

<b>Subject:</b>	Financial Monitoring Report Q4 2022/23 – Indicative Outturn	<b>Status:</b>	For Publication		
<b>Report to:</b>	Cabinet	<b>Date:</b>	19 <sup>th</sup> July 2023		
<b>Report of:</b>	Chief Finance Officer	<b>Lead Member:</b>	Resources		
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/>	<b>Special Urgency</b> <input type="checkbox"/>	
<b>Equality Impact Assessment:</b>	Required:	No	<b>Attached:</b>	No	
<b>Biodiversity Impact Assessment:</b>	Required:	No	<b>Attached:</b>	No	
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## 1. RECOMMENDATION

1.1 That Cabinet note the content of the Q4 financial monitoring report.

## 2. EXECUTIVE SUMMARY

- This report provides an indicative estimate of the Council's General Fund Revenue outturn, Collection Fund performance and Capital outturn for the year ended 31 March 2023.
- At 31 March 2023, the Council has reported an adverse variance of £1,031.1k against an approved net budget for the year of £8,991k. This is an improvement of £610.9k from the forecast reported at Q3 (£1,642k). The adverse variance will be funded from a combination of an additional NNDR pooling gain of £262k and a call on the transitional reserve of £769.1k.
- Please see point 4.4 for full breakdown of the positive movement in Q4. Headline figures are £528k additional income that was announced following Q3, £133k additional interest income and £325k overspend in temporary housing costs.
- At the time of this report work continues on the more technical aspects of the Council's statutory accounts including the Collection Fund Account (Council Tax and Business Rates).
- The approved Capital Programme for 2022/23 was agreed in the sum of £9,021k, including prior year slippage brought forward of £3,939k. New schemes with a value of £420k have been added throughout the year. The indicative Capital outturn for the year is £3,682k. Slippage requirements into 2023/24, including the associated funding sources, total £5,759k, this includes £2,730k disabled facility grants. At the time of this report, the most effective method of financing the Capital outturn is being reviewed.

## 3. BACKGROUND

3.1 In February 2022 the MTFs set a balanced Budget of £8,991k 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.

## 4. DETAILS

### Revenue

4.1 This is the final monitoring report of the year 2022/23 and is considered to be the indicative outturn.

- 4.2 The forecast position is an adverse variance of £1,031.1k when compared to the original budget of £8,991k. It is proposed that this adverse variance will be met from a combination of and additional NNDR pooling gain and the Transitional reserve.
- 4.3 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 23 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£54k 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.
  - Fuel prices reduced during Q4, but are still high compared to when the budget was set, also the gap in price between Diesel and HVO continues to grow. The falling prices have reduced the adverse variance to £78k for vehicle fuel for the full year.
  - The year-end shortfall for commercial property rental income is an adverse variance of c£89.5k, and £8.9k for market rents. These shortfalls are being attributed to the current economic climate.
  - The £102.8k 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.) The 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. The Council is also liable for council tax costs where properties within the scheme are without tenants. The additional £600k revenue requirement was reported to Full Council in August 2022.
- 4.4 There has been significant movement between the predicted outturn at the end of Q3 and the end of Q4. This is explained below:-
- Positive - c£370k received in additional grant income (New Burdens, UKSPF and LCC)
  - Positive - £133k additional interest income through interest rate increases and more treasury management activity
  - Positive - £133k Operations stock adjustments
  - Positive – additional income £158k (Capita and Planning Fee income)
  - Positive – Anticipated fuel overspend reduced by £68k due to reducing prices
  - Negative - £325k overspend in temporary housing costs
- 4.5 Full details and explanations are included in appendix 1.

## **CAPITAL**

- 4.6 The revised useable Capital Receipts brought forward at 1st April 2022 totalled £1,052k, with additions during the year bringing this balance up to £1,795k by 31<sup>st</sup> March, however planned usage is anticipated to reduce the 2022/23 closing balance to £911k.
- 4.7 The value of the budgeted capital scheme expenditure for 2022/23 was £5,082k to which £3,939k slippage was added. New schemes have been added throughout the year totalling £420k as set out on page 35 of appendix 1. The revised capital programme for 2022/23 is £9,441k with an indicative outturn of £3,682k.
- 4.8 Anticipated slippage into 2023/24 is estimated at £5,759k.

## **TREASURY**

- 4.9 The council's bank resources continue to be higher than normal due to the level Government grants held ie Covid and Energy Rebate grants. This includes significant sums not yet returned to Government as part of the agreed reconciliation conditions. The uncertainty around the timing of repayment to Government of unspent grant, 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.
- 4.10 Increasing interest rates over recent months along with proactive treasury management has resulted in the Council receiving interest income of £195k in 2022/23, against a budget of £9k. It must be noted when the budget was finalised the bank of England base rate was 0.25%, compared to 4.25% at the end of March 2023.
- 4.11 Details are included in Appendix 1.

## **COLLECTION FUND**

- 4.12 Council Tax collection statistics have not yet returned to pre-pandemic levels. Whilst Business Rates collection performance appears to have returned to pre-pandemic levels, the reliefs awarded are masking the true position.
- 4.13 For 2022/23 the Council Tax collection fund returned a surplus of £971k, with Rossendale Borough Council's share being £133k.
- 4.14 The NNDR collection fund returned a surplus of £1,532k with the Council's share being £613k. It must be noted that during 2022/23 the Council 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.
- 4.15 The Council has benefited from a pooling gain of £652k in 2022/23 through being a member of the Lancashire Business Rates Pool.
- 4.16 Details are included in Appendix 1.

## **EARMARKED RESERVES**

4.17 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 £8,798.9k. This position has improved since Q3 due to the reduced call on reserves to fund the in year overspend and grants received to fund activity in future years. However, based on current plans and forecast commitments at the time of this report, overall earmarked reserves (including ring fenced funds) are anticipated to reduce to £1,979.7k over the life of the current MTFs (by March 2027), 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, 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 has been 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 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 above and 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 Q4 monitoring report.

Background Papers	
Document	Place of Inspection
Service monitoring statements	Financial Services

# Appendix 1



## Indicative Financial Outturn 2022/23

**as at end of March 2023**

*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 Q4. The full year impact is predicted to result in an adverse variance of £1031.1k 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 1<sup>st</sup> 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 now amounts to £1,643k as per the Council's Business Rate outturn position submission to Government in May 2023. The Council also intends to contribute its receipt for renewable energy in the sum of £178k. 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 31 March 2023 £408.6k of useable Covid related funding remains in the Response & Recovery reserve to meet the ongoing impact and commitments resulting from the pandemic. It must be noted that the Council also holds a further £299k for specific items of Covid related expenditure and will be repayable if not spent.

The indicative closing balance of earmarked reserves at the 31<sup>st</sup> March 2023, excluding sums specifically ring-fenced to fund future deficits on the Collection Fund is estimated at £8,798.9. Based on current plans and the anticipated June 2023 forecast commitments at the time of this report, earmarked reserves are anticipated to reduce to £1,979.7k (of which c£1.5m are ringfenced) over the life of the MTFs, unless additional income and efficiencies are generated.

### Government Grants Unapplied – page 27

The opening value of Government Grants Unapplied at the 1<sup>st</sup> 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. DFG utilisation in 22-23 is £804.1k leaving a balance of £2,577.3k. During the year extra funding has been received for the UKSPF of £340.9k of which £172.4k has been used. Leaving a balance £168.5k to be applied in 23-24.

