement
 - Financial Services – adverse £17k linked to staffing appointments at higher than original budget assumptions, but does not yet reflect review of core staff time eligible for funding from Covid grant sums eg Track and Trace Administration grant
 - People & Policy - following a recent restructure the part-year reductions have led to £58k saving as included in the efficiency target set for the year
- Democratic Services are showing a slight saving of £4.6k.
- Local Land Charges income is showing an adverse variance of £1.2k. The position has improved by £3.6k from Q2. This has been achieved through appointment of a temporary Land Charges Officer, funded from Covid grant monies.
- There is a favourable variance against external Audit fees of £12k 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 £40k.

Futures Issues

- None

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Corporate Services Directorate

Period 9 (Dec)

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 Qtr 3 (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	52.8	237.4	(184.6)	(184.6)	0.0
Other Non-distributed Costs	19.5	17.4	2.1	0.0	2.1
Capital Financing					
Minimum Revenue Provision	534.7	346.2	188.5	121.7	66.8
Interest (net)	122.0	129.2	(7.2)	(7.7)	0.6
Total	729.0	730.2	(1.2)	(70.6)	69.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Employee & Pension Costs			
Vacancy control savings target - net	(200.0)	-	(200.0)
Historical pension costs	17.9	-	17.9
Other minor variances	-	(0.5)	(0.5)
Capital Financing			
MRP Re-profile	121.7	66.8	188.5
Interest expenditure/income from bank accounts	(8.7)	0.6	(8.1)
Other minor variances	(1.5)	2.5	1.0
TOTAL	(70.6)	69.4	(1.2)

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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 Q3 projection is a £17.9k favourable variance.

Current Quarter Issues

This Q3 outturn is forecasting a net favourable variance of £1.2k with the main movements being: -

- The original budgeted staff savings target was £200k. Total savings in staff costs forecast at Q3 to year-end are now £166.5k. Added to this is around £25k of savings from employees purchasing additional leave. The significant movement from Q2 relates to increased overtime and agency labour costs as included in the variation commentary for Operations. This gives an overall net adverse variance in staff costs of £34k. 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 forecast budget outturn.

Forecast Year End Staffing Variances	Q1*	Cum Q2	Cum Q3
Customer Services	6.2	8.2	9.2
Operations	(8.7)	11.5	(100.6)
Public Protection	10.8	54.6	62.1
Economic Development	55.0	59.2	66.6
Corporate Management	44.5	41.3	48.4
Legal & Democratic	30.9	34.4	40.0
Financial Services	10.5	(10.5)	(17.5)
People & Policy*	10.7	58.3	58.3
Savings in staff costs	159.9	257.0	166.5
Additional Leave	25.0	25.0	25.0
Total staff savings	184.9	282.0	191.5
Original savings target	(225.0)	(225.0)	(225.0)
Staff Variance	(40.1)	57.0	(33.5)

*NB The Q1 position was understated owing to exclusion of National Insurance implications but is shown above as originally reported. This has been adjusted in the cumulative position and forecast outturn projections.

- 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 suggestions at the time of this report that further increases may lie ahead, there is no change to forecast income levels. In addition, the level of uncertainty around income collection has prompted officers to keep cash flow mainly with instant accounts throughout the year.
- The provision for doubtful debt as at 1 April 2021 was £380k. There is currently no proposal to increase the level of cover but this will remain under review throughout the year.
- Projected savings on MRP: £188.5k, up from £121.7k reported at Q2 as financing the 20/21 Capital outturn is concluded.

Future Issues

None

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention Reserve	Transitional Budgetary Support	Planning Reserve	Response & Recovery Reserve
	AN060103	AN060123	AN060144	AN060129	AN060145	AN06
Balance at 01/04/2021	387.7	74.0	6,228.9	1,789.5	112.8	1,389.2
Funds Received 2021/22						
Collection Fund - S31 Grants (NNDR1)			1,655.0			
Collection Fund - Renewable Energy (NNDR1)			183.0			
New Homes Bonus				213.0		
Lower Tier Services Grant				93.0		
Other Revenue income received						1,471.0
Total Funds Available	387.7	74.0	8,066.9	2,095.5	112.8	2,860.2
2021/22 Published Budget Utilisation						
Retained Business Rates						
New Homes Bonus				(213.0)		
Lower Tier Services Grant				(93.0)		
General budget support			(606.0)			
2021/22 Other Utilisation Plans						
Transfers between Reserves	36.5		(1,655.0)	1,618.5		
Cockerill Square				(40.0)		
Legal fees for Ski Slope						
Budget support - Covid related costs						(2,316.2)
Support Forward Plan					(92.8)	
City Vally Link Business Case				(16.7)		
Economic Development Projects	(424.2)					
Legionella Risk Assessment						
Living Well, Living Better Project						
Leisure Services						
Haslingden Task Force						
Homelessness Projects						
Future Leisure and Wellbeing Options KKP						
Property-related projects						
Total Utilisation Commitment	(387.7)	0.0	(2,261.0)	1,255.8	(92.8)	(2,316.2)
Reserve Estimates 31/3/2022	(0.0)	74.0	5,805.9	3,351.3	20.0	544.0
Future Contributions/Utilisation Plans						
2022/23 Plans						
Original MTFS Assumption 21/22	0.0		(1,276.0)	(401.0)		(52.2)
Rosendale Works yr1 of 2				(30.0)		
2022/23 Plans	0.0	0.0	(1,276.0)	(431.0)	0.0	(52.2)
Original MTFS Assumption 21/22	0.0		(1,276.0)	(404.0)		
Rosendale Works yr2 of 2				(22.5)		
Original MTFS Assumption 21/22	0.0	0.0	(1,276.0)	(426.5)	0.0	0.0
2024/25 Plans	0.0		(1,211.0)	(400.0)		
2025/26 Plans						
Potential Reserve Balances	(0.0)	74.0	2,042.9	2,093.8	20.0	491.8

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

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Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserve	Rawtenstall Bus Station	Directorate Reserves	General Reserve	Total
	AN060130	AN060118	AN060150	AN060121		
Balance at 01/04/2021	189.1	55.5	517.0	973.6	1,000.0	12,717.4
Funds Received 2020/21						
Collection Fund - S31 Grants						1,655.0
Collection Fund - Renewable Energy						183.0
New Homes Bonus						213.0
Lower Tier Services Grant						93.0
Other Revenue income received				91.6		1,562.6
Total Funds Available	189.1	55.5	517.0	1,065.2	1,000.0	16,424.0
2021/22 Published Budget Utilisation						
Retained Business Rates						0.0
New Homes Bonus						(213.0)
Lower Tier Services Grant						(93.0)
General budget support						(606.0)
2021/22 Other Utilisation Plans						
Transfers between Reserves						0.0
Cockerill Square						(40.0)
Legal fees for Ski Slope		(14.6)				(14.6)
Budget support - Covid related costs						(2,316.2)
Support Forward Plan						(92.8)
City Vally Link Business Case						(16.7)
Economic Development Projects				(21.0)		(445.2)
Legionella Risk Assessment				(26.5)		(26.5)
Living Well, Living Better Project				(13.1)		(13.1)
Leisure Services		(7.8)		0.0		(7.8)
Haslingden Task Force				(37.2)		(37.2)
Homelessness and Communities Projects				(60.0)		(60.0)
Future Leisure and Wellbeing Options KKP		(18.5)		0.0		(18.5)
Property-related projects		(0.9)		(10.9)		(11.8)
Total Utilisation Commitment	0.0	(41.8)	0.0	(168.7)		
Reserve Estimates 31/3/2022	189.1	13.7	517.0	896.5	1,000.0	12,411.6
Future Contributions/Utilisation Plans						
2022/23 Plans						
Original MTFs Assumption 21/22						
Rosendale Works yr1 of 2						
2022/23 Plans	(30.0)			(169.0)		(1,958.2)
Original MTFs Assumption 21/22						
Rosendale Works yr2 of 2						
Original MTFs Assumption 21/22	(35.0)			(108.8)		(3,804.5)
2024/25 Plans				(42.0)		(5,457.5)
2025/26 Plans						
Potential Reserve Balances	124.1	13.7	517.0	576.7	1,000.0	6,954.1

Current issues

As noted on page 2, the adverse variance on the General Fund of £512.5k 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).

