

Subject:	Financial Monitoring Report Q3 2022/23	Status:	For Publication		
Report to:	Cabinet	Date:	15 th March 2023		
Report of:	Chief Finance Officer	Portfolio Holder:	Resources		
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
Equality Impact Assessment:	Required:	No	Attached:	No	
Biodiversity Impact Assessment:	Required:	No	Attached:	No	
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1. RECOMMENDATION

1.1 That Cabinet note the contents of the Q3 2022/23 financial monitoring report.

2. EXECUTIVE SUMMARY

- This report provides an estimate of the Council's General Fund 2022/23 Revenue outturn, Collection Fund performance and Capital outturn for the year ended 31 March 2023, based on performance at Q3 2022/23.
- The Council is seeing an increasing financial pressure driven by the high level of inflation.
- The current economic climate is having a significant impact on the Council's financial performance. The full year impact is predicted to result in an adverse variance of £1,660.9k on the General Fund when compared to the original budget of £8,991k.

3. BACKGROUND

- 3.1 In February 2022 the MTFs set a balanced Budget for the year based on the assumptions made at that time and supported by £56k from reserves. The pay award, rising inflation rates, high vehicle fuel costs and increasing utility costs have made it impossible to achieve the original budget forecast.
- 3.2 Work will continue over the coming months to monitor and forecast the costs and any savings associated with the current economic issues and any other emerging budget pressures.

4. DETAILS

REVENUE

- 4.1 This 2022/23 Q3 monitoring report is forecasting an adverse variance of £1,660.9k when compared to an original budget of £8,991k. It is proposed that this adverse variance will be met from a combination of the transitional reserve and the vehicle reserve.
- 4.2 The most notable variances are:
- The budget contains a £225k vacancy savings target which is based on potential savings that can be achieved due to additional leave purchase and staff turnover, i.e. the salary saving made between an employee leaving the authority and the new recruit commencing. Due to the additional cost of the pay award this saving will not be achieved. The table on page 22 of appendix 1 shows the position against the target with the additional impact of the pay award stripped out. This demonstrates that excluding the additional pay award the savings would

have fallen c£182k short of the target. This is mainly due to the additional costs of vacant posts being covered by agency/interim staff plus the costs of recruiting the new Chief Executive and Director of Economic Development. In previous years this target has been achieved.

- 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 indicative outturn now estimates an adverse variance of £146k for vehicle fuel, this has been revised down since the Q1 forecast of £163k, based on the fuel prices having reduced from the April all time high.
- An adverse outturn variance of c£71.2k is predicted in relation to income from commercial property rents, and £9.6k from market rents. These shortfalls are being attributed to the current economic climate.
- The £128.2k adverse variance within Finance includes an unbudgeted £55k charge from the External Auditors for additional works required when auditing the 2016/17 and 2017/18 Statement of Accounts. Also the Council has incurred additional bank charges of c£40k due to the increase in volume of individuals using the Council's electronic payment system. The remainder is due to costs for the interim cover of vacant posts within the finance team.
- In 2022/23 the Council has a total budget for Empty Homes related expenditure in the sum of £800k. This budget is split £300k (Revenue funding) and £500k (Capital funding.) At Q3 the predicted outturn is an adverse variance on the revenue account of £600k. This is largely due to recognition of the additional revenue resources required to support the ongoing legal work of the Council and defence of the Empty Homes claim. This includes provision for legal 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.

4.3 Full details and explanations are included in appendix 1.

CAPITAL

4.4 The useable Capital Receipts brought forward at 1st April 2022 totalled £2,975k. However the impact of the significant amendments to the 2017/18 audited accounts regarding capital receipts is still to be fully integrated into current year figures. This is currently being reviewed.

4.5 The value of the budgeted capital scheme expenditure for 2022/23 was £5,082k to which £3,902k slippage was added. New schemes have been added throughout the year totalling £420k as set out on page 34 of appendix 1. The revised capital programme for 2022/23 is £9,404k with an indicative outturn of £6,700k.

4.6 Anticipated slippage into 2023/24 is estimated at £2,704k.

TREASURY

4.7 The council's bank resources continue to be higher than normal due to the level of Covid related Government grants held over from 2021/22, including significant sums not yet returned to Government as part of the agreed reconciliation conditions. The uncertainty around income, the timing of repayment to Government of unspent grant, and depressed interest rate levels on offer from approved counterparties despite recent increases in Bank Rate, has lead to the

Council revising 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.

4.8 Details are included in Appendix 1.

COLLECTION FUND

4.9 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. Current indications are that the Council Tax collection fund will return a surplus whilst the Business rates fund will see a deficit.

4.10 It must be noted that during 2022/23 the Council has paid c£2m in business rates appeals to three supermarkets. Whilst a provision to fund the appeals is included within the collection fund, appeals of this size are likely to have a noticeable impact on business rates income in 2023/24 and beyond.

4.11 Details are included in Appendix 1.

EARMARKED RESERVES

4.12 The total cash-backed earmarked reserves brought forward at 1st April 2022 were £11,805k (after adjustment for Business Rate relief support repayable to government). The Earmarked Reserves closing balance at the 31 March 2023 are estimated to be £6,800k. However based on current plans and forecast commitments at the time of this report, earmarked reserves are anticipated to reduce to £182.1k over the life of the current MTFS (by March 2026), unless additional income and efficiencies are generated.

5. RISK

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

- The cost of goods and services continue to increase. General inflationary increases are being experienced across all contracts that are linked directly to RPI and CPI. Vehicle fuel and utility costs have increased significantly since the budget was set in February 2022. High inflation and interest rates are also impacting on the capital programme. On average vehicle replacement costs are running c20% over and above the estimates included in the capital programme. Rising inflation is also having an impact on the construction industry - pushing up costs, increasing tender prices.
- 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.

- If the level of Council Tax support claims increase as a result of the current economic climate or the level of Council Tax bad debt increases, this will have an adverse impact on the income the Council receives.
- The level of future Government funding is uncertain. Whilst the 2023/24 financial settlement included an indication of the funding level for 2024/25, in reality the level of Government funding beyond 2023/24 is unknown.

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 Since 2010 the Council has seen its central government funding reduced by c£6m pa in real terms. Since that time the Council has reduced its budget requirement from £11.8m pa to £8.9m pa and continues to seek efficiencies and grow income where possible. However, the current economic climate, is making it impossible for the Council to balance its in year income and expenditure.
- 6.3 The Council is continuing its cost reduction programme, however Members are facing increasingly difficult choices in an attempt to balance expenditure with available resources over the medium term, with the escalating energy costs, vehicle fuel costs, the rising inflation rate and the pay award making this more difficult.
- 6.4 The 2022/23 final Local Government Finance settlement was announced on 7 February 2022 and was 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. The Finance Settlement for 2023/24 was confirmed in February 2023. The settlement provides an increase in core spending power for 2023/24 of 3%, prior to factoring in any council tax increases. The ongoing level of Government funding poses a significant risk to the MTFs.

7 FINANCE

- 7.1 The financial implications are fully set out in Appendix 1.

8 LEGAL

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

9 POLICY AND EQUALITIES IMPLICATIONS

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

10 REASON FOR DECISION

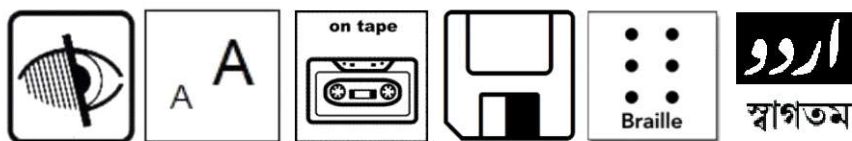
- 10.1 Cabinet are recommended to note the Q3 monitoring report.

Background Papers	
Document	Place of Inspection
Service monitoring statements.	Financial Services.
2022/23 Corporate Priorities, Budget, Council Tax and The Medium Term Financial Strategy.	RBC website - Full Council 23/02/2022

Financial Monitoring Report

2022/23 as at end of December 2022

Including a Glossary of terms on page 43



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General Fund Revenue Operations – pages 6 to 21

The current economic climate is having a significant impact on the Council's financial performance in Q3. The full year impact is predicted to result in an adverse variance of £1,660.9k on the General Fund when compared to the original budget of £8,991k. The significant budget variations are listed 6.

Earmarked Revenue Reserves – page 22 to 24

The total cash-backed Earmarked Reserves brought forward at 1st April 2022 were £11,805k (after adjustment for Business Rate relief support repayable to government).

The revised opening balance on the Transitional Reserve was £2,559k, to which £132k of New Homes Bonus grant is to be added. This funding will be released in full as budgeted, to fund 2022/23 Net Service costs. Similarly, the Council has received £98k of Lower Tier Services Grant and £150k Services Grant as part of the 2022/23 Local Government Finance Settlement, and this too will be used to fund Net Service costs.

As reported previously due to the complexities of the Collection Fund accounting regime, the Business Rates Retention Reserve holds a significant sum brought forward (£5031.3k). This balance includes compensation received in 2020/21 required to fund future years' deficits on the Collection Fund owing to the pandemic, with amounts being released over the subsequent three years to ease the cashflow burden, as agreed by changes to legislation ('spreading the deficit').

The approved budget for 2022/23 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 £1,460k as per the Council's original submission to Government in January 2022. The Council also intends to contribute its receipt for renewable energy in the sum of £183k. The intention is to transfer £2,028k to the Transitional Budgetary Support Reserve at financial year-end, to assist with funding the anticipated general fund deficit.

As at 1 April 2022 £659.2k (revised balance) of unutilised balances of Covid related funding remain in the Response & Recovery reserve to meet the ongoing impact and commitments resulting from the pandemic falling into 2022/23. It must be noted that £445k of this balance is ringfenced for specific items of Covid related expenditure and will be repayable if not spent.

The indicative closing balance of earmarked reserves at the 31st March 2022, excluding sums specifically ring-fenced to fund future deficits on the Collection Fund is estimated at £6,800k. Based on current plans and the anticipated February 2023 forecast commitments at the time of this report, earmarked reserves are anticipated to reduce to £182.1k over the life of the MTFS by March 2026, unless additional income and efficiencies are generated.

Government Grants Unapplied – page 25

The opening value of Government Grants Unapplied at the 1st April 2022 was £2,283k, including £2,221k of Disabled Facilities Grant carried forward into 2022/23 which relates to previous years' slippage. The original allocation of Better Care funding for DFGs for 2022/23 is £1,160k, giving total DFG resources available of £3,381k.

Staff Monitoring – page 27

The table on page 27 shows the forecast staffing variances for the year based on quarter 3 actuals. The forecast for the year is currently an adverse variance of c£307k. This includes the additional impact of the pay award (c£264k). The pay award has meant that this years vacancy savings target (£200k) will not be achieved. The £25k target for leave purchase is also likely to be underachieved.

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Treasury & Cash Management - page 26 to 30

At the end of December, the bank balances were £14.3m. These resources continue to be higher than normal due to the level of Covid related Government grants received and held over from 2020/21 and 2021/22, 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 continue to maintain interest rates at moderate 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. However due to the very low rates available from banking institutions 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 are being made with high quality counterparties (Central Government, Local Authorities) where risk is considered low and returns are more closely linked to movement in the prevailing Bank Rate. Interest income is currently expected to exceed the budget for the year by £60k.

The provision for doubtful debt at the 1st of April 2022 was £380.6k, plus a further £5.4k set aside for licensing debt, against £481k of doubtful debts. The level of cover for sums outstanding and that risk going unpaid is considered adequate at this time (c84% cover) with no further movement proposed. However given the 'Cost of Living Crisis' dominating the headlines, this position will be kept under review.