### Staff Monitoring – page 28

The table on page 28 shows the forecast staffing variances for the year based on Q4 actuals. The outturn for the year is £80k adverse this is due to external funding streams (£289k) being allocated from the UKSPF, various new burdens grants and the Flexible Homelessness

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Grant this compares to an adverse variance of c£307k at Q3. This also takes account of the additional impact of the pay award (c£264k). The pay award meant that this years vacancy savings target (£200k) was not achieved.

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

At the end of March, the bank balances were £6.146m. 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. Despite recent Bank of England base rate increases, banking institutions continue to maintain interest rates at moderate levels. Due to the 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 has exceeded the budget for the year by £186k.

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. At 31 March 2023 this balance was deemed to continue to be reasonable.

### Capital Receipts – page 31

The useable Capital Receipts brought forward at 1<sup>st</sup> April 2022 totalled £1,052k. This balance includes the impact of amendments to the 2017/18 audited accounts in respect of capital receipts; there may be some further amendments after the subsequent years financial accounts are signed off by the External Auditors.

The total value of Capital Grants receivable in the financial year 2022/23 is £623k (not including the DFG monies). The Council has also received £119k in capital receipts. As all figures are still 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 total Capital resources available are expected to total £911k at the end of financial year 2022/23 (not including DFG monies). Whilst using capital receipts 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 was £5,082k, including an estimate of £1,000k for DFGs and £977k for replacement operational vehicles. The slippage from 2021/22 was £3,939k, the bulk relating to DFGs. Additional sums totalling £420k have been allocated for a variety of projects. The annual Capital Building Repairs Contract was awarded; the total value of which was £239k over various sites and schemes. This contract was 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 was £9,441k.

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The indicative capital outturn at 31<sup>st</sup> March 2023 is spend in the sum of £3,682k. Slippage (budget carry forward) into 2023/24 is estimated at £1,373k (not including DFG monies). These figures are subject to revision.

### Collection Fund 2022/23 (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 showing a surplus of £133k for Rossendale.

The business rates collection fund is showing a surplus of £1,532k in 2022/23. This is largely due to the use of £2,139k appeals provision to fund three large successful business rates appeals. The Council's share of the surplus is £613k. The Council has a Business Rate Retention Reserve to provide for any peaks and troughs in business rate income, therefore the surplus will be credited to the reserve. However due to business rate legislation this won't happen until 2024/25. 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 year.

In addition to the collection fund surplus, a pooling gain of £652k is estimated. The February 2022 MTFS included a pooling gain contribution of £390k, therefore the year end position has resulted in a £262k surplus against that income budget.

### Covid 19 – page 41 to 42

The Council holds various Covid related grants 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.

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

Service Area	2022/23 App Budget £000	2022/23 Q4 Outturn £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
<b>Communities Directorate</b>					
Customer Services and E-Government	1,333.5	1,306	27.5	(146.8)	174.3
Operational Functions	1,901.1	2,124	(223.3)	(482.3)	259.0
Parks and Cemeteries	662.5	675	(12.3)	(40.9)	28.6
Public Protection Unit	183.7	180	3.7	3.3	0.4
Environmental Health	177.6	233	(55.2)	(62.2)	7.0
Licensing & Enforcement	73.3	101	(28.0)	(54.4)	26.4
Communities Team	132.8	96	36.5	35.8	0.7
<b>Economic Development Directorate</b>					
Planning Services	310.3	292	18.2	(5.1)	23.3
Building Control Services	31.3	19	12.4	0.6	11.8
Regeneration	213.6	254	(40.5)	(90.7)	50.2
Property Services	306.1	420	(114.3)	(162.7)	48.4
Housing	160.0	392	(232.4)	33.9	(266.2)
<b>Corporate Management Directorate</b>					
Corporate Management	468.1	471.6	(3.5)	14.3	(17.8)
Legal Services	180.4	182.0	(1.6)	(7.8)	6.2
Local Land Charges	(17.7)	0.5	(18.2)	(13.2)	(5.0)
Democratic Services	558.3	552.8	5.5	(4.2)	9.7
Financial Services	584.9	687.7	(102.8)	(128.2)	25.3
People and Policy	686.2	690.2	(4.0)	(13.1)	9.1
Non Distributed Costs	132.2	68.4	63.7	27.9	35.8
Capital Financing and Interest	668.3	471.7	196.6	63.6	133.0
Leisure Services	(55.1)	(96.3)	41.2	(9.7)	50.9
Empty Homes Scheme	300.0	900	(600.0)	(600.0)	-
<b>TOTAL Service Cost</b>	<b>8,991.42</b>	<b>10,022.46</b>	<b>(1,031.1)</b>	<b>(1,642.0)</b>	<b>610.9</b>
<b>LESS Use of Earmarked Reserves</b>					
Retained Business Rates	(2,180.0)	(2,180.0)	-	-	-
Business Rates Reserve	(390.0)	(652.0)	(262.0)	-	-
Lower Tier Services Grant	(98.0)	(98.0)	-	-	-
Services Grant	(150.0)	(150.0)	-	-	-
Transitional Budgetary Reserve	(56.0)	(56.0)	(769.1)	(1,642.0)	-
<b>LESS Use of New Homes Bonus Grant</b>	<b>(132.0)</b>	<b>(132.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Service Cost</b>	<b>5,985.4</b>	<b>6,754.5</b>	<b>-</b>	<b>0.0</b>	<b>-</b>

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The draft outturn position at Q4 2022/23 shows an adverse variance of £1031.1k. This adverse outturn position will be funded from the Transitional reserve and the additional NNDR pooling gain.

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. However, due to external funding streams this is now adjusted to an Overspend of £81k. The target savings £225 after adjusting for the pay award and additional leave only falls short by £17k.
- 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). Fuel prices reduced during Q4 resulting in an adverse variance of £78k for vehicle fuel for the full year.
- The adverse variance of £63.2k in Environmental Health along with Licencing and Enforcement relates to a currently unbudgeted post, the pay award and a shortfall in income.
- The year-end shortfall for commercial property rental income is an adverse variance of c£89.5k, and £8.9k for market rents. These shortfalls are being attributed to the current economic climate.
- The £102.8k 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.) The 2022/23 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.

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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

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

Budget Proposals (Efficiency Targets)	2022-23	2022-23	Commentary at Q4
	£'000	£'000	
Income Targets	Target	Q4	
Trade Waste net increased income	(20)	(10)	At Q4 shortfall £16.8k against trade waste income budget plus a reduction in tipping fees of £6.8k
Increased Taxi Licence Fees (Subject to Taxi Licencing Committee Approval)	(11)	25	Fee increases were approved therefore this target should be achieved. However, estimated shortfall £25k.
Supplementary Planning Service	(5)	(7)	Professional viability advice to client
Garden Waste: Increased Subscriptions	(10)	(6)	Out-turn shortfall £4k
Fees and charges: annual increase in line with inflation	(8)	(8)	Approved - included in 2022/23 Estimates
Increased Investment Property Rental Income	(35)	(3)	The increased income targets have not been met; only £2.5k has been achieved in 2022/23..
Refuse Bins - replace Revenue with Capital	(50)	(50)	Budget transferred to Capital
<b>Total Income Targets</b>	<b>(139)</b>	<b>(59)</b>	
Increased Pressures	Target	Q4	
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	106	Approved - included in 2022/23 Estimates. However, HVO price compared to diesel has resulted in an £106k additional cost.
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
<b>Total Increased Pressures</b>	<b>223</b>	<b>269</b>	

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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