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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. In addition there is a transfer from the Transitional Budgetary Support Reserve to the Employment and Transport Reserve to fund approved commitments.

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 Q3, the estimated net contribution from the reserve, including bridging the forecast adverse variance of £512.5k, is £2,316k. Details of these commitments are included in the Covid summary on page 38.

Agreed detail of the usage of the Employment & Transport Reserve can be seen in the table on page 22.

Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Hoarding Grant	Covid Grants	Total
	£000	£000	£000	£000	£000	
	AL030132	AL030127	AL030130	AL030129		
Balance at 01/04/2021	1,858.3	52.9	6.8	1.7	0.0	1,919.7
New Funds Received 2021/22						
Grant due/received	1,160.1				3,893.0	5,053.1
Total Funds Available	3,018.3	52.9	6.8	1.7	3,893.0	6,972.7
Utilisation in 2021/22						
DFGs allocation 2021/22 - <i>confirmed</i>	(1,160.1)					(1,160.1)
Transforming Lives/Hoarding Projects				(1.7)		(1.7)
Homelessness Project						0.0
Domestic Abuse Projects			(6.8)			(6.8)
Covid related expenditure					(3,893.0)	(3,893.0)
Movement to Earmarked Reserves						0.0
Anticipated Balance 31/03/2022	1,858.2	52.9	0.0	0.0	0.0	1,911.1
Future Utilisation Plans						
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)
Potential Reserve Balances	0.0	0.0	0.0	0.0	0.0	0.0

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. However, the Council's approved Medium Term Capital Strategy assumes DFG grant receipts in the sum of £1,000k per year over the plan period.

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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 38 and 39.

Staff Costs, including agency

Employment Costs 2021/22 to end December	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2021/22	FTE Changes during 2021/22	Current Vacant Posts
Communities Directorate								
Customer Services	238	251	(13)	3	(16)	7.8	0.0	0
Operations Service	1,246	1,374	(128)	(63)	(65)	53.0	0.0	3
Communities	526	461	65	42	23	23.0	0.0	1
Environmental Health	144	129	15	8	7	7.0	0.0	0
Licensing & Enforcement	237	243	(6)	-	(6)	6.0	0.0	0
Housing	187	158	29	11	18	7.0	0.0	1
Economic Development Directorate								
Planning Services	357	301	56	46	10	11.4	0.0	2
Building Control Services	93	85	8	3	5	3.0	0.0	0
Regeneration	137	115	22	9	14	5.0	0.0	0
Property Services	72	76	(4)	(0)	(4)	3.6	0.0	0
Corporate Services								
Corporate Management	281	240	41	13	28	4.0	0.0	1
Legal Services	115	111	4	4	0	3.0	0.0	0
Local Land Charges	29	31	(2)	(1)	-	1.0	0.0	0
Democratic Services	199	169	30	19	11	7.4	0.0	0
Financial Services	303	299	4	0	4	9.0	0.0	0
People & Policy	466	413	53	30	23	17.6	0.0	0
Total	4,630	4,456	174	125	50	168.8	0.0	8.0

Treasury Management & Cash Flow Monitoring

At the end of December the bank balances were £20.86m. Maintenance of significant cash balances in Q3 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. The latest information now suggests that this will become due in February 2022.

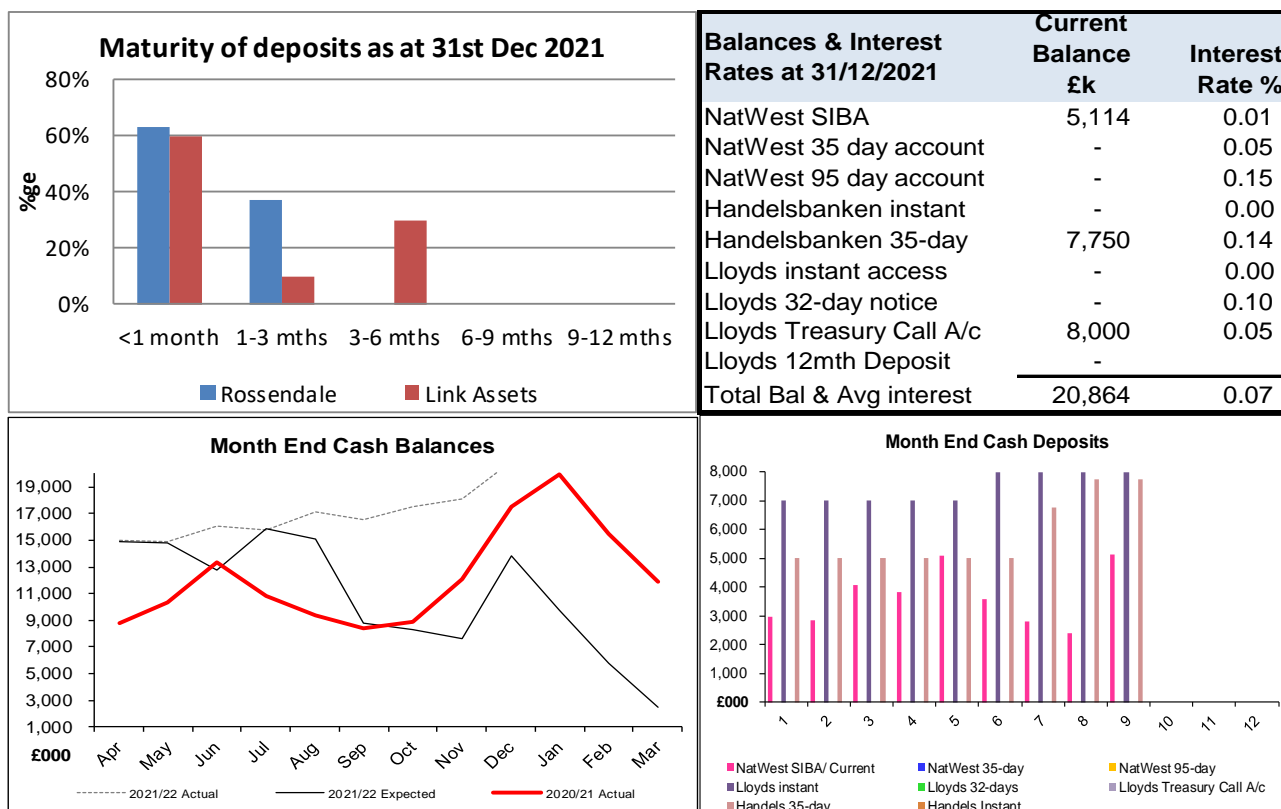
During the period the Council has also received continued funding support for the ongoing response to the pandemic eg Track and Trace grants income, Homelessness Support Funding. In each case there is a 'lag' between receipt of grant income and outflows of cash to eligible recipients.