Capital Receipts – page 31

The useable Capital Receipts brought forward at 1st April 2022 totalled £2,975k. However the impact of the significant amendments to the 2017/18 audited accounts regarding capital receipts is still to be fully integrated into current year figures. This is currently being reviewed.

The total value of Capital Grants receivable in the financial year 2022/23 is £1,986k. As all figures are indicative at this point in the reporting cycle, work continues to determine the most effective method of funding the Council's Capital Programme.

On current assumptions, the Capital Receipts Reserve is expected to total £3,977k at the end of financial year 2022/23. Whilst this is considered to be the most cost effective method of financing, it is acknowledged that capital resources remain earmarked to support projects in Whitworth (£100k), and Haslingden (£236k). It should also be noted that part of this balance represents grant funding which is ring fenced for specific projects or purposes.

Capital Programme and Funding – page 31 to 37

The original Capital Programme for 2022/23 is £5,082k, including an estimate of £1,000k for DFGs and £977k for replacement operational vehicles. The slippage from 2021/22 was £3,902k, the bulk relating to DFGs. Additional sums totalling £420k have been allocated for a variety of projects. The annual Capital Building Repairs Contract has now been awarded; the total value of this is £239k over various sites and schemes. This contract will be funded from existing Capital budgets except for an additional £4k of funding from a designated revenue pot for repairs at Clare House. The actual DFG allocation for 2022/23 is £1,160k. The revised capital programme for 2022/23 is now £9,404k.

The indicative capital outturn at 31st March 2023 is spend in the sum of £6,700k. Slippage (budget carry forward) into 2023/24 is estimated at £2,704k. These figures will be revised later

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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 appears to have returned to typical levels experienced pre-Covid, however there have been two major appeals which have distorted the figures.

The Council Tax account is predicting an early surplus of £40k for Rossendale.

The business rates collection fund is predicting a deficit of £777k in 2022/23, the Council's share of the deficit is £199k. This is largely due to three successful business rates appeals. The Council has a Business Rate Retention Reserve to provide for any peaks and troughs in business rate income, therefore this deficit will be charged to the reserve. The reserve also contains funds from Government to cover the additional reliefs granted to business during Covid. Due to the complicated accounting process for business rates these funds will be released from the reserve into the collection fund over the next two years.

Although it is anticipated the Council will suffer a collection fund loss, a pooling gain of £659k is estimated. The February 2022 MTFs included a pooling gain contribution of £390k, therefore if the current forecast remains at year end, it will result in a £250k surplus against that income budget.

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 being made mid July 2022 (c£2.4m) and a further repayment anticipated in Q4.

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General Fund Summary - Period 9 (Quarter 3)

Service Area	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr3 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,333.5	1,470	(136.9)	(167.4)	30.5
Operational Functions	1,901.1	2,383	(482.3)	(433.9)	(48.4)
Parks and Cemeteries	662.5	703	(40.9)	(11.7)	(29.2)
Public Protection Unit	183.7	180	3.3	2.1	1.1
Environmental Health	177.6	240	(62.2)	(42.8)	(19.5)
Licensing & Enforcement	73.3	128	(54.4)	(51.9)	(2.4)
Communities Team	132.8	97	35.8	32.3	3.5
Economic Development Directorate					
Planning Services	310.3	315	(5.1)	2.1	(7.2)
Building Control Services	31.3	31	0.6	17.7	(17.1)
Regeneration	213.6	304	(90.7)	(53.0)	(37.7)
Property Services	306.1	469	(162.7)	(189.6)	26.9
Housing	160.0	126	33.9	30.5	3.4
Corporate Management Directorate					
Corporate Management	471.4	483.6	(12.2)	0.5	(12.7)
Legal Services	180.4	188.3	(7.8)	(0.8)	(7.0)
Local Land Charges	(17.7)	(4.5)	(13.2)	(3.9)	(9.3)
Democratic Services	555.0	559.1	(4.1)	(6.2)	2.1
Financial Services	584.9	713.0	(128.2)	(110.0)	(18.2)
People and Policy	686.2	699.3	(13.1)	(10.5)	(2.6)
Non Distributed Costs	132.2	104.2	27.9	(10.9)	38.8
Capital Financing and Interest	668.6	604.9	63.6	75.9	(12.2)
Leisure Services	(55.1)	(42.9)	(12.2)	(9.7)	(2.5)
Empty Homes Scheme	300.0	900	(600.0)	(600.0)	(0.0)
TOTAL Service Cost	8,991.68	10,652.63	(1,660.9)	(1,541.3)	(119.7)
LESS Use of Earmarked Reserves					
Retained Business Rates	(2,180.0)	(2,180.0)	-	-	-
Business Rates Reserve	(390.0)	(390.0)	-	-	-
Lower Tier Services Grant	(98.0)	(98.0)	-	-	-
Services Grant	(150.0)	(150.0)	-	-	-
Transitional Budgetary Reserve	(56.0)	(56.0)	(1,660.9)	(1,541.3)	(119.6)
LESS Use of New Homes Bonus Grant	(132.0)	(132.0)	-	-	-
Net Service Cost	5,985.7	7,646.6	-	0.0	(0.0)

The draft outturn position at Q3 2022/23 shows an adverse variance of £1,660.9k. This adverse outturn position will need to be funded from the Transitional reserve.

The main variances are shown in the table below: -

- Staff cost savings will not be achieved for 2022-23 due to the pay award of £1,925 per person. The pay award is costing the Council an additional £264k over the budgeted position.
- Significant increases to fuel 'pump prices' and the increasing differential between Diesel and HVO continue to impact the Council's operational fleet vehicles (Refuse Collection, Parks). Economic commentary (page 28) acknowledges historically high fuel prices with the indicative outturn recording an adverse variance of £146k for vehicle fuel.
- The adverse variance of £52.3k in Licencing and Enforcement relates to a currently unbudgeted post, the pay award and a shortfall in income.

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- An adverse outturn variance of c£71.2k is predicted in relation to income from commercial property rents, and £9.6k from market rents. These shortfalls are being attributed to the current economic climate.
- The £128.2k adverse variance within Finance includes an unbudgeted £55k charge from the External Auditors for additional works required when auditing the 2016/17 and 2017/18 Statement of Accounts. Also the Council has incurred additional bank charges of c£40k due to the increase in volume of individuals using the Council's electronic payment system. The remainder is due to costs for the interim cover of vacant posts within the finance team.
- In 2022/23 the Council has a total budget for Empty Homes related expenditure in the sum of £900k. This budget is split £300k (Revenue funding) and £600k (Capital funding.) At Q3 the predicted outturn is an adverse variance on the revenue account of £600k, this was reported to Council in August 2022. The additional cost is largely due to recognition of the additional revenue resources required 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.

Target Efficiency Savings 2022/23

The Council agreed, as part of the 2021/22 and 2022/23 Budget processes, a number of Efficiency Targets, including an increase to published fees and charges.

Whilst the indicative outturn position noted above requires a contribution from reserves to balance the 2022/23 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:

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Budget Proposals (Efficiency Targets)	2022-23 £'000	2022-23 £'000	Commentary at Q3
Income Targets	Target	Q3	
Trade Waste net increased income	(20)	23	At Q3 shortfall £23k against trade waste income budget.
Increased Taxi Licence Fees (Subject to Taxi Licencing Committee Approval)	(11)	20	Fee increases were approved therefore this target should be achieved. However, estimated shortfall £19.5k.
Supplementary Planning Service	(5)	0	This is not currently being achieved.
Garden Waste: Increased Subscriptions	(10)	(10)	At Q3 budget target achieved as some new customers came online.
Fees and charges: annual increase in line with inflation	(8)	(8)	Approved - included in 2022/23 Estimates
Increased Investment Property Rental Income	(35)	(3)	Due to the current economic climate it is unlikely the increased income targets will be met; only £2.5k has been recovered to date.
Refuse Bins - replace Revenue with Capital	(50)	(50)	Budget transferred to Capital
Total Income Targets	(139)	(28)	
Increased Pressures	Target	Q3	
Reverse - Household Bin cleaning	5	5	Approved - included in 2022/23 Estimates
Additional revenue requirement arising from the Digital Strategy	41	41	Approved - included in 2022/23 Estimates
Additional revenue requirement as a result of transferring vehicle fleet from diesel to hydro treated vegetable oil	60	100	Approved - included in 2022/23 Estimates. However, HVO price having negative impact on forecast spend in year. Overall estimated fuel overspend at Q3 £146k, with £100k being the additional cost of using HVO instead of Diesel.
Extension to Rossendale Works (agreed Cabinet Oct 2021)	30	30	Approved - included in 2022/23 Estimates
Make permanent the Operations Supervisor & Education Officer posts - currently due to end 31/03/2021	67	67	Approved - included in 2022/23 Estimates
Contribution towards developing the Lancashire County Deal	20	20	Approved - included in 2022/23 Estimates
Total Increased Pressures	223	263	

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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	-	(8.5)	(1.5)		(10.0)	
Housing Benefits subsidy and admin grant	(13.0)	(1.9)	-		(14.9)	
Housing Benefit Local Council Tax support grant	0.1	(10.0)	3.0		(6.9)	
Central IT Costs	(26.9)	(104.5)	25.4		(106.0)	
Other minor variances	(0.0)	(2.7)	3.6		0.9	(136.9)
Operational Functions Including Parks						
Staff costs (including agency and overtime)	60.2	(238.8)	(10.5)		(189.1)	
Fuel, Vehicle Maint and Hire	(176.0)	(11.8)	(23.7)		(211.5)	
Parks & Open Spaces	(43.0)	12.0	(7.4)		(38.4)	
Street sweep running costs	(8.2)	0.8	(26.5)		(33.9)	
Garden Waste Income Less Costs	(16.0)	8.3	2.4		(5.3)	
Extra Costs within Refuse	(16.8)	(31.7)	7.1		(41.4)	
Trade Waste & Bulks Net income	8.6	(8.1)	(23.7)		(23.2)	
Public Realm Funding	38.0	0.6	-		38.6	
Playing Fields and Playgrounds		(20.2)	(1.0)		(21.2)	
Cemeteries Net income		22.6	12.5		35.1	
Weed killing	(7.0)	-			(7.0)	
Other minor variances	-	(19.1)	(6.8)		(25.9)	(523.2)
Communities Team	(2.7)	35.0	3.5		35.8	35.8
Env'tal Health, PPU, Licensing and Enforcement						
Staff costs	(24.1)	(23.1)	(1.9)		(49.1)	
Dog Service Cost Savings	4.3	4.4	0.8		9.5	
Extra Costs for Vet Fees		(3.8)			(3.8)	
Shortfall in Fixed Penalty Notice Income		(39.4)	(20.0)		(59.4)	
Shortfall in Income on Licensing and Enforcement		(8.0)	(0.6)		(8.6)	
Other minor variances	(0.7)	(2.1)	0.9		(2.0)	(113.4)
Economic Development						
Staff costs (net of grant & fee income)	83.3	27.1	(30.0)		80.4	
Rawtenstall Market Electricity Costs			(8.8)		(8.8)	
ED Supplies & Services	(2.7)	2.7	(1.4)		(1.4)	
Professional Fees for the Levelling Up Bid		(84.5)	(26.1)		(110.6)	
Market Income	(13.6)	4.0	2.5		(7.1)	
Housing	(5.7)	36.8	0.7		31.8	
Planning Consultancy Professional fees	(32.1)	(5.0)	(4.6)		(41.7)	
Planning Application Fee Income	14.1	12.0	(3.7)		22.4	
Planning Pre-apps	(19.6)	(4.0)	-		(23.6)	
Planning Computer System I(DOX)		(9.6)	-		(9.6)	
Building Control Fee Income	8.8	-	(18.9)		(10.1)	
Planning /Building Control misc under/over		(7.1)	(5.1)		(12.2)	
Property Running costs	(109.6)	(5.2)	(1.0)		(115.8)	
Business Rates	19.0	-	-		19.0	
Spinning Point bus station	1.8	(10.4)	11.3		2.7	
Estates Income (Excluding Town Hall, Futures Park)	(43.8)	7.0	20.6		(16.2)	
Valuation Fees & Professional Fees		(21.6)	(1.9)		(23.5)	
Futures Park Plot 1 & 5	(21.0)	2.9	15.9		(2.2)	
Business Centre rentals	(16.3)	-	-		(16.3)	
Other minor variances	(1.0)	0.9	18.9		18.7	(224.1)
Corporate Management						
Staff costs	2.5	(20.5)	(35.3)		(53.3)	
Election, Democratic Services and Member costs	(3.4)	6.1	(1.1)		1.6	
Internal and External Audit - Finance	(55.0)	-	-		(55.0)	
Leisure Services	(12.8)	-	(2.6)		(15.4)	
Bank & Cash Collection Charges	(39.3)	(2.6)	(1.5)		(43.4)	
Empty Homes	(600.0)	-	-		(600.0)	
Other minor variances	2.2	(17.8)	(9.7)		(25.3)	(790.8)
Non-Distributed Costs & Capital Financing						
Interest	5.0	61.4	(12.4)		54.0	
Other minor variances	(1.3)		38.9		37.6	91.6
Favourable/(adverse) variance	(1,063.8)	(477.5)	(119.7)	-	(1,660.9)	(1,660.9)