Annual Variances	Q1	Q2	Q3	Q4	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	
<b>Communitites Directorate</b>						
<b>Customer Services and e-Government</b>						
Staff costs	-	(8.5)	(1.5)	29.0	19.0	
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	-	
Court costs rewarded				(41.2)	(41.2)	
Central IT Costs	(26.9)	(104.5)	25.4	147.5	41.5	
Other minor variances	(0.0)	(2.7)	3.6	7.3	8.2	27.5
<b>Operational Functions Including Parks</b>						
Staff costs (including agency and overtime)	60.2	(238.8)	(10.5)	122.2	(66.9)	
Fuel, Vehicle Maint and Hire	(176.0)	(11.8)	(23.7)	84.7	(126.8)	
Parks & Open Spaces	(43.0)	12.0	(7.4)	9.7	(28.7)	
Street sweep running costs	(8.2)	0.8	(26.5)	10.6	(23.3)	
Garden Waste Income Less Costs	(16.0)	8.3	2.4	-	(5.3)	
Extra Costs within Refuse	(16.8)	(31.7)	7.1	51.0	9.6	
Trade Waste & Bulks Net income	8.6	(8.1)	(23.7)	9.4	(13.8)	
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)	(0.0)	(25.9)	(235.7)
<b>Communities Team</b>	(2.7)	35.0	3.5	0.7	36.5	36.5
<b>Env'tal Health, PPU, Licensing and Enforcement</b>						
Staff costs	(24.1)	(23.1)	(1.9)	9.1	(40.0)	
Dog Service Cost Savings	4.3	4.4	0.8	3.2	12.7	
Extra Costs for Vet Fees etc		(3.8)		11.7	7.9	
Shortfall in Fixed Penalty Notice Income		(39.4)	(20.0)	11.3	(48.1)	
Shortfall in Income on Licensing and Enforcement		(8.0)	(0.6)	(15.5)	(24.1)	
Other minor variances	(0.7)	(2.1)	0.9	14.0	12.1	(79.6)
<b>Economic Development</b>						
Staff costs (net of grant & fee income)	83.3	27.1	10.8	(46.4)	74.8	
Rawtenstall Market Costs etc			(8.8)	(7.7)	(16.5)	
ED Supplies & Services	(2.7)	2.7	(1.4)	1.4	-	
Kickstart Gateway DWP & Rossendale Youth Works				(0.1)	(0.1)	
Professional Fees for the Levelling Up Bid		(84.5)	(26.1)	83.1	(27.5)	
Museum				(8.9)	(8.9)	
Tourism				6.2	6.2	
Market Income	(13.6)	4.0	2.5	(1.7)	(8.8)	
Housing	(5.7)	36.8	2.7	(266.1)	(232.3)	
Planning Consultancy Professional fees	(32.1)	(5.0)	(3.6)	(12.7)	(53.4)	
Planning Application Fee Income	14.1	12.0	(3.7)	64.3	86.7	
Planning Pre-apps	(19.6)	(4.0)	-	(1.1)	(24.7)	
Planning Computer System I(DOX)		(9.6)	-		(9.6)	
Building Control Fee Income	8.8	-	(18.9)	7.1	(3.0)	
Planning /Building Control misc under/over		(7.1)	(0.6)	(0.7)	(8.4)	
Property Running costs	(109.6)	(5.2)	7.3	33.9	(73.6)	
Business Rates	19.0	-	1.7	1.3	22.0	
Spinning Point bus station	1.8	(10.4)	11.3	(51.0)	(48.3)	
Estates Income (Excluding Town Hall, Futures Park)	(43.8)	7.0	2.5	(4.3)	(38.6)	
Valuation Fees & Professional Fees		(21.6)	(1.9)	9.5	(14.0)	
Futures Park Plot 1& 5	(21.0)	2.9	9.8	8.3	-	
Business Centre rentals	(16.3)	-	-		(16.3)	
Other minor variances	(1.0)	0.9	(15.2)	53.0	37.6	(356.7)
<b>Corporate Management</b>						
Staff costs	2.5	(20.5)	(35.3)	15.2	(38.1)	
Election, Democratic Services and Member costs	(3.4)	6.1	(1.1)	8.7	10.3	
Internal and External Audit - Finance	(55.0)	-	-	12.6	(42.4)	
Leisure Services	(12.8)	-	(2.6)	56.6	41.2	
Bank & Cash Collection Charges	(39.3)	(2.6)	(1.5)	22.7	(20.7)	
Empty Homes	(600.0)	-	-		(600.0)	
Other minor variances	2.2	(17.8)	(9.7)	(8.5)	(33.8)	(683.5)
<b>Non-Distributed Costs &amp; Capital Financing</b>						
Interest	5.0	61.4	(12.4)	142.9	196.9	
Other minor variances	(1.3)		38.9	25.8	63.4	260.3
<b>Favourable/(adverse) variance</b>	<b>(1,063.8)</b>	<b>(477.5)</b>	<b>(119.7)</b>	<b>629.9</b>	<b>(1,031.1)</b>	<b>(1,031.1)</b>

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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Communities Directorate

Period 12 (Mar)

Customer Services & ICT	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Q4 Outturn £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
<b>Customer Services</b>							
Benefits Administration	(249.3)	(0.2)	(249.5)	(260.5)	11.0	(16.5)	27.4
Benefits Granted	(23.7)	-	(23.7)	(30.2)	6.5	(6.8)	13.2
Local Tax Collection	(378.6)	-	(378.6)	(331.3)	(47.3)	3.6	(50.9)
Revenues & Benefits Partnership	988.3	-	988.3	994.0	(5.7)	(0.1)	(5.6)
<b>Strategic Functions</b>							
Management and Support	78.5	-	78.5	78.2	0.3	(0.9)	1.2
Service Assurance Team	137.3	-	137.3	145.7	(8.4)	(22.2)	13.9
Central Telephones	5.6	-	5.6	4.1	1.5	2.5	(1.0)
Central Printing	3.9	-	3.9	1.2	2.7	(3.9)	6.6
<b>ICT Support</b>	<b>771.8</b>	-	<b>771.8</b>	<b>704.8</b>	<b>67.0</b>	<b>(102.5)</b>	<b>169.5</b>
<b>Total</b>	<b>1,333.7</b>	<b>(0.2)</b>	<b>1,333.5</b>	<b>1,306.1</b>	<b>27.5</b>	<b>(146.8)</b>	<b>174.3</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
<b>Benefits Admin</b>				
Staff	(10.0)	29.0	19.0	
Additional New Burdens grant	-	6.0	6.0	
Housing Benefit External Audit fee	(14.9)	1.9	(13.0)	
Court fees/fines		18.0	18.0	
<b>Benefits Granted</b>				
Other minor variances	-	6.0	6.0	
<b>Local Tax Collection</b>				
Court costs awarded		(41.2)	(41.2)	
Other minor variances	3.6	(9.7)	(6.1)	
<b>Revenues &amp; Benefits Partnership</b>				
Partnership contracts	(6.9)	(5.8)	(12.7)	
<b>Management and Support</b>				
Other minor variances	0.6	(0.3)	0.3	
<b>Service Assurance Team</b>				
SAT Team counter fraud work	(14.0)	6.0	(8.0)	
<b>ICT Support</b>				
Other minor variances		3.0	3.0	
<b>Central IT Costs</b>				
Annual Licences	(100.0)	145.0	45.0	
Implementation costs for project and equipment purchases	(6.5)	2.5	(4.0)	
<b>Telephones</b>				
Other minor variances	1.3	13.9	15.2	
<b>TOTAL</b>	<b>(146.8)</b>	<b>174.3</b>	<b>27.5</b>	

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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Customer Service & ICT Highlight Report – Q4 (end March 2023)

### Historic Issues

- None.