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

Consequently, the current position is forecast to unwind over the course of the year to reduce balances to below c£7m by the end of Q4.

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Despite the Council holding significant, temporary cash balances, interest rates on offer from the Council's approved Counterparties remain at historically low levels. The Bank of England voted to increase the 'Bank Rate' on 15th December 2021, from 0.10% to 0.25% but the impact on the Council's investment income is considered negligible.

Instant access arrangements typically return lower interest rates, and the Council's current strategy is to retain a significant portion of its balances as liquid funds, to ensure it can respond promptly when required to the ongoing implications of the pandemic.

The Council's current portfolio mix consists of liquid funds of £13.1m and call account sums (35 day notice) of £7.8m.

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

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

The average effective interest rate at the end of Q2 was 0.07%, compared to a target of 0.1%. Future investment returns are being developed as part of the Budget process, including annual review of the Council's Treasury Management Strategy, which

Interest Forecast	Budget 2021/22	Forecast 2021/22	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLb)	(137.5)	(137.5)	0.0	0.0
Other interest payable	(1.0)	(1.0)	0.0	0.0
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	16.4	8.7	(7.7)	(7.7)
Net Interest	(122.1)	(129.8)	(7.7)	(7.7)

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includes the Annual Investment Strategy.

Interest Paid/Received

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

Despite a more pessimistic view of interest income being taken for the 21/22 Budget when compared to 20/21 (compare budget of £76.4k) at Q3, the forecast for interest income is an adverse variance of £7.7k, unchanged from forward projections reported at Q2.

As above, the recent decisions of the Monetary Policy Committee (MPC) to raise Bank Rate is considered to have little to no effect on forecast interest income.

Economic Outlook

(Released December 21)

The Consumer Prices Index (CPI) rose by 5.4% in the 12 months to December 2021, up from 5.1% in November. This continues to impact on forward budget projections and development of the MTFS.

The largest upward contributions to the December 2021 CPIH 12-month inflation rate came from housing and household services (1.31 percentage points) and transport (1.29 percentage points, principally from motor fuels and second-hand cars). Fuel inflation continues to impact on the 21/22 forecast outturn position as per the above commentary.

The Consumer Prices Index (CPI) rose by 5.4% in the 12 months to December 2021, up from 5.1% to November. This is the highest CPI 12-month inflation rate in the National Statistic data series, which began in January 1997, and it was last higher in the historical modelled data series in March 1992, when it stood at 7.1%.

In December 2021, the CPI rose by 0.5% from the previous month, compared with a rise of 0.3% in the same month the previous year.

The contribution from housing and household services increased from 1.28 percentage points in November to 1.31 percentage points in December 2021, which is the largest contribution from any division this month, and is the largest contribution from this division since early 2009.

The contributions in both months were significantly above those from April to September 2021. This was a result of price rises for gas and electricity following the increase in the cap on energy prices, which changed on 1 October 2021. The Office of Gas and Electricity Markets (Ofgem) introduced energy price caps to limit the price energy suppliers can charge the estimated 15 million households that either use a prepayment meter or are on the “standard variable” energy (or default) tariff. As the energy regulator, Ofgem updates the energy price caps twice a year, in April and October, to ensure that they reflect changes in the cost of supplying energy.

In April 2020, the energy price cap had been reduced causing a downward contribution from electricity, gas and other fuels of 0.20 percentage points. This fall was reversed in April 2021 with rises in gas and electricity prices. On 6 August 2021, Ofgem published the cap levels for the period from 1 October 2021 to 31 March 2022. They reported that the price cap had

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increased by 12% since April 2021 because of “a rise of over 50% in energy costs over the last six months with gas prices hitting a record high as the world emerges from lockdown”.

Combined with the April 2021 increases, these latest rises resulted in 12-month inflation rates of 18.8% for electricity and 28.1% for gas in October 2021. These rates were unchanged in November and December, and were the highest annual rates for these classes since early 2009. Altogether, electricity, gas and other fuels contributed 0.59 percentage points to the annual rate.

Again, the Council’s original budget estimates continue to be impacted by utility costs associated with management of its Facilities.

Borrowing

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

Given the 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 Dec 2021</i>	Current Rates	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022
Base Rate	0.50%	0.25%	0.75%	1.00%	1.00%	1.25%
25yr PWLB*	1.80%	1.80%	2.40%	2.50%	2.50%	2.60%
25yr PWLB	2.00%	2.00%	2.60%	2.70%	2.70%	2.80%

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

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

Treasury Management Practices (TMPs) and Prudential Indicators

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

The Council has operated within the approved parameters throughout the year to date.

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Sundry Debts Monitoring

Invoices raised in the year, to the end of Q3 totalled £2,036k. As at December 21, £274k (13%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 87%.

During the period to date, c50% of pre 21/22 debts outstanding as at 31 March 2021 had been recovered.

Housing Rent Debts

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

Doubtful debts

The debtor days in Q3, based on a rolling 12 month average has improved, down from 87 days to 78 days, for collection of sums due. This figure is within the target target average of 80 days.

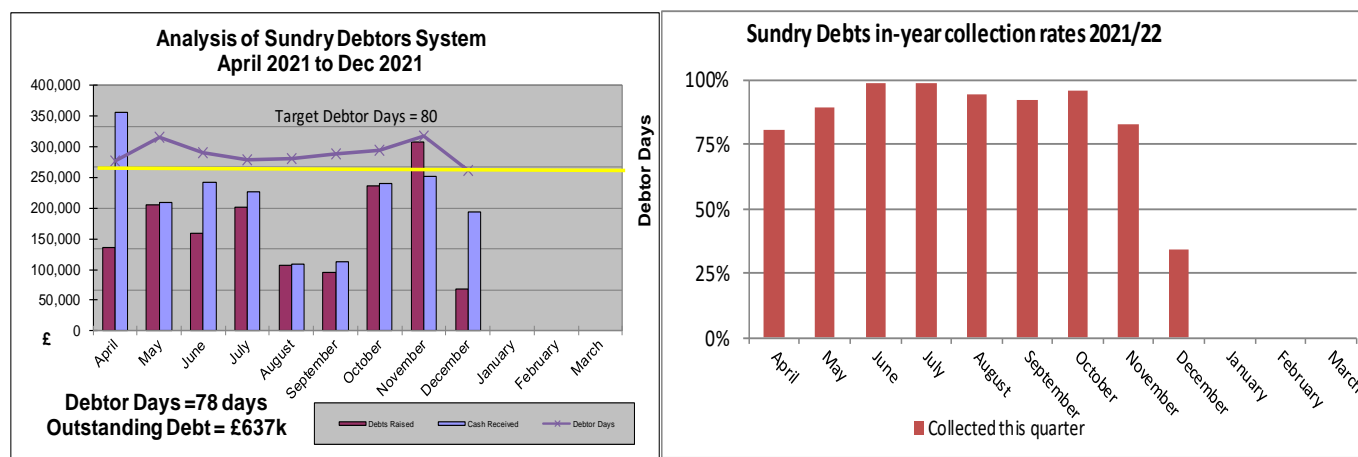
Following a significant increase to the level of cover for bad and doubtful debts during 20/21, the Council has a provision of c74% for debts its considered to be at risk of going unpaid (impairment) and c60% for total debt issued and considered overdue.