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Communities Directorate

Period 9 (Dec)

Customer Services & ICT	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr3 (Adv)/Fav £000
Customer Services							
Benefits Administration	(249.3)	(0.2)	(249.5)	(233.0)	(16.5)	(15.0)	(1.5)
Benefits Granted	(23.7)	-	(23.7)	(17.0)	(6.8)	(9.9)	3.2
Local Tax Collection	(378.6)	-	(378.6)	(382.2)	3.6	(3.5)	7.1
Revenues & Benefits Partnership	988.3	-	988.3	988.4	(0.1)	-	(0.1)
Strategic Functions							
Management and Support	78.5	-	78.5	79.4	(0.9)	(0.9)	0.0
Service Assurance Team	137.3	-	137.3	159.6	(22.2)	(26.5)	4.3
Central Telephones	5.6	-	5.6	3.1	2.5	1.0	1.5
Central Printing	3.9	-	3.9	7.8	(3.9)	4.5	(8.4)
ICT Support	771.8	-	771.8	874.3	(102.5)	(117.0)	14.5
Total	1,333.7	(0.2)	1,333.5	1,480.3	(146.8)	(167.4)	20.6

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	(8.5)	(1.5)	(10.0)	
Housing Benefit External Audit fee	(14.9)		(14.9)	
Benefits Granted				
Revenues & Benefits administration contract	(9.9)	3.0	(6.9)	
Local Tax Collection				
Other minor variances	(3.5)	7.1	3.6	
Management and Support				
Other minor variances	0.3	0.3	0.6	
Service Assurance Team				
SAT Team counter fraud work	(18.0)	4.0	(14.0)	
ICT Support				
Central IT Costs	(114.0)	14.0	(100.0)	
Implementation costs for project and equipment purchases	(6.5)		(6.5)	
Telephones				
Other minor variances	7.6	(6.3)	1.3	
TOTAL	(167.4)	20.6	(146.8)	

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Customer Service & ICT Highlight Report – Q3 (end December 2022)

Historic Issues

- None.

Current Quarter's Issues

At Q3 the forecast variance is £146.8k adverse, the main changes being: -

- Housing Benefit Audit costs are anticipated to exceed budget by an additional 13k, Therefore £21k has been included 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. This is in line with the variance reported in Q1.
- In terms of business rates, the renewable energy income and budgeted S31 grants will be transferred into the Retained Business Rates Earmarked Reserve as per the original budget assumptions.
- At the end of Q3 the total value of computer equipment purchase and implementation costs has exceeded budget by £6.5k. A full review of these costs was carried out in Q2 and expenditure has been capitalised where possible.
- The Service Assurance Team has incurred additional costs for professional fees relating to inform CPI costs for rates reviews carried out.
- A full review of IT professional subscriptions and licences was carried out in Q2 and the cost of renewals for subscriptions and licences has resulted in a forecasted overspend of c£100k
- In addition, the staff costs as a result of the pay award have increased overspend against budget by a further £1.5k in Q3.

Future Issues

- The Council's contract with Capita includes annual indexation increases linked to the higher of CPI or AWE. In light of the current economic situation and anticipated CPI rates this will have a significant impact for 2023/24.

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Communities Directorate

Period 9 (Dec)

Operations & Communities	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr3 (Adv)/Fav £000
Operational Functions							
Operations Admin & Vehicle Maintenance	348.7	-	348.7	443.0	(94.3)	(106.8)	12.4
Refuse & Recycling	1,190.8	-	1,190.8	1,501.0	(310.2)	(274.5)	(35.7)
Street Sweeping	361.5	-	361.5	439.3	(77.7)	(52.6)	(25.1)
Parks & Cemeteries							
Parks & Open Spaces	894.1	-	894.1	970.2	(76.1)	(34.3)	(41.7)
Cemeteries	(231.6)	-	(231.6)	(266.7)	35.1	22.6	12.5
Communities Team							
Area Forums	144.8	(27.0)	117.8	82.0	35.8	32.3	3.5
	15.0		15.0	15.0	-	0.0	-
Total	2,723.4	(27.0)	2,696.4	3,183.8	(487.4)	(413.3)	(74.1)

Key changes made during the period to the full year forecast	Variance	Variance	Full-Yr Forecast	R
	Bfwd £000	this Qtr £000	£000	A G
Operations Admin & Vehicle Maintenance				
Operations Efficiency Saving on Henrietta Street	(76.1)	5.5	(70.6)	
Fleet Management Vacancy and Agency	5.4	6.5	11.9	
Henrietta Street - Recruitment Costs	(13.6)	(4.0)	(17.6)	
Office and Computer Equipment	(3.0)		(3.0)	
Henrietta Street Supplies & Services	(20.6)	(1.8)	(22.4)	
Henrietta Street - Public Realm Income	3.0		3.0	
Fleet Running Costs MOTs	(4.6)	0.2	(4.4)	
Refuse & Recycling				
Refuse Salaries and Agency	(126.9)	4.0	(122.9)	
General Garden Waste Expenditure	(3.0)	(1.3)	(4.3)	
Garden Waste under achieved income	(4.7)	3.7	(1.0)	
Bin Repairs and Litter Bins etc	(7.7)	5.7	(2.0)	
Residual - Sacks & Bag and Sale of Green Bins	(5.0)		(5.0)	
External Printing and Publicity		(10.4)	(10.4)	
Fleet - extra fuel costs	(100.0)		(100.0)	
Refuse Fleet - Tyres etc	(10.0)	3.0	(7.0)	
Vehicle Maintenance		(10.4)	(10.4)	
Trade Waste - income	0.5	(23.7)	(23.2)	
Other Variances - Supplies & services	(19.0)	(5.0)	(24.0)	
Street Sweeping				
Street Sweeping Salaries and Agency	5.6	(8.6)	(3.0)	
Street Sweep Plant Insurance	(1.2)		(1.2)	
Street Sweep Tools and PPE	(7.0)	(1.1)	(8.1)	
Fleet - extra fuel costs	(37.6)	8.0	(29.6)	
Sweeper Brushes & Insurance	(4.0)	(2.8)	(6.8)	
Hire of Vehicle and Plant		(11.2)	(11.2)	
Weed Killing	(7.0)		(7.0)	
Street Sweep Public Realm	7.0		7.0	
Other Variances	(8.0)	(9.8)	(17.8)	
Parks & Open Spaces				
Parks Salary Variances (Including temporary gardeners)	20.0	(11.0)	9.0	
Parks Extra Costs	(31.0)	3.1	(27.9)	
Parks Fuel, Tyres	(8.0)	(23.7)	(31.7)	
Hire of Vehicle and Plant, Vehicle & Plant Insurance		(5.8)	(5.8)	
Parks & Open Spaces S106 and Other Contributions Public Realm	28.6		28.6	
Parks Playing Fields	(8.8)	(2.6)	(11.4)	
Parks Playgrounds Repairs & Insurance etc	(11.4)	3.6	(7.8)	
Cemeteries				
Cemeteries Repairs	(4.4)	(8.5)	(12.9)	
Cemetery Income & Internment Fees	27.0	21.0	48.0	
Other Variances				
Overtime Budgets (net all areas)	(20.3)	(6.5)	(26.8)	
Communities Pay Inflation	32.3	3.5	35.8	
Other Variances	0.2	6.3	6.5	
TOTAL	(413.3)	(74.1)	(487.4)	

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Operations Highlight Report – Q3 – 31st December 22

Historic Issues

- There continues to be the need to use Agency to help support the Refuse Team and the Pay Award has eliminated any savings within staffing. In addition, fuel costs are still high which is the primary reason for the overspend forecasted at Q3

Current Quarter Issues

- At the end of Q3, overall Operations and Communities are forecasting an adverse variance of £523.2k. This is an extra £77.5k from Q2 which is mainly down to the pay award, along with escalating costs across a number of essential supplies for refuse. This in turn means that the efficiency saving set is unachievable at £67k. There are several other budget variances as costs of supplies & services are accelerating at unprecedented rates. Extra income has been negotiated from Lancashire County Council, for the Public Realm Works carried out by the Council on their behalf, of approximately £38k

Henrietta Street

- Includes additional unbudgeted expenditure for recruitment costs of £13.6k and supplies and services costs of £6.5k. This cost centre also hosts the efficiency saving target £67k.

Fleet

- Currently have a member of staff down which in the short term will be covered by Agency staff at a higher cost.

Refuse

- The shortfall in Garden Waste Service Subscriptions reported in Q1 has significantly recovered in Q2 and Q3 reaching the budgeted target. The resource costs associated with Refuse have seen increased prices resulting in a number of overspends totalling £8k. During Q3 there is no change in staffing and one vacancy remains. At the end of Q3 the forecasted staffing position exceeds the budget due to the pay award. Due to the fluctuations in fuel prices over the summer, including the higher cost for HVO, it is anticipated that fuel will overspend by around £100k. The price of other resources has also risen with expenditure on tyres anticipated to be c£13k over budget.

Street Sweep

- Vacancies within this area are being filled leaving only 1 vacant post at Q3. There continues to be a budget pressure on the Weedkilling and Whitworth Caretaker Service of £7k. Street Sweep will benefit by £7k increased income due to the re-negotiated contribution from LCC for the Public Realm Service. Vehicle Plant Insurance has exceeded the budget due to inflation by £1.2k and extra fuel cost within this area exceeds the budget by £30k.

Parks

- Parks have staffing savings due to two vacancies at Q3 however this is cancelled out with using agency. Supplies and service costs on Parks are overspent by £38k due to extra costs for external contractors, litter bins and hire. Parks share of extra costs on fuel is currently £16k. Extra Income for Public Realm Work which will benefit Parks by £28k.
- Parks Vehicles have cost pressures exceeding the budget by £21.5k due to prices increases on tyres and hire.
- Cost of materials for the Playing Fields have also seen inflationary increases exceeding the budget by £11.4k.
- Park Playgrounds have incurred general repairs of £6k and extra costs for insurance of £5k but this is offset by additional income that has been contributed of £5.6k.