### Current Quarter's Issues

At Q4 the forecast variance is £27.3k savings, the main changes being: -

- Additional new burdens funding for benefits administration being received in March of c£31k.
- The external audit fee for the Housing Benefit audit is c£21k, this is £13k over the budget. 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 throughout the year.
- 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.
- Due to the Rossendale Leisure Trust moving to their own IT system, IT Support was no longer required from RBC. This has resulted in savings of £45k.
- Computer equipment purchase and implementation costs has exceeded budget by £32k. 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.
- Following a review of IT professional subscriptions and licences in Qtr 4, an annual saving of £28k has been made against budget.
  - This includes a recharge of £95k to Capita, with regards to Work licences, that was not included in the forecast for the previous quarter.
- Vacant posts and recharges of staff time to funded schemes has resulted in a staffing underspend of £19k.

### 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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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Communities Directorate

Period 12 (Mar)

Operations & Communities	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Q4 Outturn £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
<b>Operational Functions</b>							
Operations Admin & Vehicle Maintenance	348.7	-	348.7	434.9	(86.2)	(94.3)	8.1
Refuse & Recycling	1,190.8	-	1,190.8	1,371.6	(180.8)	(310.2)	129.4
Street Sweeping	361.5	-	361.5	317.8	43.7	(77.7)	121.5
<b>Parks &amp; Cemeteries</b>							
Parks & Open Spaces	894.1	-	894.1	937.8	(43.7)	(76.1)	32.4
Cemeteries	(231.6)	-	(231.6)	(263.0)	31.3	35.1	(3.8)
<b>Communities Team</b>							
Area Forums	144.8	(27.0)	117.8	81.3	36.5	35.8	0.7
	15.0		15.0	15.0	(0.0)	-	(0.0)
<b>Total</b>	<b>2,723.4</b>	<b>(27.0)</b>	<b>2,696.4</b>	<b>2,895.5</b>	<b>(199.1)</b>	<b>(487.4)</b>	<b>288.3</b>

Key changes made during the period to the full year forecast	Variance	Variance	Full-Yr	R
	Bfwd £000	this Qtr £000	Forecast £000	A G
<b>Operations Admin &amp; Vehicle Maintenance</b>				
Operations Efficiency Saving on Henrietta Street	(70.6)		(70.6)	
Fleet Management Vacancy and Agency	11.9		11.9	
Henrietta Street - Recruitment Costs	(17.6)		(17.6)	
Office and Computer Equipment	(3.0)		(3.0)	
Henrietta Street Supplies & Services	(22.4)		(22.4)	
Henrietta Street - Public Realm Income	3.0		3.0	
Fleet Running Costs MOTs	(4.4)		(4.4)	
<b>Refuse &amp; Recycling</b>				
Refuse Salaries and Agency	(122.9)		(122.9)	
General Garden Waste Expenditure	(4.3)		(4.3)	
Garden Waste under achieved income	(1.0)		(1.0)	
Bin Repairs and Litter Bins etc	(2.0)		(2.0)	
Residual - Sacks & Bag and Sale of Green Bins	(5.0)	31.0	26.0	
External Printing and Publicity	(10.4)		(10.4)	
Fleet - extra fuel costs	(100.0)	100.0	-	
Refuse Fleet - Tyres etc	(7.0)		(7.0)	
Vehicle Maintenance	(10.4)		(10.4)	
Trade Waste - income	(23.2)	9.4	(13.8)	
Other Variances - Supplies & services	(24.0)	20.0	(4.1)	
<b>Street Sweeping</b>				
Street Sweeping Salaries and Agency	(3.0)	108.0	105.0	
Street Sweep Plant Insurance	(1.2)		(1.2)	
Street Sweep Tools and PPE	(8.1)		(8.1)	
Fleet - extra fuel costs	(29.6)	(18.4)	(48.0)	
Sweeper Brushes & Insurance	(6.8)		(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	(17.8)	10.6	(7.2)	
<b>Parks &amp; Open Spaces</b>				
Parks Salary Variances (Including temporary gardeners)	9.0		9.0	
Parks Extra Costs	(27.9)		(27.9)	
Parks Fuel, Tyres	(31.7)	3.1	(28.6)	
Hire of Vehicle and Plant, Vehicle & Plant Insurance	(5.8)		(5.8)	
Parks & Open Spaces S106 and Other Contributions Public Realm	28.6	9.7	38.3	
Parks Playing Fields	(11.4)		(11.4)	
Parks Playgrounds Repairs & Insurance etc	(7.8)		(7.8)	
<b>Cemeteries</b>				
Cemeteries Repairs	(12.9)		(12.9)	
Cemetery Income & Internment Fees	48.0		48.0	
<b>Other Variances</b>				
Overtime Budgets (net all areas)	(26.8)	14.2	(12.6)	
Communities Pay Inflation	35.8	(2.7)	33.1	
Other Variances	6.5	3.5	10.0	
<b>TOTAL</b>	<b>(487.4)</b>	<b>288.3</b>	<b>(199.1)</b>	

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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Operations Highlight Report – Q4 – 31<sup>st</sup> March 23

### Historic Issues

- There continues to be the need to use Agency to help support the Refuse Team and the pay award had eliminated any savings within staffing. However, in Q4 funding was released from the UK Shared Prosperity Fund (UKSPF) for the Town Centre Caretakers £108k which has changed the position. In addition, fuel costs were high but in the last quarter the price per litre has come down.

### Current Quarter Issues

- At the end of Q4, Operations and Communities are forecasting an adverse variance of £235.3k. This has fallen by £288k from Q3 which is partially attributable to the Town Centre Caretaker Costs being funded by UKSPF £108k. In addition the annual stock take had a value of £133k, which has also served to reduce the in year overspend. Fuel costs in the final quarter are down by £84.7k. However, the position and reasons for the overall spend remain the same in respect of the pay award, along with escalating costs across a number of essential supplies for refuse. This in turn means that the efficiency saving target of £67k has not been achieved. 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 along with other income streams that have improved in Q4 £19.1k.

### Henrietta Street

- Includes additional unbudgeted expenditure for recruitment costs of £14k. This cost centre also hosts the efficiency saving target £67k.

### Fleet

- Currently have 2 members 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 by the end of Q4 was £4k of the budgeted target. The resource costs associated with Refuse have seen increased prices resulting in a number of overspends totalling £22k. During Q4 there is no change in staffing and one vacancy remains. At the end of Q4 the forecasted staffing position exceeds the budget due to the pay award and agency £132.6k. Due to the fluctuations in fuel prices over the summer, including the higher cost for HVO, the out-turn at Q4 results in an overspend of £65.7k. But this has come down due to the stock adjustment made for fuel stock of £48k resulting in an overspend of £17.4k within this area. The price of other resources had also risen with expenditure on tyres resulting in an overspend of c£18.3k.

### Street Sweep

- Vacancies within this area are being filled leaving only 1 vacant post at Q4. There has been £108k of staffing costs funded by the UKSPF for the Town Centre Caretakers in 2022-23. There continues to be a budget pressure on the Weedkilling and Whitworth Caretaker Service of £7k offset by savings £5k on other costs needed for the service. 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 £1k and extra fuel cost within this area exceeds the budget by £48k. The hire of vehicle and plant exceed the budget by £17.2k and Sweeper Brushes have cost an extra £3.7k. However, savings have been made in other areas of the vehicle costs totalling £12k.