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

The current level of provision is considered adequate for Q3 but will be monitored throughout the year to assess the ongoing impact of Covid on debt recovery.

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

As can be seen in the trend presented in the in-year performance graph below, collection rates for recently issued invoices, tend to 'lag', particularly evident at quarter end, before payment is received in the following period. However, the overall collection rate for invoices raised in the year is 87% as noted above.



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Debts Outstanding	Mar 2020	Dec 2020	31 Mar 21		30 Jun 2021		30 Sep 2021	31 Dec 2021	Doubtful Debts	
	£k	£k	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	60.2	57.6		56.3		49.0	49.0	45.9	100%	45.9
2016/17 Debt	19.7	19.9		19.9		19.7	19.7	19.7	100%	19.7
2017/18 Debt	71.9	71.6		72.0		71.6	71.5	71.5	100%	71.5
2018/19 Debt	72.8	73.6		69.4		61.5	61.2	61.2	100%	61.2
2019/20 Debt	138.9	36.4		35.4		31.2	29.7	27.8	100%	27.8
2020/21 Debt										
Q1		115.0		77.0		43.1	35.2	34.7	100%	34.7
Q2		99.4		72.2		65.6	59.3	57.4	100%	57.4
Q3		277.8		80.5		4.6	3.8	3.1	100%	3.1
Q4				288.4		42.3	41.3	41.1	100%	41.1
2021/22 Debt										
Q1 Jun				0.0	30.6	183.0	163.6	152.2	75%	114.2
Q2 Sept				0.0		0.0	31.2	14.6	30%	4.4
Q3 Dec				0.0		0.0	0.0	107.4	30%	32.2
Total Debt o/s	363.5	751.3		771.2		571.6	565.5	636.6		513.2

Capital

Capital Resources

Table 1 - 2021/22 receipts

Major Receipts:	Original Budget	Year to Date	Forecast
	£000	£000	£000
Capital Receipts			
Land & Property Sales	50	9	50
Obsolete refuse vehicles	50	189	190
Net receipts to table 2	100	198	240

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2021	2,233
Capital Grants in 2021/22	5,512
Capital Receipts in 2021/22	409
	8,154
Revenue Contributions	
from Earmarked Reserves	189
from Revenue Operations	-
Total Capital Resources 2021/22	8,343
Capital Prog funding applied	(8,238)
Total Capital Resources March 2022	105

Current issues

None

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Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of funds from the sale of Council assets, the balance brought forward at the 1st April 2021 was £2,233k. This figure remains subject to audit of the 20/21 accounts and the financing of 20/21 capital expenditure.

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

The original 21/22 estimate for DFGs included in the programme was £1,000k. This has now been revised to the actual grant confirmation of £1,160k.

New projects to date have been added for 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 is also due to receive 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 will in turn use this funding in full to deliver the charging point infrastructure via the appointed contractor. The appointed contractor has been approved through the NHS procurement framework, as a complaint 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 is £5,512k. Current funding for slippage carried forward into the 21/22 Capital consists of a mixture of resources, namely £3,765k of grants, capital receipts and (internal) borrowing. The most effective method of funding the Councils' Capital outturn will be determined at the end of the financial year.

The total in the Useable Capital Receipts Reserve at the end of 2021/22 is currently expected to be £105k. 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

None

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Capital Programme Spending

Capital Programme 2021/22	Original Cap Prog	Revised Cap Prog	Spent/ Ordered	Full-Year Forecast	Forecast Funding Arrangements			
	£000	£000	£000	£000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow
Communities Directorate								
Operations	1,344	1,055	981	1,055	0	0	0	1,055
Communities	30	249	230	249	23	226	0	0
Housing	1,600	3,683	742	3,683	3,008	675	0	0
Economic Dev Directorate								
Whittaker	250	787	612	787	682	71	34	0
Ski Rossendale	0	0	0	0	0			
Futures Park	1,297	1,724	1,214	1,724	432	1,042	75	175
Spinning Point Ph1 & 2	0	33	18	33	33	0	0	0
Property Repairs & Maint	100	273	243	273	0	273	0	0
Bacup Historic England	868	472	248	472	438	0	34	0
Haslingden 2040 NLHF	500	500	133	500	454	0	46	0
Rawtenstall Market Electrical Works	0	101	0	101	0	0	0	101
Rawtenstall Public Realm Town Square	0	366	324	366	216	0	0	150
Marl Pits Running Track	0	225	0	225	125	0	0	100
Electrical Charging Points		101	81	101	101	0	0	0
Carbon reduction Fund	250	250	6	250	0	250	0	0
	6,239	9,819	4,833	9,819	5,512	2,537	189	1,581

Capital Programme 2021/22	£000	Funded by	Slippage items cfwd at end of 2020/21	Costs '000	Funding Arrangements			
Original Capital Programme	6,239				Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Slippage from 2020/21	3,765	see list						
New capital projects in 2021/22			Communities Directorate					
Whitworth wild play	16	s106 Grants	Operational Vehicles	177				177
DFG	160	External Grants	Playgrounds (community projects)	23	23			
CPOs/Enforced Sales	60	Capital Receipt	Cemeteries	40		40		
Electric Charging Point	101	External Funding	Pathways	60		60		
Henrietta Street Deport	22	Capital Receipt	Sports Playing Fields	0				
Futures Park Accommodation Project	44	Capital Receipt	DFGs	1,848	1,848			
Marl Pits Running Track	225	External Funding	CPOs	21				
				2,169	1,871	121	0	177
Reprofiled projects in 2021/22			Economic Development Directorate					
Vehicles / Equipment	-466		Whittaker Park Museum Refurb	381	343		38	
Communities	-1		Ski Rossendale	11	11			
Whittaker Park Museum Refurb	156		Spinning Point Phase 2	533		533		
Spinning Point - Town Square Pub Rlm	-134		Futures Park	577				577
Bacup Historic England	-340		Emergency Works	50		50		
Property Repairs & Maint	20		Bacup historic England	-56	-56			
Futures Park Infrastructure	-150		Demolition of Waterside Mill	25		25		
			Empty Homes	75		75		
Revised Capital Programme	9,818			1,596	298	683	38	577
				3,765	2,169	804	38	754

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.

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 revised Capital Programme over the life of the MTFs is £22,952k.

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Capital project activity

- Spend to date including commitments is £5,053k. This includes:
- Total DFG spend of £742k;
- Spend on acquisition of replacement vehicles and equipment of £981k, noting the replacement programme has been re-phased over the life of the medium term Capital Programme;
- Spend on the construction of Plot 1 Futures Park of £1,214k;
- Total spend on Whittaker Park Museum Refurbishment of £612k.

Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget	Revised MRP Required	Potential (Additions) / Savings
	2021/22	2021/22	2021/22
	£000	£000	£000
Corporate	534.7	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.