Cemeteries

- Income contributions at Q3 based on trends could potentially exceed budgets by £35k. To be reviewed at Q4.

The Future

- Operations are working with LCC to identify potential sites to develop a transfer station. This will assist in driving through efficiencies in the refuse collection operation.

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Communities Directorate

Period 9 (Dec)

Public Protection	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr3 (Adv)/Fav £000
Public Protection Unit	163.3	20.4	183.7	180.5	3.3	2.1	1.1
Environmental Health	191.4	(13.8)	177.6	239.9	(62.2)	(42.8)	(19.5)
Licensing & Enforcement	52.9	20.4	73.3	127.7	(54.4)	(51.9)	(2.4)
Total	407.6	27.0	434.6	548.0	(113.3)	(92.5)	(20.8)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
PPU				
PPU Staffing Saving	(3.8)		(3.8)	
Dog Warden Service Saving	8.7	0.9	9.6	
Other Variance	(2.8)	0.2	(2.6)	
Environmental Health				
Environmental Health - staffing and consultant	(3.4)	(2.0)	(5.4)	
Environmental Health - Supplies & Services Savings		4.2	4.2	
Environmental Health - shortfall on FPN and Other Contributions	(39.4)	(20.1)	(59.5)	
Environmental Health - Misc		(1.5)	(1.5)	
Licensing & Enforcement				
Licensing & Enforcement - staffing	(40.6)	0.7	(39.9)	
Licensing & Enforcement - Extra Costs for Vet Fees	(3.8)		(3.8)	
Licensing & Enforcement - Shortfall in Private Hire Vehicle Income	(7.0)		(7.0)	
Licensing & Enforcement - Shortfall in Hackney Carriage Vehicle Income	(11.0)	3.0	(8.0)	
Licensing & Enforcement - Shortfall Hackney Carriage Driver Income		(5.1)	(5.1)	
Licensing & Enforcement - Liquor Licences	10.0		10.0	
Other misc variances	0.6	(1.1)	(0.5)	
TOTAL	(92.5)	(20.8)	(113.3)	

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Environmental Health, Public Protection Unit and the Licensing and Enforcement Service Highlight Report – Q3 – 31st December 22

Historic Issues

- Nothing reported

Current Quarter Issues

At the end of Q3 Environmental Health, Public Protection Unit and the Licensing and Enforcement budgets are overspent by £113.3k in the main due to staffing and a reduction in income achievable broken down as follows:-

Environmental Health

- Staffing Costs are £5.4k overspent due to a combination of the pay-award off set with agency saving of £9k. Fixed Penalty Notices (FPN's) and other contributions - based on the recovery to date this income stream will fall short by £29.6k and £29.8k respectively. The cost of supplies and services are within budget.

Rogue Landlords

- Due to COVID, over the last couple of years training for private landlords has not been able to be delivered and the provider who was in place ceased trading. Environmental Health have now appointed an Enforcement Officer along with providing some training programmes within this area. This has become a priority and has become an area of concern in respect of Housing Standards required from all Landlords. A provision was brought forward to carry-out this work throughout 2022-23.

Climate Change.

- The Climate Change Initiative is underway and within budget.

Public Protection Unit

- The staffing costs are slightly overspent by £3.8k due to the pay-award.
- The cost of dog services are projecting an underspend of £9.5k.

Licensing & Enforcement

- Staffing Costs are overspent by £39.9k due to an un budgeted member of staff remaining within this service area and the pay award.
- Supplies & services are within budget with the exception of vet fees £3.8k which will be recharged where possible.
- Most income streams within Licencing are under recovering which has resulted in an overall income shortfall of £8.6k.

Future Issues

A decision needs to be taken regarding the unbudgeted post within Licensing & Enforcement.

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Economic Development Directorate

Period 9 (Dec)

Economic Development & Regeneration Services	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr3 (Adv)/Fav £000
Planning							
Development Control	156.7	-	156.7	177.3	(20.6)	(12.1)	(8.5)
Forward Planning	153.6	-	153.6	138.1	15.4	14.2	1.3
Building Control							
Building Control - Fee Earning Account	(4.5)	-	(4.5)	(3.0)	(1.5)	16.9	(18.4)
Building Control - Statutory Function	33.2	-	33.2	28.9	4.3	2.6	1.8
Building Control - Street Signs	2.5	-	2.5	4.8	(2.3)	(1.8)	(0.5)
Regeneration							
Economic Regeneration	177.5	0.0	177.5	261.1	(83.6)	(43.4)	(40.2)
Whitaker Park Museum	20.0	-	20.0	20.0	0.0	(0.0)	0.0
Tourism	40.0	-	40.0	40.0	(0.0)	0.0	(0.0)
Markets	(23.9)	-	(23.9)	(16.7)	(7.1)	(9.6)	2.5
Property Services & Facilities Management							
Property Services	95.1	-	95.1	87.8	7.3	7.0	0.4
Corporate Estates	(425.6)	-	(425.6)	(378.9)	(46.6)	(64.5)	17.9
Non Domestic Estates	(126.6)	-	(126.6)	(134.1)	7.5	1.7	5.9
Office Accommodation	39.5	-	39.5	60.3	(20.8)	(20.3)	(0.5)
Operational Properties	358.4	-	358.4	415.8	(57.4)	(69.1)	11.7
Leisure Properties	103.3	-	103.3	103.1	0.1	3.2	(3.0)
Bus Shelters	107.6	-	107.6	130.5	(22.9)	(15.6)	(7.3)
Business Centre	154.3	0.2	154.5	184.4	(30.0)	(31.8)	1.8
Strategic Housing							
Housing Strategy	59.1	-	59.1	26.3	32.8	32.5	0.3
Private Sector Housing Renewals	(3.7)	-	(3.7)	(3.7)	0.0	(1.8)	1.8
Homelessness	141.6	(37.1)	104.5	103.4	1.1	(0.2)	1.3
Total	1,073.1	(36.9)	1,036.3	1,260.4	(224.1)	(192.4)	(31.7)

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Key changes made during the period to	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Planning				
Forward Planning staffing	12.8		12.8	
Planning staffing	67.0	19.0	86.0	
Planning Agency Staff Fees	(84.7)	(1.0)	(85.7)	
Planning Consultancy fees/ Legal fees	(37.1)	(3.6)	(40.7)	
20% FBHM to support staffing	58.0	(17.2)	40.8	
Planning Application Fee Income	26.1	(3.7)	22.4	
Pre-App Income	(23.6)		(23.6)	
Computer system IDOX	(9.6)		(9.6)	
Other Miscellaneous Variances		(0.6)	(0.6)	
Building Control				
Building Control staffing	9.3	2.4	11.7	
Building Control - Street Signs				
Building Control Fees	8.8	(18.9)	(10.1)	
Planning /Building Control misc under/over	(7.1)	(0.6)	(7.7)	
Regeneration				
Economic Regeneration Staffing	41.1	(3.9)	37.2	
Recruitment Advertising	-	(1.4)	(1.4)	
Rawtenstall Market Electricity Costs not yet transferred (Inflationary Rise of Utilities)	-	(8.8)	(8.8)	
Professional Fees for the Levelling Up Bid	(84.5)	(26.1)	(110.6)	
Markets Income underachieved	(9.6)	2.5	(7.1)	
Strategic Housing				
Housing Strategy Staffing	32.5	3.3	35.8	
Private Sector Housing Renewals Agency Costs - Resource left in Q3.	(40.6)	12.4	(28.2)	
Private Sector Housing Renewals staffing	31.9	(1.6)	30.3	
Private Sector Renewals additional fee income or contribution from Housing reserve	8.8	(8.8)	-	
Homelessness	(3.7)	(0.4)	(4.1)	
Other Miscellaneous Variances	2.3	(2.3)	(0.0)	
Property Services Team				
Property Services staffing	8.7	9.7	18.4	
Pool Car, CCTV, Emergency Planning,	(0.6)	(2.0)	(2.6)	
Corporate Estates				
Corporate Estates rental income	(35.8)	1.5	(34.3)	
Futures Park rental income	(18.1)	9.8	(8.3)	
Valuation Fees & Professional Fees	(21.6)	(1.9)	(23.5)	
Non Domestic Estates				
Industrial units rental income	(1.0)	2.5	1.5	
Operational Properties				
Property Running Costs: Repairs & Maintenance	(0.3)	(0.2)	(0.5)	
Gas, Electricity, Water	(108.4)	1.4	(107.0)	
NNDR - excluding Spinning Point bus station	19.0	1.7	20.7	
Knotweed Treatment	(12.3)		(12.3)	
Leisure Properties	8.7		8.7	
Bus Station / Shelters				
Spinning Point Bus Station running costs	2.9	(2.2)	0.7	
Spinning Point Bus Station - units to rent	(11.5)	(11.6)	(23.1)	
Spinning Point Bus Station - Departure charges		25.1	25.1	
Bus Shelters	(0.3)		(0.3)	
Business Centre				
Business Centre rentals	(16.3)		(16.3)	
Business Centre Fit Tarrif	3.0		3.0	
Property Insurance Premiums	(5.5)		(5.5)	
Other Miscellaneous Variances	(1.1)	(6.2)	(7.3)	
TOTAL	(192.4)	(31.7)	(224.1)	

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Economic Development & Regeneration Highlight Report – Q3 (Dec 2022)

Historic Issues

- None

Current Quarter Issues

Economic Regeneration are currently forecasting an adverse variance of £90.7k, which is broken down as detailed below: -

- Staff Costs in Economic Development are underspent by £37.3k – due to the Managers Post Vacant for a period and subsequently merged with the Strategic Housing Manager post. Offset by costs for recruitment £2.3k. There has been some small extra costs incurred £0.5k. However, in Q4 this will change as the new Head of Housing and Regeneration commenced in the New Year.
- During 22-23 £110k additional costs have been incurred for Professional Fees relating to the Levelling Up Bid. At the time of writing the Scheme of Delegation this was to be found from in year savings. However, due to the Economic Crisis this will now need to be funded from reserves.
- During Quarter 3 the Economic Development Team had a big push on recovering Market Income and have been successful in recovering a large proportion of what was overdue. The adverse variance has now come down to £7.1k compared to £12.1k Q2.

Housing net underspend of £33.9k

- Staffing savings overall as at Q3 have generated £61.9k of savings. However, some of these savings are offset by Agency costs £28.2k on the Private Sector Renewal Team (PSR). The position within PSR Team was filled at the end of July 22 with the new member of staff now in post.
- Within the Housing Options Team over the year it has been necessary to secure extra support in the form of Agency Staff which is projected to cost £54.8k and will be paid for out of the Homelessness Prevention Grant which currently provides the funding for an existing member of staff too. The Homelessness Prevention Grant during 22-23 is funding two posts.
- There are currently 15 households in B&B Accommodation which includes families and single occupancy.
- Staff Costs on Housing Strategy are underspent by £36k due to the Manager Post being merged with the Head of Economic Development post. The new Head of Housing and Regeneration commenced in the New Year.

Property Services and Facilities Management is currently showing an adverse variance of £162.7k.

- Salary costs are showing a favourable variance of £18.4k. This includes a favourable movement of £9.7k due to the Property Manager leaving the authority
- Facilities running costs are showing an adverse variance of £99.1k this is mainly due to the increase in utility costs.
- The estates income is showing an overall adverse variance of £34.3k. The section is seeking new income streams and to date has secured an extra £12.2k from Garage sites and rent reviews
- Futures Park units are projected to come in on target
- Property Services proportion of insurance premiums is showing an overspend of £5.5k.
- The Business Centre room hire are projecting an under achievement of £16.3k Three tenants remain.