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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

### Parks

- Parks have staffing savings due to two vacancies at Q4 however this is cancelled out with using agency and overtime. Supplies and service costs on Parks are overspent by £18.4k due to extra costs for external contractors, litter bins and hire. Parks share of extra costs on fuel is currently £13k. Extra Income for Public Realm Work which will benefit Parks by £28k.
- Parks Vehicles have cost pressures exceeding the budget by £22k 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 net costs on general repairs of £1.5k and extra costs for insurance of £5k but this is partially offset by additional income that has been contributed of £1.7k.

### Cemeteries

- Income contributions at Q4 are favourable by £31.4k.

### 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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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

### Communities Directorate

Period 12 (Mar)

Public Protection	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Q4 Outturn £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
Public Protection Unit	163.3	20.4	183.7	180.1	3.7	3.3	0.4
Environmental Health	191.4	(13.8)	177.6	232.9	(55.2)	(62.2)	7.0
Licensing & Enforcement	52.9	20.4	73.3	101.3	(28.0)	(54.4)	26.4
<b>Total</b>	<b>407.6</b>	<b>27.0</b>	<b>434.6</b>	<b>514.2</b>	<b>(79.6)</b>	<b>(113.3)</b>	<b>33.8</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
<b>PPU</b>				
PPU Staffing Saving	(3.8)	0.6	(3.2)	
Dog Warden Service Saving	9.6	3.2	12.8	
Other Income		4.6	4.6	
Other Variance	(2.6)	(7.9)	(10.5)	
<b>Environmental Health</b>				
Environmental Health - staffing and consultant	(5.4)	1.4	(4.0)	
Environmental Health - Supplies & Services Savings	4.2	19.6	23.8	
Environmental Health - shortfall on FPN and Other Contributions	(59.5)	(10.4)	(69.9)	
Environmental Health - Misc	(1.5)	1.6	0.1	
Climate Change		(0.0)	(0.0)	
<b>Licensing &amp; Enforcement</b>				
Licensing & Enforcement - staffing	(39.9)	7.1	(32.8)	
Licensing & Enforcement - Extra Costs for Vet Fees	(3.8)	0.3	(3.5)	
Licensing & Enforcement - Shortfall in Private Hire Vehicle Income	(7.0)	2.4	(4.6)	
Licensing & Enforcement - Shortfall in Hackney Carriage Vehicle Income	(8.0)	3.8	(4.2)	
Licensing & Enforcement - Shortfall Hackney Carriage Driver Income	(5.1)	9.7	4.6	
Licensing & Enforcement - Liquor Licences	10.0	(7.4)	2.6	
Other misc variances	(0.5)	2.2	1.7	
<b>TOTAL</b>	<b>(113.3)</b>	<b>30.8</b>	<b>(82.6)</b>	

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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Environmental Health, Public Protection Unit and the Licensing and Enforcement Service Highlight Report – Q4 – 31<sup>st</sup> March 23

### Historic Issues

- Nothing reported

### Current Quarter Issues

At the end of Q4 Environmental Health, Public Protection Unit and the Licensing and Enforcement budgets are overspent by £63.5k in the main due to staffing and a reduction in income achievable broken down as follows:-

### Environmental Health

- Staffing Costs are £4k overspent due to a combination of the pay-award £12.6k off set with agency saving of £9k. Fixed Penalty Notices (FPN's) and other contributions - based on the recovery to date, fall short by £39.5k and £30.4k respectively. The cost of supplies and services are within budget by saving £23.8k.

### 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. At the end of Q4 there is some funding left £18.2k which will be transferred to Reserves at the year end and used in 23-24 for Training.

### Public Protection Unit

- The staffing costs are slightly overspent by £3.2k due to the pay-award.
- The cost of dog services are underspent by £12.8k offset by extra costs not budgeted totalling £10.5k.
- PPU has also brought in some unbudgeted income totalling £4.6k.

### Licensing & Enforcement

- Staffing Costs are overspent by £32.8k due to an un budgeted member of staff remaining within this service area and the pay award.
- Supplies & services are underspent by £26k overall with the exception of vet fees £7.1k overspent which will be recharged where possible.
- Most income streams within Licencing are under recovering which has resulted in an overall income shortfall of £20.9k.

### Future Issues

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

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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

### Economic Development Directorate

Period 12 (Mar)

Economic Development & Regeneration Services	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Q4 Outturn £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
<b>Planning</b>							
Development Control	156.7	-	156.7	156.7	0.0	(20.6)	20.6
Forward Planning	153.6	-	153.6	135.4	18.2	15.4	2.7
<b>Building Control</b>							-
Building Control - Fee Earning Account	(4.5)	-	(4.5)	(11.8)	7.4	(1.5)	8.8
Building Control - Statutory Function	33.2	-	33.2	27.0	6.3	4.3	1.9
Building Control - Street Signs	2.5	-	2.5	3.8	(1.3)	(2.3)	1.0
<b>Regeneration</b>							-
Economic Regeneration	177.5	0.0	177.5	206.5	(29.0)	(83.6)	54.6
Whitaker Park Museum	20.0	-	20.0	28.9	(8.9)	0.0	(8.9)
Tourism	40.0	-	40.0	33.8	6.2	(0.0)	6.2
Markets	(23.9)	-	(23.9)	(15.0)	(8.9)	(7.1)	(1.7)
<b>Property Services &amp; Facilities Management</b>							
Property Services	95.1	-	95.1	71.1	24.0	7.3	16.7
Corporate Estates	(425.6)	-	(425.6)	(400.3)	(25.2)	(46.6)	21.4
Non Domestic Estates	(126.6)	-	(126.6)	(138.4)	11.8	7.5	4.2
Office Accommodation	39.5	-	39.5	50.8	(11.3)	(20.8)	9.5
Operational Properties	358.4	-	358.4	424.8	(66.4)	(57.4)	(9.0)
Leisure Properties	103.3	-	103.3	105.3	(2.1)	0.1	(2.2)
Bus Shelters	107.6	-	107.6	155.9	(48.4)	(22.9)	(25.5)
Business Centre	154.3	0.2	154.5	151.1	3.3	(30.0)	33.3
<b>Strategic Housing</b>							
Housing Strategy	59.1	-	59.1	24.4	34.7	32.8	1.9
Private Sector Housing Renewals	(3.7)	-	(3.7)	(0.2)	(3.5)	0.0	(3.5)
Homelessness	141.6	(37.1)	104.5	368.1	(263.6)	1.1	(264.6)
<b>Total</b>	<b>1,073.1</b>	<b>(36.9)</b>	<b>1,036.3</b>	<b>1,393.0</b>	<b>(356.7)</b>	<b>(224.1)</b>	<b>(132.6)</b>

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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