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

Section 106 Receipts Monitoring

<u>Section 106 Agreements</u> <u>2021/221</u>	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2021	324.5	107.8	674.8	1,107.2
Deposits received in 2021/22	13.3	9.7	143.0	166.0
Deposits applied in 2021/22	(5.1)	(12.0)	(26.2)	-43.2
Current Balance	332.7	105.5	791.7	1,229.9

The value of S106 agreements brought forward on the 1st April was £1,107k. To the end of December 2021, £166k of new S106 deposits have been received and £43k 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
Balance b fwd at 1st April 2021	324.5	107.8	674.8	1,107.2
Douglas Rd		-10.0		-10.0
Orama Mill			-13.2	-13.2
Land at Reeds Home		9.7		9.7
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			13.3
Land off BRE, Whitewell Bottom		-2.0		-2.0
Reedsholme			143.0	143.0
Balance held as at Dec 2021	332.7	105.5	791.6	1,229.9

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		91.18	91.11	90.91	90.17	
February	94.90	94.90	94.60	92.37		95.10	95.73	95.00	93.66	
March	96.40	96.70	96.32	95.72		98.40	98.47	97.78	94.19	

Collection rates for Council Tax are recovering but are not yet back at pre-pandemic levels, but are ahead of the corresponding position for last year (+1.22%), this is in part due to the re-commencement of recovery action where due. Collection performance saw a spike in comparative rates for October and November 2021, however the December rate has fallen back significantly. For Business Rates, collection statistics are lower than the equivalent period last year (-4.51%) and consequently also lower than pre-pandemic levels. It is also worthy of note that the level of relief awarded to eligible businesses into 21/22 (extension of the 'Expanded Retail Relief' scheme

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

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for which the Council is compensated by Government) reduced from 100% to 66% with effect from 1 July, until 31 March 2022. This may impact on collection rates throughout the year as businesses re-organise themselves to meet their liabilities where previously, due to Covid-19, these were nil. The re-introduction of recovery action into Q4, may also have a positive impact on collection performance.

Council Tax Collection Fund

At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £474k (down from Q2 estimate of £1,187k). The change in Q3 represents more detailed assessment of historic debts and likely recovery of sums outstanding. Based on the assessment the doubtful debt provision applied at Q3, for which the Council bears its share, has increased from £700k to £1,400k. This year RBC's share of the Council Tax is 13.98%, equating to £66k of the forecast surplus. As above, this is a reduction on Q2 due to the net impact of the application and award of qualifying exemptions and discounts, but mostly down to 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 (21/22 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 has since 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. On current information, this reduction will remain in force until 31 March 2022.

Indeed, at the time of this report, and in preparation for return of the (2022/23) NNDR1 submission, due by 31st January each year, the NNDR guidance suggests 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 NNDR1 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

Business Rates Collection Fund 2021/22		NNDR1	Q1	Q2	Q3
(50% Pool)		£000	£000	£000	£000
Net Liability Due		13,325	12,997	13,199	11,909
Less Transitional Payments due to MHCLG		5	5	5	7
Less Cost of Collection Allowance		(96)	(96)	(96)	(97)
Less Doubtful Debt Provision		(500)	(500)	(300)	(300)
Less Appeals Provision		(530)	(530)	(530)	(560)
Less Renewables 100% to RBC		(183)	(183)	(183)	(183)
Net NNDR due	A	12,021	11,693	12,095	10,776
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)
RBC Share = C x 40%	D	0	(131)	30	(498)
Central Government share 50%			(164)	37	(623)
LCC and Fire share 10%			(33)	7	(125)

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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.

The continuation of this scheme into 21/22 has given rise to a projected deficit on the Business Rates Collection Fund Account of £1,245k, of which the Council's share is £498k and will be made good in future years from Section 31 Grant income as noted above.

As reported at Q2, and 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.

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 must be applied to accounts before 31st March 2022 and consequently sums are likely to impact on the outturn surplus/deficit position at the financial year-end, given similar compensation arrangements for 'lost' Collection Fund income into the Council's General Fund.

These reliefs are covered by the Covid Additional Relief Fund (CARF) and at this time, the Council continues to develop local policy in accordance with the published guidance.

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

Based on continuation of the same model for 21/22, the table above forecasts the estimated levy payment to the Pool for the year, and thus the amount of 'gain' to be retained from Pool membership. This is estimated at £482k (up from £466k at Q2). 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 NNDR1 assumptions, which have already seen changes as a consequence of continued Government support to certain sectors eg retail sector, not originally assumed at the time of submission.

The retained levy estimate is therefore subject to change throughout the year.

The Council has applied 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 Q1 £	Amount Allocated to date £	Remaining Balance £	Description
LA Covid Support	252,069	415,605	667,674	0	This is to support the Council's Covid related costs and supplement lost income.
Hardship Fund	93,465	0	93,465	0	Payment of £150 each to Council tax accounts of Local Council Tax support recipients. The remaining balance has been allocated to accounts in 2021/22
Containing Outbreak Management Fund (COMF)	658,943	107,253	361,730	404,466	Department of Health funding to cover specific expenditure relating to the pandemic. Confirmation has been received that committed funding can be carried forward into 22/23.
Compliance & Enforcement	28,924	0	28,924	0	To be spent on Covid compliance & enforcement measures. There is potential that ultimately any unspent funding will have to be returned.
Self Isolation Practical Support	0	107,440	40,458	66,982	This is to support vulnerable residents whilst they are self isolating - this is not the Track & Trace Self Isolation grants
Public Protection - COVID response	35,898	63,118	59,686	39,329	This to support community based surge testing capacity
Self Isolation Grants (£500)	109,612	564,527	464,099	210,040	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		4,584	0	For provision of emergency assistance to members of the community.
Clinically Extremely Vulnerable	64,187	0	64,187	0	To support the Council in delivering support to people shielding and the community hub.
Lateral Flow Testing Support	0	23,382	5,825	17,557	Additional contribution funding c/o Lancashire County Council/DHSC for testing sites, communication and staffing costs.
Household Support Fund	0	180,000	53,000	127,000	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.

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

In addition to the grants detailed above the Council acts as agent for the Government in delivering grants to local businesses. The Restart Grant scheme is now closed with unspent sums to be returned to Government. At the time of this report the ARG application round has closed and applications are being assessed for future grant award.

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Business Grants - The Council is acting as Agent for these grants, any funding remaining will be reclaimed or reimbursed by Government.

Covid Business Grants	Amount Received £	Amount Allocated £	Remaining Balance £	Description
Restart Grants	3,462,174	3,126,038	336,136	The Restart Grant scheme supports businesses in reopening safely as COVID -19 restrictions are lifted. This scheme has now closed. The balance of this funding is due to be paid back to Central Government
ARG Grants	954,767	943,622	11,145	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.
Total	4,416,941	4,069,660	347,281	

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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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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.