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Planning & Building Control are showing an adverse variance of £4.6k

- Planning/Forward Planning staffing (inc agency/consultancy) costs are showing an adverse variance of £37k, this is due to staff shortages resulting in the use of agency staff in Planning (Development Control).
- Building Control staffing costs are £11.5k below the budget.
- Overall Planning are projecting an adverse variance of £1k, whilst general planning fee income is predicted to be £22.6k over budget this is offset by pre-application fees projected to under achieve by £23.6k
- Building Control income are projecting a favourable variance of £3k.

Future Issues

- Continued increases in gas and electricity cost are placing a strain on the Council's budget.

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Corporate Services Directorate

Period 9 (Dec)

Corporate Management	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr3 (Adv)/Fav £000
Corporate Management							
Executive Office	372.0	-	372.0	371.2	0.8	11.3	(10.5)
Corporate Contingency	65.2	-	65.2	45.8	19.4	-	19.4
Exec Support & Corporate Subscriptions	34.2	-	34.2	40.1	(5.9)	(10.8)	4.9
Legal Services	180.4	-	180.4	188.3	(7.8)	(0.8)	(7.0)
Land Charges	(17.7)	-	(17.7)	(4.5)	(13.2)	(3.9)	(9.3)
Democratic Services							
Electoral Registration	73.1	-	73.1	71.2	1.9	(0.4)	2.3
Elections	75.0	-	75.0	78.6	(3.6)	(3.1)	(0.5)
Democratic Support	348.4	-	348.4	348.3	0.2	3.1	(2.9)
Mayoralty & Civic Events	56.0	-	56.01	58.6	(2.6)	(5.8)	3.2
Town Twinning	2.5	-	2.5	2.5	0.0	-	0.0
Financial Services							
Treasury Management	81.2	-	81.2	173.4	(92.3)	(89.3)	(3.0)
Insurance, Risk & Audit Fees	64.7	-	64.7	64.7	-	-	-
Financial Services Team	439.1	-	439.1	475.0	(35.9)	(20.7)	(15.2)
People & Policy							
Human Resources	457.4	-	457.4	452.4	5.0	11.8	(6.8)
Corporate Support	224.8	-	224.8	243.0	(18.1)	(22.3)	4.2
Publicity	4.0	-	4.0	4.0	-	-	-
Leisure Services	(55.1)	-	(55.1)	(45.4)	(9.7)	(9.7)	0.0
Empty Homes Scheme	300.0	-	300.0	900.0	(600.0)	(600.0)	(0.0)
Total	2,705.1	-	2,705.1	3,466.8	(761.7)	(740.6)	(21.1)

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	12.7	(10.5)	2.2
Corporate Contingency			
General subscriptions	(10.8)	4.9	(5.9)
Legal Services			
Salary variances	0.7	(1.1)	(0.4)
Professional fees	-	(6.7)	(6.7)
Other Legal Misc under/ over	(1.4)	0.8	(0.6)
Land Charges			
Salary variances	(1.7)	(0.3)	(2.0)
Search Income	(2.7)	(8.9)	(11.6)
Democratic Services			
Salary variances Elections	(6.3)	1.1	(5.2)
Other Election Misc under/ over	2.7	0.6	3.3
Salary variances Democratic Support	(4.5)	1.0	(3.5)
Members Costs - Extra Cabinet Member	5.0	(1.4)	3.6
Traffic Management for Remembrance Sunday	-	3.4	3.4
Other Dem Misc under /over	(3.3)	0.7	(2.6)
Financial Services			
Salary variances - Accountants	(31.9)	2.9	(29.0)
Salary variances - Exchequer	15.1	(16.5)	(1.4)
Other misc under / (over) spends	(7.4)	2.4	(5.0)
External Audit Fees - Grant Thornton	(55.0)	(1.7)	(56.7)
Bank Charges / Bank interest	(34.5)	(1.5)	(36.0)
Human Resources			
Salary variances	17.2	(11.8)	5.4
Minor Variances	2.8	-	2.8
Corporate Support			
Salary variances	(19.3)	2.1	(17.2)
Other variances	(3.0)	1.9	(1.1)
Publicity			
Publicity	4.0	-	4.0
Leisure			
Leisure	(9.6)	-	(9.6)
Empty Homes			
Empty Homes	(600.0)	-	(600.0)
Other Misc under / (over) spends	(9.4)	(1.9)	(11.3)
TOTAL	(740.6)	(21.1)	(761.7)

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Corporate Management Highlight Report – Q3 December 2022

Historic Issues

- None

Current Quarter Issues

The Corporate Management outturn is forecast to be £788.3k adverse, the main movements being: -

- Staff costs, are £53.3k adverse, major variances are shown below:
 - Executive office is showing an overall adverse variance of £12.2k, this is mainly due to the cost of recruiting the new Chief Executive and Director of Economic Development and the interim cover.
 - Financial Services adverse £30.4k linked to the cost of agency staff covering vacant posts
 - People & Policy are showing an positive variance of £16.9k, however this is offset by an adverse variance in Corporate support of £17.2k
- Legal are showing an adverse position of £7.8k, this is mainly due to the overspend on external legal advice (11.7K).
- Local Land Charges income shortfall has increased to £12.4k.
- External Audit charges are anticipated to be c£55k overspent, due to additional charges received from Grant Thornton for the audit of the 2016/17 & 2017/18 accounts.
- Due to the increase in volume of individuals using the Council's electronic payment system bank charges are predicted to be £34k over budget.
- The Council's training budget is expected to be overspent by £9.7k this is due to a combination of increased costs and increased training requirements.
- The Empty Homes scheme is predicted to overspend by £600k revenue, this is due to various issues that have been reported to full Council.

Futures Issues

- Land Charges searches are to be migrated to the Land Registry. The Council will receive initial funding and new burdens monies to help with this.

The empty Homes scheme continues to place additional pressures on the Council's finances.

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Corporate Services Directorate

Period 9 (Dec)

Non-Distributed Costs & Capital Financing	2022/23 Orig Budget	Virements Budget	2022/23 Org Budget	2022/23 Forecast	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
	£000	£000	£000	£000	£000	£000	£000
Non Distributed Costs							
Employee & Pension Costs	112.7	-	112.7	87.5	25.2	(9.6)	34.8
Other Non-distributed Costs	19.5	-	19.5	16.7	2.7	(1.3)	4.0
Capital Financing							
Minimum Revenue Provision	549.6	-	549.6	549.3	0.3	0.3	-
Interest (net)	119.0	-	119.0	55.6	63.4	75.6	(12.2)
Total	800.8	-	800.7	709.2	91.6	65.1	26.6

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				
Other income variance		34.8	34.8	
Other minor variances	(1.3)	4.0	2.7	
Capital Financing				
Interest expenditure/income from bank accounts	66.4	(12.4)	54.1	
Other minor variances			-	
TOTAL	65.1	26.5	91.6	

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Non-Distributed Costs & Capital Financing Highlight Report – Q3 (December 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 Q3 projection is for expenditure to meet budget.

Current Quarter Issues

- The original budgeted staff savings target was £200k. Added to this is £25k of savings from employees purchasing additional leave. The additional impact of the pay award has negated any staff savings. The table below attempts to show the position against the savings target adjusted for the pay award impact. 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.

Forecast Year End Staffing Variances	Q1 £000	Cum Q2 £000	Cum Q3 £000
Customer Services	-	(8.5)	(10.0)
Operations	60.2	(178.6)	(189.1)
Public Protection	(24.1)	(47.2)	(49.1)
Economic Development	83.3	110.4	80.4
Corporate Management	15.0	12.7	(13.4)
Legal & Democratic	6.9	(11.8)	(9.2)
Financial Services	(22.1)	(16.8)	(30.4)
People & Policy	2.7	(2.1)	(0.3)
Savings in staff costs	121.9	(141.9)	(221.1)
*Adj - impact of pay award		264.0	264.0
Total staff savings	121.9	122.1	42.9
Additional Leave	(25.0)	(25.0)	(25.0)
Original savings target	(200.0)	(200.0)	(200.0)
Staff Variance	(103.1)	(102.9)	(182.1)

* Adjustment for additional impact of the pay award.

- Interest income is currently forecast to be c£80k this is above the budget by c£66k. The recent Bank of England interest rate rises have now slowly been reflected in the rates the Council is being offered from banking institutions. However officers are placing funds with institutions offering the highest rates, which are currently Lancashire County Council and the Debt Management Office. The continued level of uncertainty around income collection and the diminishing cash balances has prompted officers to keep cash flow mainly with instant accounts.

Future Issues

The 'Cost of Living Crisis' continues to dominate headlines and continues to impact on the cost of supplies and services.

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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	AN060145
Balance at 01/04/2022	270.1	74.0	5,031.3	2,559.1	65.0	659.2
Funds Received 2022/23						
Collection Fund - S31 Grants (NNDR1)			1,920.9			
Collection Fund - Renewable Energy (NNDR1/3)			183.0			
New Homes Bonus				132.0		
Services Grant				150.0		
Lower Tier Services Grant				98.0		
Other Revenue income received						
Total Funds Available	270.1	74.0	7,135.2	2,939.1	65.0	659.2
2022/23 Published Budget Utilisation						
Retained Business Rates						
New Homes Bonus				(132.0)		
Services Grant				(150.0)		
Lower Tier Services Grant				(98.0)		
General budget support				(1,471.8)		
2022/23 Other Utilisation Plans						
Transfers between Reserves		(74.0)	(2,028.0)	2,102.0		
IER						
Collection Fund Surplus/Deficit impact			(1,913.0)			(445.1)
Support Forward Plan						
Economic Development Projects	(270.1)			(22.5)		
Legionella Risk Assessment						
Living Well, Living Better Project						
Haslingden Task Force						
Homelessness Projects						
Property-related projects						
Other Commitments				(1,424.5)	(10.0)	
Total Utilisation Commitment	(270.1)	(74.0)	(3,941.0)	(1,196.8)	(10.0)	(445.1)
Reserve Estimates 31/3/2023	0.0	0.0	3,194.2	1,742.3	55.0	214.1
Future Contributions/Utilisation Plans						
2023/24 plans			(1,266.0)	(756.0)	(20.0)	
2024/25 Plans				(857.0)		
2025/26 Plans				(129.3)		
Potential Reserve Balances	0.0	0.0	1,928.2	(0.0)	35.0	214.1

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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 01/04/2022	189.1	46.6	517.0	1,393.7	1,000.0	11,805.2
Funds Received 2020/21						
Collection Fund - S31 Grants						1,920.9
Collection Fund - Renewable Energy						183.0
New Homes Bonus						132.0
Services Grant						150.0
Lower Tier Services Grant						98.0
Other Revenue income received				201.3		201.3
Total Funds Available	189.1	46.6	517.0	1,595.0	1,000.0	14,490.4
2022/23 Published Budget Utilisation						
Retained Business Rates						0.0
New Homes Bonus						(132.0)
Services Grant						(150.0)
Lower Tier Services Grant						(98.0)
General budget support	(189.1)					(1,660.9)
2022/23 Other Utilisation Plans						
Transfers between Reserves						0.0
IER				0.0		0.0
Collection Fund Surplus/Deficit impact						(2,358.1)
Support Forward Plan						0.0
Economic Development Projects						(292.6)
Legionella Risk Assessment						0.0
Living Well, Living Better Project						0.0
Haslingden Task Force						0.0
Homelessness and Communities Projects						0.0
Property-related projects				(17.5)		(17.5)
Other Commitments		(20.0)		(261.3)		(1,715.8)
Total Utilisation Commitment	(189.1)	(20.0)	0.0	(278.8)		(6,424.9)
Reserve Estimates 31/3/2023	0.0	26.6	517.0	1,316.2	1,000.0	8,065.5
Future Contributions/Utilisation Plans						
2023/24 plans				(134.3)		(2,176.3)
2024/25 Plans				(224.4)		(1,081.4)
2025/26 Plans				(52.8)	(1,000.0)	(182.1)
Potential Reserve Balances	0.0	26.6	517.0	904.7	0.0	3,625.6

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Current issues

As noted on page 2, the forecast adverse variance on the General Fund of £1,660.9k will require a contribution from a combination of the Transitional Reserve and the Vehicle Reserve to support the budget.