	Bfwd £000	this Qtr £000	£000	A G
<b>Planning</b>				
Forward Planning staffing	12.8	(1.8)	11.0	
Planning staffing	86.0		86.0	
Planning Agency Staff Fees	(85.7)	(13.4)	(99.1)	
Planning Consultancy fees/ Legal fees	(40.7)	(12.7)	(53.4)	
20% FBHM to support staffing	40.8	(13.5)	27.3	
Planning Application Fee Income	22.4	64.3	86.7	
Pre-App Income	(23.6)	(1.1)	(24.7)	
Computer system IDOX	(9.6)		(9.6)	
Other Miscellaneous Variances	(0.6)	1.4	0.8	
<b>Building Control</b>				
Building Control staffing	11.7	5.2	16.9	
Building Control Fees	(10.1)	7.1	(3.0)	
<b>Building Control - Street Signs</b>				
Planning /Building Control misc under/over	(7.7)	(0.7)	(8.4)	
<b>Regeneration</b>				
Economic Regeneration Staffing	37.2	(20.7)	16.5	
Recruitment Advertising	(1.4)		(1.4)	
Rawtenstall Market Electricity Costs not yet transferred (Inflationary Rise of Utilities)	(8.8)	(7.7)	(16.5)	
Professional Fees for the Levelling Up Bid	(110.6)	83.1	(27.5)	
Kickstart DWP, Rossendale Youth Works & Other Contributions		(0.1)	(0.1)	
Museum		(8.9)	(8.9)	
Tourism		6.2	6.2	
Markets Income underachieved	(7.1)	(1.7)	(8.8)	
<b>Strategic Housing</b>				
Housing Strategy Staffing	35.8	(1.1)	34.7	
Private Sector Housing Renewals Agency Costs - Resource left in Q3.	(28.2)		(28.2)	
Private Sector Housing Renewals staffing	30.3	(10.6)	19.7	
Private Sector Renewals additional fee income or contribution from Housing reserve	-	3.1	3.1	
Homelessness	(4.1)	(259.4)	(263.5)	
Other Miscellaneous Variances	(0.0)	1.9	1.9	
<b>Property Services Team</b>				
Property Services staffing	18.4	(2.2)	16.2	
Pool Car, CCTV, Emergency Planning,	(2.6)	3.3	0.7	
<b>Corporate Estates</b>				
Corporate Estates rental income	(34.3)	(4.3)	(38.6)	
Futures Park rental income	(8.3)	8.3	-	
Valuation Fees & Professional Fees	(23.5)	9.5	(14.0)	
<b>Non Domestic Estates</b>				
Industrial units rental income	1.5		1.5	
<b>Operational Properties</b>				
Property Running Costs: Repairs & Maintenance	(0.5)	(9.7)	(10.2)	
Gas, Electricity, Water	(107.0)	43.6	(63.4)	
NNDR - excluding Spinning Point bus station	20.7	1.3	22.0	
Legionella . Asbestos underspend		13.9	13.9	
Knotweed Treatment	(12.3)		(12.3)	
<b>Leisure Properties</b>	8.7		8.7	
<b>Bus Station / Shelters</b>				
Spinning Point Bus Station running costs	0.7	(8.5)	(7.8)	
Spinning Point Bus Station - units to rent	(23.1)	(11.5)	(34.6)	
Spinning Point Bus Station - Departure charges	25.1		25.1	
Bus Shelters	(0.3)		(0.3)	
<b>Business Centre</b>				
Business Centre rentals	(16.3)		(16.3)	
Business Centre Fit Tarrif	3.0	5.5	8.5	
Property Insurance Premiums	(5.5)		(5.5)	
Other Miscellaneous Variances	(7.3)	(0.6)	(7.8)	
<b>TOTAL</b>	<b>(224.1)</b>	<b>(132.5)</b>	<b>(356.6)</b>	

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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Economic Development & Regeneration Highlight Report – Q4 (March 2023)

### Historic Issues

- None

### Current Quarter Issues

**Economic Regeneration are currently forecasting an adverse variance of £40.5k, which is broken down as detailed below: -**

- Staff Costs in Economic Development are underspent by £19.3k – due to the Managers Post being vacant during Q3. This has been offset by costs of £1.2k and recruitment £2.7k.
- During 22-23 additional costs have been incurred for Professional Fees relating to the Levelling Up Bid costing the Council £27.5k. 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 realised as extra cost.
- Rawtenstall Markets running costs for electric during 22-23 is paid by the council and has overspent by £18.4k, with a total cost for electricity of £46k. The Museum running costs have overspent by £8.9k after recharges have been made as per the agreement.
- The Kickstart Programme in partnership with DWP has overspent by £6.8k due to a shortfall in Income received for the number of participants that came on the programme. This has been offset by other funding sources on ED totalling £6.7k.
- At the end of Q4 tourism has underspend by £6.2k due to Communities not using their allocation.
- During Quarter 4 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 out-turn is £8.9k compared to £7.1k Q3.

### **Housing net overspend of £232.4k**

- Staffing savings overall as at Q4 have generated £59.4k of savings. However, some of these saving's are offset by Agency costs £28.2k on the Private Sector Renewal Team (PSR). The vacant position within PSR Team was filled at the end of July 22 with the new member of staff now in post.
- Due to a shortfall of top slice from the Disabled Facilities Grant (DFG) which funds the Private Sector Renewal Team (PSR). It has been necessary to fund the Agency Support £28.2k from the Flexible Homelessness Grant.
- Within the Housing Options Team over the year it has been necessary to secure extra support in the form of Agency Staff which has cost £54.8k and will be paid for out of the Homelessness Prevention Grant (HPG) , Asylum Dispersal Funds and the Funding for Ukraine Guests. The HPG also fully funds an existing member of the team too. The Homelessness Prevention Grant during 2022-23 is now funding three posts.
- Within Housing we have received funding from LCC of £53k for the Afghan Housing Programme which will help to cover the associated costs incurred between the Housing Options Teams and Empty Homes.
- During the year there has been £326k unrecoverable housing benefit, this is due to the number of families/individuals in B&B accommodation. Housing benefit is only recoverable on the 'bed' element therefore the Council has had to cover the remaining cost. Therefore, extra cost allocated to housing in the final quarter of £326k
- There are currently 15 households in B&B Accommodation which includes families and single occupancy.
- Staff Costs on Housing Strategy are underspent by £35k due to the Manager Post being vacant and merged with the Head of Economic Development post. The new Head of Housing and Regeneration commenced in the New Year.
- On Domestic Abuse there have been extra external funding streams received and the underspend £40k will go straight to reserves to be used in 2023-24.

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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

**Property Services and Facilities Management is currently showing an adverse variance of £114.3k.**

- Salary costs are showing a favourable variance of £16.2k. 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 £51.6k this is mainly due to the increase in utility costs.
- The estates income is showing an overall adverse variance of £38.6k. The section is seeking new income streams and to date has secured an extra £12.2k from Garage sites and rent reviews
- Valuation Fees are showing an over spend of £14k
- Property Services proportion of insurance premiums is showing an over spend of £5.5k.
- The Electricity FIT Tariff at Futures Park is showing an over achievement of £8.5k
- The Business Centre room hire are projecting an under achievement of £16.3k Three tenants remain.

**Planning & Building Control are showing a favourable variance of £30.5k**

- Planning/Forward Planning staffing (inc agency/consultancy) costs are showing an adverse variance of £28.2k, this is due to staff shortages resulting in the use of agency staff in Planning (Development Control).
- Building Control staffing costs are £16.9k below the budget.
- Overall Planning are projecting a balanced budget, whilst general planning fee income is predicted to be £86.9k over budget this is offset by pre-application fees projected to under achieve by £24.8k
- Building Control income are projecting an adverse 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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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Corporate Services Directorate

Period 12 (Mar)