Rossendale Borough Council

PO BOX 74

Bacup

OL13 0WU

T: 01706 217777

E: generalenquiries@rossendalebc.gov.uk

آپ کو ان معلومات کا خلاصہ سے صرف میں ایک کیسٹ پر یا انگریزی کے علاوہ کسی اور زبان میں دیکھا ہے تو براہ
مہربانی ہمیں بتائیں، ہم کو آپ کے لئے اس کا انتظام کریں گے۔
ہماری سربراہی 01706 217777 پر ٹیلیفون کریں یا بھرنے والی ایسیٹیشن سے اس سے رابطہ قائم کریں۔

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

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

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Tel: 01706 217777 or contact:

Rossendale Borough Council

PO BOX 74, Bacup, OL13 0WU

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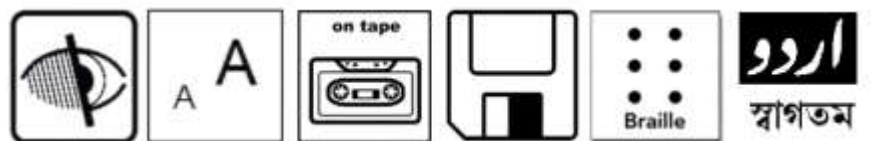


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Financial Monitoring Report

2021/22 Draft Outturn at end of March 2022

Including a Glossary of terms on page 43



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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 1st 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 31st 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 1st 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 1st 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
Communities Directorate					
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
Economic Development Directorate					
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
Corporate Management Directorate					
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)
TOTAL Service Cost	8,902.70	9,112.9	(210.2)	(512.5)	302.2
LESS Use of Earmarked Reserves					
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)	-	-	-
LESS Use of New Homes Bonus Grant	(213.0)	(213.0)	-	-	-
Net Service Cost	5,810.7	5,810.7	-	-	(0.1)

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.
Total Efficiency Targets	184	

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Annual Variances	Q1 Fav/(Adv)	Q2 Fav/(Adv)	Q3 Fav/(Adv)	Q4 Fav/(Adv)	Total Fav/(Adv)	
Communities Directorate						
Customer Services and e-Government						
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)
Operational Functions and Communities						
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)	
Communities (Parks and Cemeteries)						
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)
PPU, Env Hlth, Licensing and Housing						
Staff costs - net all areas (incls Covid recharges)	10.8	43.8	7.5	53.0	115.1	
Environmental Health						
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)	
Licensing & Enforcement						
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	
Housing						
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
Economic Development Directorate						
Planning Services						
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)	
Building Control Services						
Building Control Fee Income	19.8	2.0	(2.1)	-	19.7	
Regeneration						
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)
Corporate Management Directorate						
Corporate Management						
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	
Legal Services						
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	
Local Land Charges						
Land Charges income	(3.2)	(1.6)	3.6	(4.8)	(6.0)	
Financial Services						
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	
People and Policy						
Other minor variances	(10.5)	14.7	(7.2)	-	(3.0)	
Non-Distributed Costs						
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)	
Capital Financing and Interest						
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
Favourable/(adverse) variance	(192.2)	(270.4)	(49.9)	302.3	(210.2)	(210.2)

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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	
Customer Services						
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	
Strategic Functions						
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)	
ICT Support	712.1	650.3	61.8	8.7	53.1	
Leisure Services	70.5	189.9	(119.4)	(125.3)	5.9	
Total	1,405.4	1,443.3	(37.9)	(321.2)	283.3	
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
Benefits Admin						
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	
Benefits Granted						
Revenues & Benefits administration contract			-	36.5	36.5	
Local Tax Collection						
CTax & BRates - court costs income & Bad debt movement			(256.3)	212.0	(44.3)	
Revenues & Benefits Partnership						
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	
Service Assurance Team						
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)	
ICT Support						
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	
Leisure Services						
Leisure Services - Deferred income from loan repayments where income originally assumed			(105.8)	-	(105.8)	
Other minor variances			2.0	6.2	8.2	
TOTAL			(321.2)	283.3	(37.9)	

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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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
Operational Functions					
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)
Communities					
Parks & Open Spaces	905.1	805.3	99.8	73.1	26.7
Cemeteries	(227.2)	(262.3)	35.0	34.6	0.4
Total	2,510.6	2,680.9	(170.3)	(200.2)	29.9

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
Operations Admin & Vehicle Maintenance				
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)	
Refuse & Recycling				
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	
Street Sweeping				
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)	
Markets				
Market Income down	(13.9)	(1.1)	(15.0)	
Parks & Open Spaces				
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	
Cemeteries				
Cemeteries Repairs	(5.1)	(1.3)	(6.4)	
Cemetery Income & Internment Fees	41.4	-	41.4	
Other Variances				
Overtime Budgets (net all areas)	(35.3)	(2.2)	(37.5)	
Other Variances (Savings)	(2.2)	19.4	17.2	
TOTAL	(200.2)	29.9	(170.3)	

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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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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
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
Strategic Housing					
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
Total	975.9	917.4	58.5	(31.6)	90.1

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health				
Environmental Health - staffing and consultant	5.4	24.0	29.4	
Housing Strategy - staffing	21.4	-	21.4	
Licensing & Enforcement				
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)	
Housing Strategy				
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	
Private Sector Housing Renewals				
Private Sector Renewals - Staffing	29.6	(15.8)	13.8	
Homelessness				
Homelessness - staffing	7.5	(5.7)	1.8	
Empty Homes Scheme				
Empty Homes Scheme	(83.0)	15.6	(67.4)	
Other Variances	(2.8)	11.2	8.4	
TOTAL	(31.6)	90.1	58.5	

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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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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
Planning					
Development Control	143.0	109.2	33.8	63.7	(30.0)
Forward Planning	147.3	211.2	(63.8)	(72.4)	8.5
Building Control					
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)
Regeneration					
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
Property Services & Facilities Management					
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
Total	884.3	1,025.9	(141.6)	(121.3)	(20.3)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Planning				
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)	
Building Control				
Building Control staffing	3.6	-	3.6	
Building Control Fees	19.7	-	19.7	
Regeneration Mangement				
Communities vacancy saving and transferred costs to COMF for COVID related activities	60.4	(27.6)	32.8	
Economic Regeneration and Rawtenstall Market				
Economic development admin costs & reduced market income	(72.0)	7.5	(64.5)	
Property Services Team				
Property Services staffing	(5.4)	(1.5)	(6.9)	
Pool Car, CCTV, Emergency Planning	1.5	-	1.5	
Corporate Estates				
Non Domestic Estates				
All other Estates income; Industrial units	(59.3)	(19.5)	(78.8)	
Operational Properties				
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	
Leisure Properties				
Bus Station / Shelters				
Spinning Point Bus Station running costs	(8.7)	13.4	4.7	
Bus Shelters	-	5.9	5.9	
Business Centre				
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	
TOTAL	(121.3)	(20.3)	(141.6)	

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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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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
Corporate Management					
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			-	-	-
Legal Services	172.5	134.9	37.6	17.2	20.4
Land Charges	(19.8)	(13.4)	(6.4)	(1.7)	(4.6)
Democratic Services					
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
Financial Services					
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
People & Policy					
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	-
Total	2,397.4	2,129.8	267.6	163.1	104.5

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Executive Office				
Salary variances	48.4	(5.1)	43.3	
Subscriptions movement	(14.7)	15.7	1.0	
Corporate Contingency				
Use of contingency for grant support to Ribble Rivers Trust	35.0	-	35.0	
Legal Services				
Salary variances	11.0	-	11.0	
Professional fees / Legal books	3.9	14.0	17.9	
Legal income	2.9	4.5	7.4	
Land Charges				
Salary variances	(1.3)	-	(1.3)	
Land Charges Income	(1.2)	(4.8)	(6.0)	
Electoral Registration	4.3	0.7	5.0	
Elections	4.0		4.0	
Democratic Support				
Members savings	5.2	3.0	8.2	
Democratic services salary variances	25.0	3.1	28.1	
Mayoralty & Civic Events				
Salary variances - mayoralty			-	
Democratic & Mayoralty savings	2.7	3.8	6.5	
Financial Services Team				
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	
Human Resources				
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	
Corporate Support				
Salary variances	34.5	1.4	35.9	
Publicity				
Other Misc under / (over) spends - revised NI forecast/correction to Q1	(0.8)	3.6	2.8	
TOTAL	163.1	104.5	267.6	

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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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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
Non Distributed Costs					
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
Capital Financing					
Minimum Revenue Provision	534.7	534.7	-	188.5	(188.5)
Interest (net)	122.0	129.8	(7.8)	(7.2)	(0.6)
Total	729.0	915.6	(186.6)	(1.2)	(185.3)

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
Employee & Pension Costs				
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
Capital Financing				
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
TOTAL	(1.2)	(185.3)	(186.5)	Red

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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.