The Council's share of 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 Covid related S31 grant receipts received during 2020/21 and 2021/22 in respect of the Retail, Hospitality, Leisure and Nursery reliefs were added 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'). The planned contribution features in the above table.

As above, the Response & Recovery Reserve will continue to be used to release funds as necessary to meet eligible expenditure incurred as a consequence of Covid. The planned expenditure/grant returns are included within the above table. Details of these commitments are included in the Covid summary on page 41.

The release of funding from the Employment & Transport Reserve to support approved expenditure incurred in 2022/23 means the fund will be exhausted by the end of the year.

The legacy of the Covid pandemic, the Empty Homes scheme and the ongoing economic crisis are placing significant pressure on the Council's financial position.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Hoarding Grant	Total
	£000	£000	£000	£000	
	AL030132	AL030127	AL030130	AL030129	
Balance at 01/04/2022	2,221.3	52.9	6.8	1.7	2,282.7
New Funds Received 2022/23					
Grant due/received	1,160.1				1,160.1
Total Funds Available	3,381.4	52.9	6.8	1.7	3,442.8
Utilisation in 2022/23					
DFGs Outturn 2022/23	(1,250.0)				(1,250.0)
Transforming Lives/Hoarding Projects					0.0
Homelessness Project					0.0
Domestic Abuse Projects					0.0
Covid related expenditure					0.0
Movement to Earmarked Reserves					0.0
Anticipated Balance 31/03/2023	2,131.4	52.9	6.8	1.7	2,192.8
Future Utilisation Plans					
2023/24 plans	(1,000.0)	0.0	0.0	0.0	(1,000.0)
2024/25 plans	(858.2)	0.0	0.0	0.0	(858.2)
Potential Reserve Balances	273.2	52.9	6.8	1.7	334.6

In addition to the £2,221.3k of unspent DFG grant brought forward from 2012/22, the 2022/23 allocation of £1,160k has been confirmed, giving total DFG resources of £3,381.4k. 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 DFG allocation for the Council for 2022/23 of £1,160k.

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Staff Costs, including agency

Net Employment Costs 2022/23 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
Communities Directorate						
Customer Services	257	262	(4)	1	(5)	7.8
Operations Service	1,327	1,487	(160)	(65)	(95)	51.0
Parks & Cemeteries	514	524	(11)	10	(20)	21.0
Public Protection Unit	119	122	(3)	3		4.0
Environmental Health	175	186	(12)	(0)	(12)	5.0
Licensing & Enforcement	115	141	(26)	(12)	(14)	4.0
Communities Team	70	66	4	3		2.0
Economic Development Directorate						
Planning Services	399	407	(9)	7	(15)	12.4
Building Control Services	122	111	12	9	2	4.0
Regeneration	79	61	19	3	16	2.0
Property Services	78	68	10	13	(3)	3.6
Housing	245	248	(4)	(2)	(1)	8.5
Corporate Services						
Corporate Management	274	370	(96)	(11)	(85)	3.0
Legal Services	123	123	0	3	(3)	3.0
Local Land Charges	41	43	(2)	1	-	1.5
Empty Homes	20	17	3	3		1.0
Democratic Services	178	181	(3)	7	(10)	6.4
Financial Services	363	383	(20)	22	(42)	9.0
People & Policy	475	480	(6)	16	(21)	17.9
Total Net Overspend	4,974	5,281	(307)	10	(310)	167.1

The net employee over spend at Q3 is £307k. This is down to the impact of the pay award along with:-

- Operations are overspent by £160k – increased agency cover
- Licensing & Enforcement are overspent by £26k – unbudgeted post
- Corporate Management are overspent by £96k – CEO and Director recruitment and temporary cover
- Financial Services are overspent by £20k - additional cost of temporary cover

Treasury Management & Cash Flow Monitoring

At the end of December the bank balances were £14.3m. Maintenance of significant cash balances in Q3 are largely as a result of a delay to the anticipated repayment of sums reported at Q1 and Q2. It was originally estimated that c£6m of funding held over from 2020/21 would be repayable to Government by the end of April 22. Circa £3m was repaid in July, with the remaining funding due to be repaid later in the 2022/23 financial year. Current estimates suggest returnable sums due in Q4 of 2022/23 and this timing is assumed in future cashflow planning.

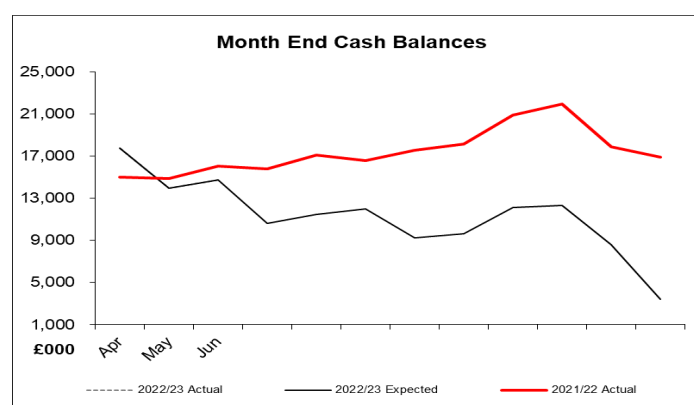
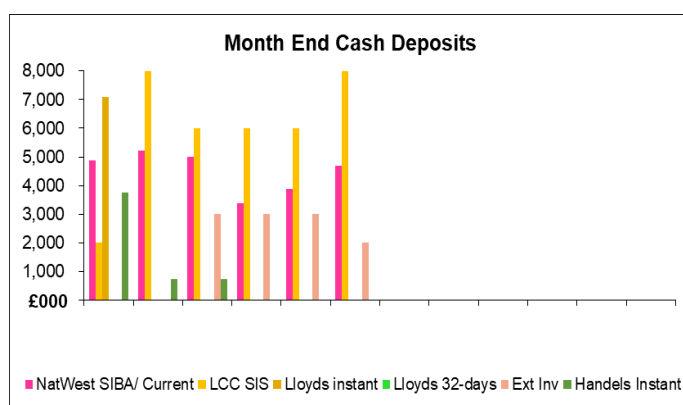
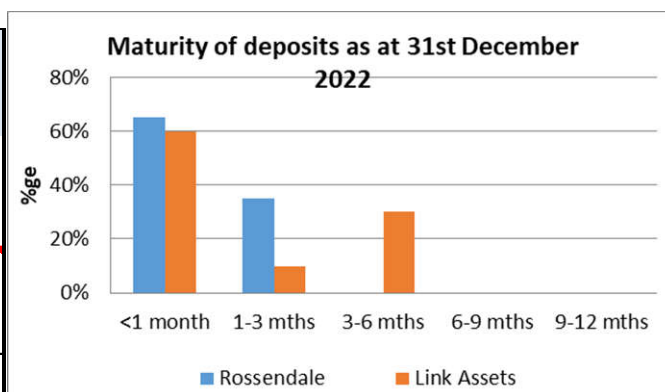
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During the period the Council has also held and distributed funding for the Energy Rebate Scheme (£4m) and Household Support Scheme, the former completed within this quarter and the latter will complete in Q4.

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

Balances & Interest Rates at 31/12/2022	Current Balance £k	Avg Interest Rate %
NatWest SIBA	2,295	0.10
Lancashire CC Call	7,000	3.25
Handelsbanken instant	-	0.00
External Investments	5,000	3.00
Lloyds instant access	-	0.00
Lloyds 12mth Deposit	-	-
Total Bal & Avg interest	14,295	2.66



NB 2022/23 Month end cash balances currently aligned to actual cash – hence cannot see dotted line at Q1/Q2/Q3.

There have been multiple interest rate increases in the year to date. At the end of Q3 the Bank of England base rate sat at 3.5% and subsequently rose to 4% on 2nd February 2023.

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 increase 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

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

At 31st December 2022, the Council's portfolio mix consists of £7m in an LCC call account, £2m on deposit with the DMO for 3 months and £3m on deposit with the DMO for 4 months and liquid funds of £2.3m.

Interest Forecast	Budget 2022/23	Forecast 2022/23	Variance Fav/(Adv)	Change Fav/(Adv)
<u>Revenue</u>				
Interest payable (PWLB)	(127.0)	(127.0)	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	9.0	85.0	76.0	76.0
Net Interest	(119.0)	(42.0)	77.0	77.0

The average effective interest rate at the end of Q3 was 2.66%, compared to a target of 0.1%.

Interest Paid/Received

The budget for interest in 2022/23 is a net cost of £119k, current estimates are that the outturn will be a net cost of £42k. However if interest rates continue to rise this net cost should decrease.

Economic Outlook

(Released January 2023)

The Consumer Prices Index rose by 10.5% in the 12 months to December 2022, down from 10.7% in November. The largest downward contribution to the change of 0.10 percentage points came from transport, with further large downward contributions from clothing and footwear (0.07 percentage points), and recreation and culture (0.06 percentage points). The largest, partially offsetting, upward contributions to the change in the annual rate came from restaurants and hotels (0.12 percentage points), and food and non-alcoholic beverages (0.06 percentage points).

Road fuel prices in mid-December 2022 remain higher than the end of 2021 but lower than recent months. The mid-month average retail price of petrol for December 2022 was 155.5 pence per litre, 18 per cent lower than the recent peak in mid-July 2022, but 6.7 per cent higher than December 2021. Average retail diesel price was 179.4 pence per litre, 9.1 per cent lower than the recent peak in mid-July 2022, but 20 per cent higher than the same period the year before.

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, and 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.

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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.

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 Q3, suggestions of future rate rises in the short-term and rising inflation rates.

Interest Rate Forecasts								
Bank Rate	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Link	4.25%	4.50%	4.50%	4.25%	4.00%	3.75%	3.25%	3.00%
Cap Econ	4.25%	4.50%	4.50%	4.50%	4.25%	4.00%	3.50%	3.00%
5Y PWLB RATE								
Link	4.00%	4.00%	3.90%	3.80%	3.70%	3.60%	3.50%	3.40%
Cap Econ	3.80%	3.70%	3.60%	3.50%	3.50%	3.40%	3.30%	3.30%
10Y PWLB RATE								
Link	4.20%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%
Cap Econ	3.80%	3.70%	3.70%	3.60%	3.50%	3.40%	3.40%	3.30%
25Y PWLB RATE								
Link	4.60%	4.60%	4.40%	4.30%	4.20%	4.10%	3.90%	3.80%
Cap Econ	4.20%	4.00%	4.00%	3.80%	3.80%	3.70%	3.60%	3.60%
50Y PWLB RATE								
Link	4.30%	4.30%	4.20%	4.10%	3.90%	3.80%	3.60%	3.60%
Cap Econ	3.80%	3.80%	3.80%	3.80%	3.80%	3.70%	3.60%	3.60%

Link also provide their view of the 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 2022/23 to support its Capital borrowing plans on the most favourable terms available.