Corporate Management	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Q4 Outturn £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
<b>Corporate Management</b>							
Executive Office	372.0	-	372.0	369.3	2.7	(11.7)	14.4
Corporate Contingency	65.2	(3.3)	61.9	60.7	1.2	5.4	(4.2)
Corporate Subscriptions	34.2	-	34.2	41.7	(7.4)	(5.9)	(1.5)
<b>Legal Services</b>	180.4	-	180.4	182.0	(1.6)	(7.8)	6.2
<b>Land Charges</b>	(17.7)	-	(17.7)	0.5	(18.2)	(13.2)	(5.1)
<b>Democratic Services</b>							
Electoral Registration	73.1	-	73.1	74.8	(1.8)	1.9	(3.6)
Elections	75.0	-	75.0	74.9	0.0	(3.6)	3.6
Democratic Support	348.4	-	348.4	344.4	4.0	0.2	3.8
Mayoralty & Civic Events	56.0	3.3	59.31	56.6	2.7	0.7	2.0
Town Twinning	2.5	-	2.5	2.0	0.5	-	0.5
<b>Financial Services</b>							
Treasury Management	81.2	-	81.2	133.3	(52.1)	(92.3)	40.2
Insurance, Risk & Audit Fees	64.7	-	64.7	75.4	(10.8)	-	(10.8)
Financial Services Team	439.1	-	439.1	479.0	(40.0)	(35.9)	(4.1)
<b>People &amp; Policy</b>							
Human Resources	457.4	-	457.4	450.1	7.3	5.0	2.2
Corporate Support	224.8	-	224.8	240.1	(15.3)	(18.1)	2.9
Publicity	4.0	-	4.0	-	4.0	-	4.0
<b>Leisure Services</b>	(55.1)	-	(55.1)	(96.3)	41.2	(9.7)	50.9
<b>Empty Homes Scheme</b>	300.0	-	300.0	900.0	(600.0)	(600.0)	-
<b>Total</b>	<b>2,705.1</b>	<b>-</b>	<b>2,705.1</b>	<b>3,388.6</b>	<b>(683.5)</b>	<b>(785.0)</b>	<b>101.5</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
<b>Executive Office</b>				
Salary variances	(13.4)	0.4	(13.0)	
Other minor variances	1.7	14.0	15.7	
<b>Corporate Contingency</b>	5.4	(4.2)	1.2	
Use of contingency for grant support to Ribble Rivers Trust	-	-	-	
General subscriptions	(5.9)	(1.5)	(7.4)	
<b>Legal Services</b>				
Salary variances	0.0	(0.4)	(0.4)	
Professional fees	(11.7)	5.8	(5.9)	
Other Legal Misc under/ over	3.8	0.6	4.4	
<b>Land Charges</b>				
Salary variances	(1.9)	(1.9)	(3.8)	
Search Income	(12.4)	(2.3)	(14.7)	
Other minor variances	1.1	(0.8)	0.3	
<b>Democratic Services</b>				
Salary variances Elections	(2.9)		(2.9)	
Other Election Misc under/ over	4.7		4.7	
Salary variances Democratic Support	(4.5)	6.1	1.6	
Members Costs - Extra Cabinet Member	2.3	2.6	4.9	
Traffic Management for Remembrance Sunday	3.4		3.4	
Other Dem Misc under /over	(3.6)	(2.2)	(5.8)	
<b>Treasury Management</b>				
External Audit Fees - Grant Thornton/Mazars	(55.0)	23.3	(31.7)	
Bank Charges / Bank interest	(36.0)	15.3	(20.7)	
<b>Insurance, Risk &amp; Audit Fees</b>				
LCC Audit fees	-	(10.8)	(10.8)	
<b>Financial Services</b>				
Salary variances - Accountants	(29.0)	3.0	(26.0)	
Salary variances - Exchequer	(1.4)	(8.7)	(10.1)	
Other misc under / (over) spends	(6.8)	2.4	(4.4)	
<b>Human Resources</b>				
Salary variances	16.9	2.7	19.6	
Authority wide Training	(9.7)	(3.6)	(13.3)	
Minor Variances	(2.2)	7.1	4.9	
<b>Corporate Support</b>				
Salary variances	(17.2)	2.7	(14.5)	
Other variances	(0.9)	0.2	(0.7)	
<b>Publicity</b>				
Leisure	(9.6)	50.8	41.2	
<b>Empty Homes</b>				
Other Misc under / (over) spends	(600.0)		(600.0)	
	0.9		0.9	
<b>TOTAL</b>	<b>(783.9)</b>	<b>100.6</b>	<b>(683.4)</b>	

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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Corporate Management Highlight Report – Q4 (March 2023)

### Historic Issues

- None

### Current Quarter Issues

The Corporate Management outturn is forecast to be £683.4k adverse, the main movements being: -

- Staff changes are £52.4k adverse:
  - Executive Office – Adverse variance of £13k – linked to temporary cover and recruitment costs
  - Legal Services – are showing an adverse £0.4k
  - Land Charges – are showing an adverse £3.9k
  - Democratic Services – are showing a favourable £4.1k
  - Elections – are showing an adverse £0.5k
  - Corporate support – are showing an adverse variance of 14.5k
  - Financial Services – adverse £36.1k linked to the cost of agency staff covering vacant posts.
  - HR – is showing a favourable variance of £6.3k
- Local Land Charges income is showing an adverse variance of £14.7k.
- External Audit charges are anticipated to be £32k 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 £20k over budget.
- The Council's training budget is expected to be overspent by £3.6k. This is due to a combination of 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

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

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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

### Corporate Services Directorate

Period 12 (Mar)

Non-Distributed Costs & Capital Financing	2022/23 Orig Budget £000	Virements Budget £000	2022/23 Org Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
<b>Non Distributed Costs</b>							
Employee & Pension Costs	112.7	-	112.7	(15.6)	128.3	25.2	103.1
Other Non-distributed Costs	19.5	-	19.5	84.1	(64.6)	2.7	(67.3)
<b>Capital Financing</b>							
Minimum Revenue Provision	549.3	-	549.3	549.3	(0.0)	-	(0.0)
Interest (net)	119.0	-	119.0	(77.6)	196.6	63.6	133.0
<b>Total</b>	<b>800.5</b>	<b>-</b>	<b>800.5</b>	<b>540.2</b>	<b>260.3</b>	<b>91.6</b>	<b>168.8</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
<b>Employee &amp; Pension Costs</b>				
Vacancy control savings target - net		(146.4)	(146.4)	
Purchased additional leave		(4.3)	(4.3)	
<b>MMI Costs</b>		(69.4)	(69.4)	
Superann additional years/Contribution to Pension deficit		249.0	249.0	
Other income variance	34.8		34.8	
<b>Capital Financing</b>				
MRP Re-profile	-		-	
Interest expenditure/income from bank accounts	63.6	133.0	196.6	
Other minor variances			-	
<b>TOTAL</b>	<b>98.4</b>	<b>161.9</b>	<b>260.3</b>	

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# Monthly Financial Monitoring Report 2022/23 Q4 March 2023

## Non-Distributed Costs & Capital Financing Highlight Report – Q4 (March 2023)

### 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.

### Current Quarter Issues

- The original budgeted staff savings target was £200k. Added to this is £25k of savings from employees purchasing additional leave.
  - The table below attempts to show the performance against the staff vacancy savings target, adjusted for the pay award impact.
  - Whilst the additional impact of the pay award has negated any staff savings, if adjusted savings would have been £171k against a budget of £225k, giving a shortfall of £54k.

<b>Forecast Year End Staffing Variances</b>	<b>Q1 £000</b>	<b>Cum Q2 £000</b>	<b>Cum Q3 £000</b>	<b>Cum Q4 £000</b>
Customer Services	-	(8.5)	(10.0)	23.1
Operations	60.2	(178.6)	(189.1)	(66.9)
Public Protection	(24.1)	(47.2)	(49.1)	(40.0)
Economic Development	83.3	110.4	80.4	27.3
Corporate Management	15.0	12.7	(13.4)	-
Legal & Democratic	6.9	(11.8)	(9.2)	(5.5)
Financial Services	(22.1)	(16.8)	(30.4)	(36.1)
People & Policy	2.7	(2.1)	(0.3)	5.1
<b>Savings in staff costs</b>	<b>121.9</b>	<b>(141.9)</b>	<b>(221.1)</b>	<b>(93.0)</b>
*Adj - impact of pay award		264.0	264.0	264.0
<b>Total staff savings</b>	<b>121.9</b>	<b>122.1</b>	<b>42.9</b>	<b>171.0</b>
Additional Leave	(25.0)	(25.0)	(25.0)	(25.0)
Original savings target	(200.0)	(200.0)	(200.0)	(200.0)
<b>Staff Variance</b>	<b>(103.1)</b>	<b>(102.9)</b>	<b>(182.1)</b>	<b>(54.0)</b>

\* Adjustment for additional impact of the pay award.