Net Employment Costs 2021/22 to end March	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000
Communities Directorate			
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
Economic Development Directorate			
Planning Services	474	421	53
Building Control Services	122	119	3
Regeneration	99	94	5
Property Services	95	101	(6)
Corporate Services			
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
Total Net Savings	6,150	5,881	269
Additional Leave			25
Total Staff Savings			294
Original Savings Target			(225)
Staff Variance			69

- 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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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention Reserve	Transitional Budgetary Support	Planning Reserve	Response & Recovery Reserve
	AN060103	AN060123	AN060144	AN060129	AN060145	AN06
Balance at 01/04/2021	387.7	74.0	6,228.9	1,789.5	112.8	1,389.2
Funds Received 2021/22						
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
Total Funds Available	387.7	74.0	8,502.9	2,197.5	122.8	1,711.1
2021/22 Published Budget Utilisation						
New Homes Bonus				(213.0)		
Lower Tier Services Grant				(93.0)		
General budget support				(606.0)		
2021/22 Other Utilisation Plans						
Transfers between Reserves			(1,091.0)	1,091.0		
Budget support - Covid related costs						(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)
Reserve Estimates 31/3/2022	270.1	74.0	7,411.9	2,376.5	65.0	808.9
Future Contributions/Utilisation Plans						
2022/23 Plans	(270.1)	0.0	(1,666.0)	(174.5)	(10.0)	(15.9)
2024/25 Plans	0.0		(1,601.0)	(400.0)		
2025/26 Plans						
Potential Reserve Balances	(0.0)	74.0	4,144.9	1,802.0	55.0	793.0

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
Total 2021/22 Projects	1,071.5	815.7	270.1	117.6

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Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserve	Rawtenstall Bus Station	Directorate Reserves	General Reserve	Total
	AN060130	AN060118	AN060150	AN06		
Balance at 01/04/2021	189.1	55.5	517.0	973.6	1,000.0	12,717.4
Funds Received 2020/21						
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
Total Funds Available	189.1	55.5	517.0	1,095.4	1,000.0	15,853.1
2021/22 Published Budget Utilisation						
New Homes Bonus						(213.0)
Lower Tier Services Grant						(93.0)
General budget support						(606.0)
2021/22 Other Utilisation Plans						
Transfers between Reserves						0.0
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)
Reserve Estimates 31/3/2022	189.1	46.6	517.0	1,494.8	1,000.0	14,254.0
Future Contributions/Utilisation Plans						
2022/23 Plans	(30.0)			(155.8)		(2,322.3)
2024/25 Plans				(42.0)		(2,043.0)
2025/26 Plans						0.0
Potential Reserve Balances	159.1	46.6	517.0	1,297.0	1,000.0	9,888.7

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

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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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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Hoarding Grant	Covid Grants	Total
	£000	£000	£000	£000	£000	
	AL030132	AL030127	AL030130	AL030129		
Balance at 01/04/2021	1,858.3	52.9	6.8	1.7	0.0	1,919.7
New Funds Received 2021/22						
Grant due/received	1,160.1				4,531.6	5,691.7
Total Funds Available	3,018.3	52.9	6.8	1.7	4,531.6	7,611.3
Utilisation in 2021/22						
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
Anticipated Balance 31/03/2022	2,221.3	52.9	6.8	1.7	336.1	2,618.9
Future Utilisation Plans						
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)
Potential Reserve Balances	363.1	0.0	6.8	1.7	336.1	707.8

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
Communities Directorate								
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
Economic Development Directorate								
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
Corporate Services								
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
Total Net Savings	6,150	5,881	269	174	95	168.8	0.0	8.0

- 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.

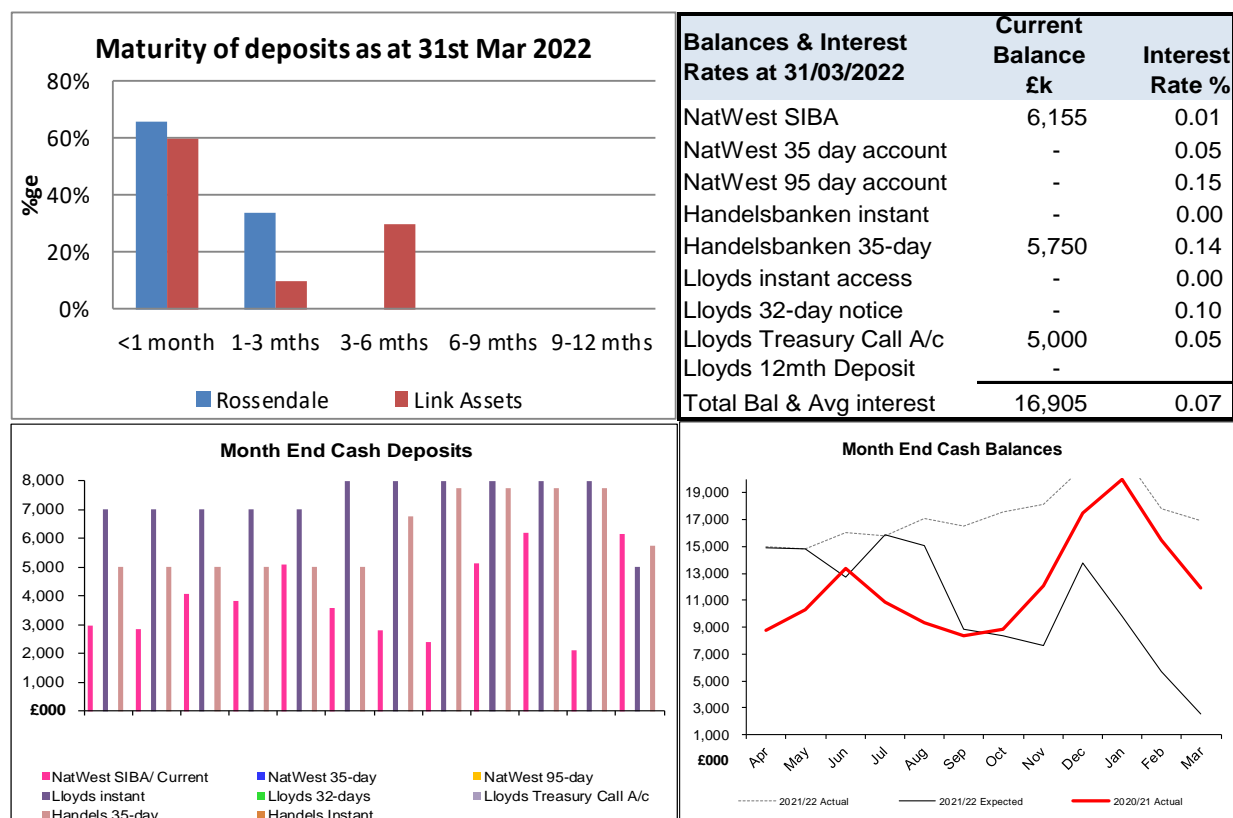
These receipts have sustained the Council's temporary cash balances at historically high levels.