Treasury Management Practices (TMPs) and Prudential Indicators

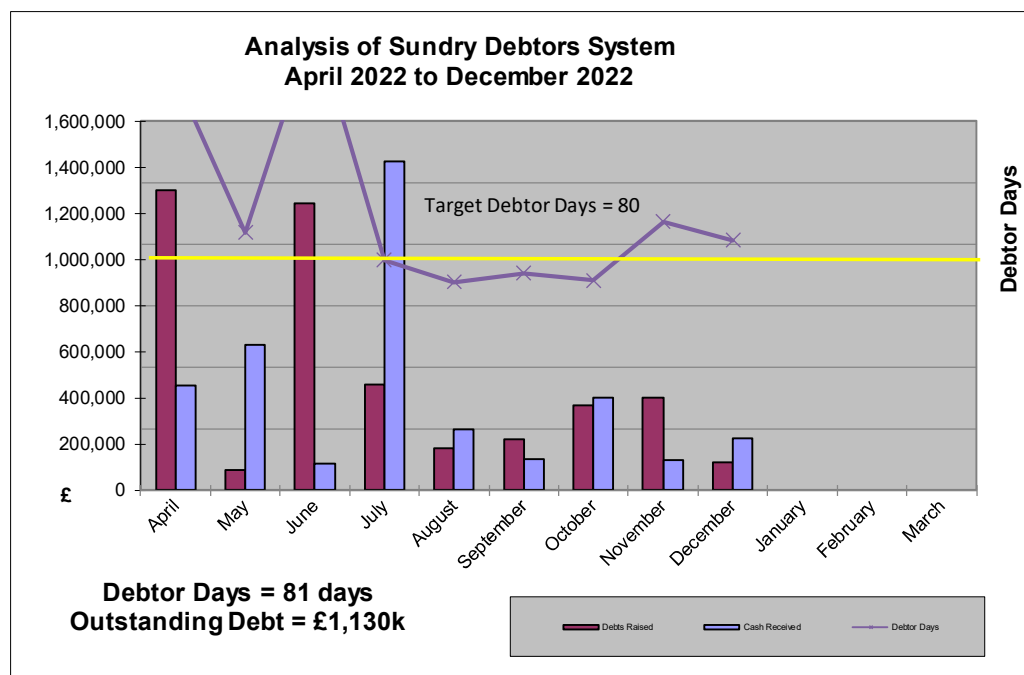
The Council's Treasury Management Strategy Statement 2022/23 was approved by Council on 23rd February 2022.

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. No further breaches have occurred in the year.

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Sundry Debts Monitoring



Invoices raised in the year, to the end of Q3 totalled £4,581k. As at December 2022, £493k (10.8%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 89.2%.

Housing Rent Debts Of the £324k of housing rent debts brought forward at April 2022 the Council has a provision of £288.5k brought forward for doubtful debts (89%), leaving a net £36k not currently provided for. However as at Q3 this debt has risen to £480k of which 60% is now provided for as doubtful debts and 40% is not currently provided for.

Doubtful debts

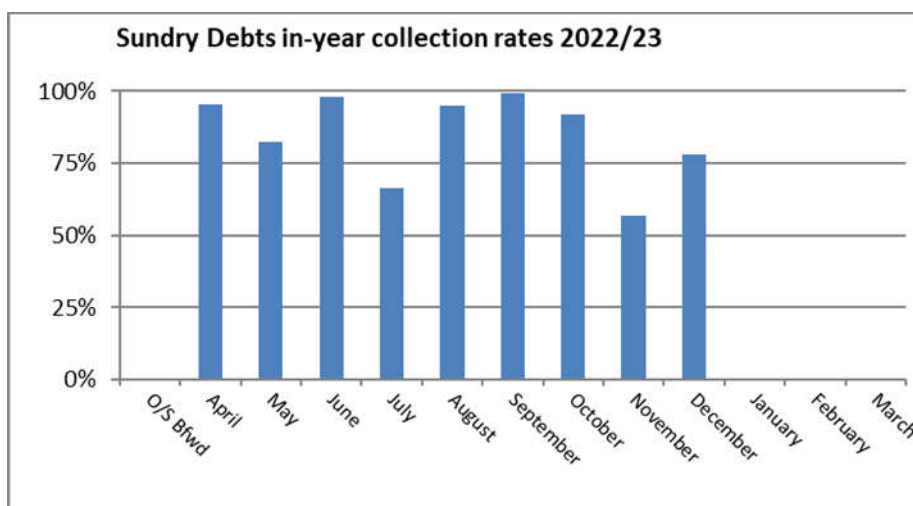
The debtor days in Q3, based on a rolling 12 month average have increased from 76 days to 81 days, for collection of sums due, which is only slightly above the target average of 80 days.

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.

The Council has a provision of c84% for debts its considered to be at risk of going unpaid (impairment) and c54% for total debt issued and considered overdue.

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



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Comparative analysis of Debts Outstanding

Debts Outstanding	Mar 2022	Jun 2022	Sep 2022	31 Dec 2022		Doubtful Debts	
	£k	£k	£k	£k	£k	rate	value
Earlier Debt	65.6	65.6	65.6		65.2	100%	65.2
2017/18 Debt	68.8	68.5	68.4		68.4	100%	68.4
2018/19 Debt	61.2	61.2	61.5		60.7	100%	60.7
2019/20 Debt	26.7	26.3	25.3		24.2	100%	24.2
2020/21 Debt	131.6	126.3	125.5		116.6	100%	116.6
2021/22 Debt	245.5	94.8	79.8		63.8	75%	47.9
2022/23 Debt		350.0	585.1				
Q2 Sept					264.4	15%	39.7
Q3 Oct				30.1		15%	4.5
Q3 Nov				173.0		15%	26.0
Q3 Dec				26.0	229.1	15%	3.9
Total Debt o/s	599.4	792.7	1,011.2		892.4		457.1

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

Of the sundry debts below, £25k are held on the Local Land Charges Register.

Capital

Capital Resources

Table 1 - 2022/23 receipts

Major Receipts:	Original Budget £000	Year to Date £000	Forecast £000
Capital Receipts			
Land & Property Sales	50	4	50
Obsolete refuse vehicles	50	46	50
Net receipts to table 2	100	49	100

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2022	2,975
Capital Grants in 2022/23	1,986
Capital Receipts in 2022/23	49
	5,010
Revenue Contributions	
from Earmarked Reserves	
from Revenue Operations	-
Total Capital Resources 2022/23	5,010
Capital Prog funding applied	(697)
Total Capital Resources March 2023	4,313
Capital Receipts Reserve (housing)	-
Capital Receipts Reserve (Whitworth)	100
Capital Receipts Reserve (Haslingden)	236
Capital Receipts Reserve (unalloc)	3,977

Current issues

The Edgeside Tennis Courts project will not now take place in financial year 2022-23; this means that the budget of £34k will slip to financial year 2023-24.

Additional funding has been made available for the installation of a pump track at the Edenfield Play Area. This consists of £8k vired from the general Playgrounds improvement budget, a grant of £30k from LEF plus £7k from various external sources making a total of £45k.

A further £75k spend on the New Hall Hey Footbath improvements has been authorised. This is to be funded from Section 106 monies.

Transfer of funding from the Henrietta Street project has been approved in order to enable the Stubbylee Skate Park project to be completed. The total funding now consists of £179k, made up of £59k vired from the Henrietta Street improvement project, £21k of capital receipts and £99k from an external source.

The current projection for the Vehicles and Equipment spend is £1,353k, but the final year end spend is likely to be lower than this as the lead in times for the delivery of vehicles has lengthened due to supply side problems and deliveries of commissioned vehicles are affected.

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A vehicle costing £35k was delivered just after the closure of Q3, but after this there are no live Purchase Orders for large vehicles in the current financial year.

Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of the funds generated by the sale of Council assets; the balance brought forward at 1st April 2022 is £2,975k. This figure is still subject to the implications of the post-audit amendments to the 2017/18 accounts and subsequent years impact and the financing of 2021/22 Capital expenditure.

The original Capital Programme for 2022/23 approved in February was £5,082k, to which £3,902k of slippage was added, relating to projects which were ongoing at the end of 2021/22. This included £2,211k for DFGs.

The original 2022/23 estimate for DFGs included in the programme was £1,000k. The actual grant received for the year was £1,160k, and an additional £160k has been added to the base programme.

Additional projects to the value of £420k have been added to the original budget, and £239k for the Capital Building Repairs Project has been awarded, of which £235k will be met from existing budgets and a further £4k from a designated revenue pot for repairs at Clare House.

The total grant income expected for the approved capital programme is £1,986k. Current funding for the slippage carried forward into the 2022/23 capital programme consists of a mixture of resources, namely £2,704k split between grants, capital receipts and (internal) borrowing. The most effective method of funding the Council's capital programme will be determined by the end of the financial year.

The total in the Useable Capital Receipts Reserve at the end of 2022/23 is currently expected to be £3,977k. This represents the most effective method of financing the planned Capital spend in 2022/23. It is noted that Capital resources remain earmarked for Whitworth projects (£100k), and Haslingden Regeneration (£236k) 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 2022/23 programme will be moved into 2023/24 where appropriate, along with the estimated source of financing.

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Capital Programme Spending

Capital Programme 2022/23	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								
IT Software & Equipment	135	134	106	132	0	31	0	101
Operations	1,047	1,063	1,134	1,425	0	0	0	1,425
Communities	80	137	253	365	80	34	81	170
Housing	1,500	3,880	1,346	1,664	1,250	0	4	410
Economic Dev Directorate								
Whitaker Park Museum Refurbishment	0	246	38	246	246	0	0	0
Henrietta Street Depot Improvements	206	99	22	22	0	22	0	0
Futures Park	0	550	59	123	0	123	0	0
Spinning Point Ph 1 & 2 (Bus Station)	0	102	42	102	74	8	0	20
Property Repairs & Maint	100	142	54	95	0	95	0	0
Car Parks General 22-26 MTFS	72	72	7	79	0	29	0	50
Stubbylee Skate Park	21	179	96	179	99	21	0	59
Bacup Historic England	484	431	177	431	431	0	0	0
Haslingden 2040 NLHF	800	1,300	133	1,300	1,200	0	100	0
Museum Improvements	0	25	26	26	0	26	0	0
Rawtenstall Market Electrical Works	0	101	0	10	0	10	0	0
Rawtenstall Market External Cabins	0	6	6	6	0	6	0	0
Rawtenstall Public Realm Town Square	0	56	33	56	0	56	0	0
Hareholme Viaduct	100	100	0	10	0	0	0	10
Carbon Reduction Fund	250	496	127	250	0	0	0	250
Christmas Lighting Catenary	33	33	0	33	0	33	0	0
Marl Pits - Running Track	0	15	45	45	45	0	0	0
Leisure Facilities Upgrade and Liabilities	254	237	43	101	0	101	0	0
	5,082	9,404	3,745	6,700	3,425	595	185	2,495

Capital Programme 2022/23	£000
Original Capital Programme	5,082
Slippage from 2021/22	3,902
New capital projects in 2022/23	0
Marl Pits Running Track	45
DFG	160
Clare House Repairs	4
Edenfield Pump Track	37
New Hall Hey Footpath	75
Stubbylee Skate Park	99
Revised Capital Programme	9,404

Slippage items c/wd at end of 2021/22	Costs '£000	Indicative Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
DFGs	2,211	2,211			
CPOs	5		5		
Vehicles / Equipment	27	5			22
Wheeled & Litter Bins	(6)		(6)		
Playgrounds (Various)	(142)		(142)		
Cemeteries	18				18
Pathways (Various)	48				48
Sub-total	2,161	2,216	(143)	0	88
Economic Development Directorate					
Whitaker Park Museum Refurb	246	246			
Futures Park	550		550		
Spinning Point Ph I & II (Bus Station)	102		28		74
Property Repairs & Maintenance	107		107		
Haslingden 2040 NLHF	500				500
Rawtenstall Market Electrical Works	101		101		
Rawtenstall Public Realm Town Squar	56		56		
Bacup High St Action Zone	(53)				(53)
Henrietta St Depot Improvements	(38)		(38)		
Leisure Legacy Liabilities (Various)	(76)		(76)		
Carbon Reduction Fund	246		246		
Sub-total	1,741	246	974	-	521
Total	3,902	2,462	831	-	609

Capital Programme

The original Capital Programme was £5,082k, including £977k for the replacement of Vehicles and Equipment, a provisional estimate of £1,000k for DFGs, and regeneration projects of £1,534k including Bacup High Street and Haslingden 2040.

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To this was added slippage of £3,902k from 2021/22, including DFGs, and other, smaller projects to the sum of £1,691k. A revised estimate for DFGs has been made following confirmation of the 2022/23 grant allocation with a net increase of £160k. Additional projects to the value of £420k have been approved in the year. The annual Capital Building Repairs Contract has now been awarded; the total budgeted expenditure is £239k of which all but £4k will be met from existing budgets. An assessment of the timing of 'spend' has been undertaken as part of the development of the MTFs and cost estimates re-profiled over the medium term. The revised 2022/23 Capital Programme is now estimated at £9,404k. More details are provided in the tables above.

The indicative outturn for the Council's Capital expenditure programme at 31st March 2023 is £6,700k. The Council is currently assessing the most cost effective method 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, in order to limit the future impact upon the Council's Revenue Account e.g. sums set aside for future 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 outlined above, the revised Capital Programme was re-profiled as part of the development of the MTFs, with the likely timing of the expenditure estimated. The actual timing of spend as at 31st March 2022 has caused an adverse variation against this estimate which will see future years' estimated spend adjusted to reflect spend being incurred earlier than anticipated.

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

Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget	Revised MRP Required	Potential (Additions) / Savings
	2022/23	2022/23	2022/23
	£000	£000	£000
Corporate	549.6	549.3	0.3
	549.6	549.3	0.3

MRP is the annual revenue repayment of internal funds used to support capital work. The MRP cost is currently estimated to be on budget.

Section 106 Receipts Monitoring

Section 106 Agreements 2022/23	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b/wd at 1st April 2022	326.6	104.6	770.3	1,201.5
Deposits received in 2022/23			36.7	36.7
Deposits applied in 2022/23	(0.8)	(10.0)		(10.8)
Current Balance	325.8	94.6	807.0	1,227.4

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The value of S106 agreements brought forward on the 1st April was £1,201.5k. To the end of September 2022, £14.4k of new S106 deposits have been received. Closing position at Q2 £1,227.4k.

Section 106 Agreements in detail	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
Balance bfwd at 1st April 2022	326.6	104.6	770.3	1,201.5
Douglas Rd		(10.0)		(10.0)
Scout Moor	(0.8)			(0.8)
Station Rd, Whitworth			22.3	22.3
Scout Moor			14.4	14.4
	325.8	94.6	807.0	1,227.4

Council Tax & NNDR Collection Rates

Collection Rates	Council Tax					Business Rates				
	2018/19	2019/20	2020/21	2021/22	2022/23	2018/19	2019/20	2020/21	2021/22	2022/23
April	10.41	10.51	10.04	10.90	10.44	11.26	12.22	10.24	8.60	12.78
May	19.72	19.70	18.96	19.70	19.44	18.93	21.07	18.89	16.20	31.81
June	28.79	28.63	27.62	28.70	28.35	27.28	28.68	25.62	24.30	28.16
July	37.97	37.86	36.56	37.66	37.21	36.25	37.37	33.92	33.96	35.83
August	47.03	46.90	45.24	46.71	46.21	49.93	50.82	48.55	47.63	47.86
September	56.05	56.01	54.29	55.43	55.64	58.43	58.34	57.84	56.05	55.54
October	65.32	65.23	63.29	71.16	64.55	67.95	67.52	68.97	64.90	64.73
November	74.52	74.78	72.30	78.43	77.26	74.77	74.26	77.15	73.09	73.89
December	83.55	83.33	80.90	82.12	82.25	83.00	82.70	85.92	81.41	81.91
January	92.72	92.48	89.90	90.96		91.11	90.91	90.17	89.30	
February	94.90	94.60	92.37	93.43		95.73	95.00	93.66	95.13	

Collection rates for Council Tax are recovering but are not yet back at pre-pandemic levels. 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 situation is harder to gauge as collection rates are distorted by the Covid relief the Government distributed. This has continued into 2022/23 with the retrospective distribution of the CARF relief.

The increase in Business rate collection in May 2022/23 is primarily due to two large rateable value reductions, this will unwind throughout the year as their refunds are processed. However this will have a significant adverse impact on the level of Business Rates the Council receives

Council Tax Collection Fund

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At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £901k. This includes a £500k contribution for doubtful debts. It must be noted, we are three quarters of the way through the year and based on the current economic climate this position could change significantly as the year progresses. This year RBC's share of the Council Tax is 13.69%, equating to £123k of the forecast surplus.

Council Tax Forecast 2022/23	Q1 £'000	Q2 £'000	Q3 £'000
Council Tax Collectable (after Discounts & Exemptions)	45,479	45,413	45,377
less Doubtful Debt Provision	(500)	(500)	(832)
	44,979	44,913	44,545
less Precepts for 2022/23			
Lancashire County Council	(31,164)	(31,164)	(31,164)
Police	(4,866)	(4,866)	(4,866)
Fire	(1,590)	(1,590)	(1,590)
Rossendale Borough Council	(5,965)	(5,965)	(5,965)
Whitworth Town Council	(58)	(58)	(58)
	(43,643)	(43,643)	(43,643)
Surplus / (Deficit)	1,336	1,269	901
Surplus / (Deficit) B/F	(609)	(609)	(609)
RBC Share = 13.69%	99	90	40

Local retention of Business Rates (NNDR)

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

The business rates collection fund is now predicting a deficit of £199k in 2022/23, the Council retains a local share of any surplus or deficit arising at year-end

Business Rates Collection Fund 2022/23 (50% Pool)	NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Net Liability Due	12,557	10,593	10,642	10,530
Use of Appeals Provision	0	1,241	1,241	1,241
Less Cost of Collection Allowance	(93)	(93)	(96)	(96)
Less Doubtful Debt Provision	(400)	(500)	(500)	(50)
Less Appeals Provision	(590)	(590)	(590)	(350)
Less Renewables 100% to RBC	(183)	(183)	(183)	(183)
Net NNDR due A	11,291	10,468	10,514	11,092
Less Trans surcharge	B	0	0	0
Less Precepts	(11,291)	(11,291)	(11,291)	(11,291)
Cash Surplus/(Deficit)	C	0	(823)	(777)
RBC Share = C x 40% D	0	(329)	(311)	(80)
Central Government share 50%		(412)	(389)	(99)
LCC and Fire share 10%		(82)	(78)	(20)

from activity on the fund, in the sum of 40%, thus the Council's share of the deficit is £80k. This is largely due to three successful business rates appeals relating to Asda and Tesco, which have resulted in reducing their rateable values backdated to 2010. Whilst there is an appeals provision within the Collection fund to cover the cash refund due, the rateable value reduction will adversely affect the Council's in-year cashflow, because although the net liability due from the businesses has decreased, 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.

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The Council, is part of the Lancashire Business Rates Pool, each year the Council is subject to a levy payment of 50% of calculated

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Business Rates Income	A+B	11,291	10,468	10,514	11,092
RBC Share = 40%		4,517	4,187	4,206	4,437
less tariff paid to Lancashire Pool		(2,714)	(2,714)	(2,714)	(2,714)
add S31 Grants (for Levy calculation)	E	1,920	1,920	1,920	1,920
Subtotal		3,723	3,394	3,412	3,643
RBC Baseline Funding Level used in Budget		2,180	2,180	2,180	2,180
Surplus for Levy Calculations	F	1,543	1,214	1,232	1,463
Levy due for non Pool membership 50%		(772)	(607)	(616)	(732)
Levy payable as Pool member 10% of above	G	(77)	(61)	(62)	(73)
Retained Levy through Pool membership		695	546	554	659

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. Therefore even though it is anticipated the Council will suffer a collection fund loss of £80k a pooling gain is estimated of £659k. The February 2022 MTFs included a contribution of an estimated pooling gain of £390k.

Central government also gives authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the NNDR1 budget submission in January 2022 the estimate for those grants totalled £1,643k.

The table below shows the potential impact on the Business Rates Retention Reserve, although it must be noted the reserve includes funds provided by Government to cover the impact of the 2020/21 & 2021/22 Collection Fund deficits arising from the additional Covid reliefs awarded to businesses throughout the pandemic that will not fully unwind until 2023/24.

Business Rates Summary		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Business Rates Surplus/(Deficit) 2022/23	F	1,543	1,214	1,232	1,463
less Lancashire Pooling Levy	G	(77)	(61)	(62)	(73)
Renewable Energy		183	183	183	183
Overall Gain/(loss)	H	1,650	1,336	1,353	1,574
Business Rates Retention Reserve Bfwd		5,031	5,031	5,031	5,031
Business Rates Cash Surplus/(Deficit) 2021/22		(1,913)	(1,913)	(1,913)	(1,913)
Business Rates Cash Surplus/(Deficit) 2022/23	H	1,650	1,336	1,353	1,574
Less Budgeted Utilisation		0	(2,028)	(2,028)	(2,028)
Total Retained Business Rates Resources Cfwd		4,768	2,426	2,443	2,664

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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

Covid Grants	Opening Balance 2022/23 £	Amount Applied 2022/23 £	Commitments including repayment of restricted funds £	Closing Balance £	Description
LA Covid Support	363,700	(19,420)	(18,394)	325,886	This is to support the Council's Covid related costs and supplement lost income.
Containing Outbreak Management Fund (COMF)	330,505	(29,580)	(300,925)	(0)	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, but can only be used Covid related expenditure
Compliance & Enforcement	18		(18)	(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	53,924		(53,924)	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	24,265	(244)	(24,021)	(0)	This to support community based surge testing capacity. There is potential that ultimately any unspent funding will have to be returned.
Self Isolation Grants (£500)	(80,500)		80,500	0	This is the balance of funds owed to the Council for the Track and Trace self isolation grant scheme. Not yet reimbursed.
Emergency Assistance	4,584		(4,584)	(0)	For provision of emergency assistance to members of the community. There is potential that ultimately any unspent funding will have to be returned .
Clinically Extremely Vulnerable	64,187		(64,187)	0	To support the Council in delivering support to people shielding and the community hub. There is potential that ultimately any unspent funding will have to be returned.
Lateral Flow Testing Support	(17,847)	17,847		0	Balance of funding owed from Lancashire County Council / DHSC for testing sites, communication and (core) staffing costs. Reimbursed in Q1
Omicron Hospitality and Leisure Grant	38,012	(38,012)		0	Balance of Covid Business Grant Funding repaid to Government
High Street Recovery	0	(6,759)	6,759	0	ERDF funding to support High Street Recovery. Grant claimed in arrears based on expenditure incurred. However, not all expenditure was eligible to draw down on all of the claim. Balance to be funded from other LA Covid Support fund.
Total	780,846	(76,168)	(378,794)	325,885	

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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.

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Full Time Equivalent (FTE)

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

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)

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

Reserve

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

Revenue account

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

Section 106 Agreement

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

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