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 3rd February 2022 and again on 17th 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 5th 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 31st 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)
Revenue				
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)
Net Interest	(122.1)	(129.7)	(7.6)	(7.6)

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.

at 31st Mar 2022	Current Rates	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023
Base Rate	0.75%	0.75%	1.25%	1.50%	1.75%	2.00%
25yr PWLB*	2.76%	2.54%	3.00%	3.10%	3.10%	3.20%
25yr PWLB	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 24th 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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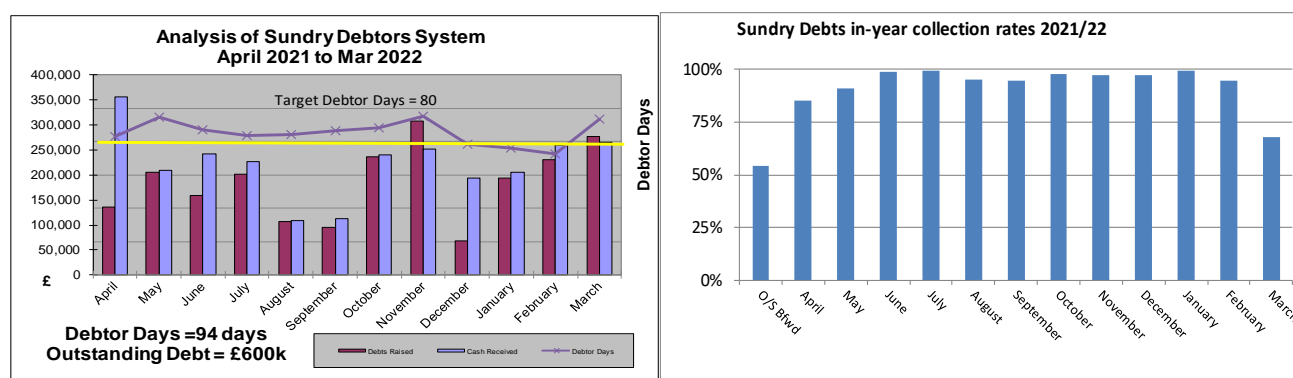
Indeed, at the time of this report, a further £115k of the £246k referred to above as overdue for 2021/22 had been collected.

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
Total Debt o/s	363.5	751.3		771.2		571.6	565.5	636.6	599.4		481.1

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
Capital Receipts			
Land & Property Sales	50	210	210
Obsolete refuse vehicles	50	190	190
Net receipts to table 2	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
	5,682
Revenue Contributions	
from Earmarked Reserves	102
from Revenue Operations	-
Total Capital Resources 2021/22	5,784
Capital Prog funding applied	(5,133)
Total Capital Resources March 2022	650
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 1st 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	
Communities Directorate												
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
Economic Dev Directorate												
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
	6,239	9,853	5,599	5,598	4,255	3,969	286	3,049	2,085	102	362	362

Capital Programme 2021/22	£000	Funded by
Original Capital Programme	6,239	
Slippage from 2020/21	3,765	see list
New capital projects in 2021/22		
Whitworth wild play	16	s106 grants
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
Reprofiled Projects 2021/22		
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	
Revised Capital Programme	9,852	

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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
Communities Directorate					
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		
	2,169	1,871	121	0	177
Economic Development Directorate					
Whittaker Park Museum Refurb	381	343		38	
Ski Rossendale	11	11			
Spinning Point Phase 2	533		533		
Futures Park	577				577
Emergency Works	50		50		
Bacup historic England	-56	-56			
Demolition of Waterside Mill	25		25		
Empty Homes	75		75		
	1,596	298	683	38	577
	3,765	2,169	804	38	754
Slippage items cfwd at end of 2021/22	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
DFGs	2,211	2,211			
CPOs	5		5		
	2,217	2,211	5	0	0
Economic Development Directorate					
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
	1,754	700	0	46	1,008
	3,971	2,912	5	46	1,008

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

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

The value of S106 agreements brought forward on the 1st 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
Balance bfwd at 1st April 2021	324.5	107.8	674.8	1,107.2
Douglas Rd		(10.0)		(10.0)
Orama Mill			(13.2)	(13.2)
Land at Reeds Home		9.7		9.7
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			13.3
Land off BRE, Whitewell Bottom		(2.0)		(2.0)
Reedsholme			143.0	143.0
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)
Balance held as at Mar 2022	326.6	104.6	770.3	1,201.5

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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)
	42,794	42,763	42,050	41,768
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)
	(41,576)	(41,576)	(41,576)	(41,632)
Surplus / (Deficit)	1,218	1,187	474	135
RBC Share = 13.98%	170	166	66	19

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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 31st 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)
Net NNDR due	A	12,021	11,693	12,095	10,776
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)
RBC Share = C x 40%	D	0	(131)	30	(430)
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	Q1	Q2	Q3	Out-turn
		£000	£000	£000	£000	£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
Surplus for Levy Calculations	F	1,005	874	1,035	1,071	1,097
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)
Retained Levy through Pool membership	G	452	393	466	482	493

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 specific 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.

Business Grants - The Council is acting as Agent for these grants, any funding remaining will be reclaimed or reimbursed by Government.				
Covid Business Grants	Amount Received £	Amount Allocated £	Remaining Balance £	Description
Restart Grants	3,462,174	3,126,038	336,136	The Restart Grant scheme supports businesses in reopening safely as COVID -19 restrictions are lifted. This scheme has now closed. The balance of this funding is due to be paid back to Central Government
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.
Total	4,531,617	4,195,481	336,136	

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Glossary

Accrual

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

Capital expenditure

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

Capital Grants Received in Advance

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

Capital Receipts

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

Cash & Cash Equivalents

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

Collection Fund

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

Compulsory Purchase Order (CPO)

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

Consumer Price Index (CPI)

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

Earmarked Reserves

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

Full Time Equivalent (FTE)

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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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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.

Rossendale Borough Council

PO BOX 74

Bacup

OL13 0WU

T: 01706 217777

E: generalenquiries@rossendalebc.gov.uk

آپ کو ان معلومات کا خلاصہ سے صرف میں آڈیو کیسٹ پر یا انگریزی کے علاوہ کسی اور زبان میں درکار ہے۔ اس کے
میری میں نہیں ہا کیوں، ہم انہوں آپ کے لئے اس کا انتظام کریں گے۔
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Other formats available on request.

Tel: 01706 217777 or contact:

Rossendale Borough Council

PO BOX 74, Bacup, OL13 0WU

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