- Additional new burdens grants and external funding of c£54k received during Q4.
- Interest income for the year is £195k, this is £186k over the annual budget.
  - 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	AN06
<b>Balance at 01/04/2022</b>	<b>270.1</b>	<b>74.0</b>	5,031.3	2,559.1	<b>65.0</b>	659.2
<b>Funds Received 2022/23</b>						
Collection Fund - relates to 2019/20						
Collection Fund - S31 Grants (NNDR3)			1,643.0			
Collection Fund - Renewable Energy (NNDR1/3)			178.0			
Business Rates Pooling net gain 2020/21						
New Homes Bonus				132.0		
Services Grant				150.0		
Lower Tier Services Grant				98.0		
Other Revenue income received						
<b>Total Funds Available</b>	<b>270.1</b>	<b>74.0</b>	<b>6,852.3</b>	<b>2,939.1</b>	<b>65.0</b>	<b>659.2</b>
<b>2022/23 Published Budget Utilisation</b>						
Retained Business Rates						
New Homes Bonus				(132.0)		
Services Grant				(150.0)		
Lower Tier Services Grant				(98.0)		
General budget support				(580.0)		
<b>2022/23 Other Utilisation Plans</b>						
Transfers between Reserves		(74.0)	(2,028.0)	2,102.0		
IER						
Bacup THI Support						
Civica receipting software upgrade						
Counter Fraud & RV Analysis						
Collection Fund Surplus/Deficit impact			(2,560.0)			
Support Forward Plan						(250.6)
City Vally Link Business Case						
Business Rates Pooling Levy						
Economic Development Projects	(270.1)					
Legionella Risk Assessment						
Living Well, Living Better Project						
Leisure Services						
Haslingden Strategic Board support						
Homelessness Projects						
Property-related projects						
Other Commitments				(1,424.5)	(10.0)	
Total Utilisation Commitment	(270.1)	(74.0)	(4,588.0)	(282.5)	(10.0)	(250.6)
<b>Reserve Estimates 31/3/2023</b>	<b>0.0</b>	<b>0.0</b>	<b>2,264.3</b>	<b>2,656.6</b>	<b>55.0</b>	<b>408.6</b>
<b>Future Contributions/Utilisation Plans</b>						
2023/24 plans			(1,266.0)	(756.0)	(20.0)	
2024/25 Plans				(857.0)		
2025/26 Plans				(1,043.6)		(408.6)
2026/27 Plans			(625.8)			
<b>Potential Reserve Balances</b>	<b>0.0</b>	<b>0.0</b>	<b>372.5</b>	<b>0.0</b>	<b>35.0</b>	<b>(0.0)</b>

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Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserve	Rawtenstall Bus Station	Directorate Reserves	General Reserve	Total
	AN060130	AN060118	AN060150	AN06		
<b>Balance at 01/04/2022</b>	189.1	46.6	517.0	1,393.7	1,000.0	11,805.2
<b>Funds Received 2022/23</b>						
Collection Fund - relates to 2019/20						0.0
Collection Fund - S31 Grants (NNDR3)						1,643.0
Collection Fund - Renewable Energy (NNDR1/3)						178.0
Business Rates Pooling net gain 2020/21						0.0
New Homes Bonus						132.0
Services Grant						150.0
Lower Tier Services Grant						98.0
Other Revenue income received				776.7		776.7
<b>Total Funds Available</b>	<b>189.1</b>	<b>46.6</b>	<b>517.0</b>	<b>2,170.5</b>	<b>1,000.0</b>	<b>14,782.9</b>
<b>2022/23 Published Budget Utilisation</b>						
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)					(769.1)
<b>2022/23 Other Utilisation Plans</b>						
Transfers between Reserves						0.0
IER				(46.2)		(46.2)
Bacup THI Support						0.0
Civica receipting software upgrade						0.0
Counter Fraud & RV Analysis						0.0
Collection Fund Surplus/Deficit impact						(2,560.0)
Support Forward Plan						(250.6)
City Vally Link Business Case						0.0
Business Rates Pooling Levy						0.0
Economic Development Projects						(270.1)
Legionella Risk Assessment						0.0
Living Well, Living Better Project				(5.1)		(5.1)
Leisure Services						0.0
Haslingden Strategic Board support				(3.6)		(3.6)
Homelessness Projects						0.0
Property-related projects				(6.7)		(6.7)
Other Commitments		(17.1)		(241.1)		(1,692.7)
Total Utilisation Commitment	(189.1)	(17.1)	0.0	(302.6)		(5,984.0)
<b>Reserve Estimates 31/3/2023</b>	<b>0.0</b>	<b>29.5</b>	<b>517.0</b>	<b>1,867.9</b>	<b>1,000.0</b>	<b>8,798.9</b>
<b>Future Contributions/Utilisation Plans</b>						
2023/24 plans		(29.5)		(290.1)		(2,361.6)
2024/25 Plans				(385.0)		(1,242.0)
2025/26 Plans				(52.8)	(61.8)	(1,505.0)
2026/27 Plans				(84.8)	(938.2)	(710.6)
<b>Potential Reserve Balances</b>	<b>0.0</b>	<b>0.0</b>	<b>517.0</b>	<b>1,055.1</b>	<b>0.0</b>	<b>1,979.7</b>

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### Current issues

As noted on page 2, the forecast adverse variance on the General Fund of £1,031.1k will require a contribution of £769.1k from of 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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<b>Grants Unapplied</b> (* denotes a capital grant)	Disabled Facilities Grants *	UK Shared Prosperity Grant (Revenue)	UK Shared Prosperity Grant (Capital) *	Homeless Grant	Domestic Abuse Grant	Hoarding Grant	Total
	£000	£000	£000	£000	£000	£000	
	AL030132	AL030142	AL030143	AL030127	AL030130	AL030129	
<b>Balance at 01/04/2022</b>	<b>2,221.3</b>	<b>0.0</b>	<b>0.0</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>2,282.7</b>
<b>New Funds Received 2022/23</b>							
Grant due/received	1,160.1	295.9	45.0				<b>1,501.0</b>
<b>Total Funds Available</b>	<b>3,381.4</b>	<b>295.9</b>	<b>45.0</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>3,783.7</b>
<b>Utilisation in 2022/23</b>							
DFGs Outturn 2022/23	(804.1)						<b>(804.1)</b>
Transforming Lives/Hoarding Projects						(0.5)	<b>(0.5)</b>
UKSPF Revenue & Capital Allocations		(143.0)	(29.4)				<b>(172.4)</b>
Homelessness Project							<b>0.0</b>
Domestic Abuse Projects							<b>0.0</b>
Covid related expenditure							<b>0.0</b>
Movement to Earmarked Reserves				(52.9)	(6.8)	(1.2)	<b>(60.9)</b>
<b>Anticipated Balance 31/03/2023</b>	<b>2,577.3</b>	<b>152.9</b>	<b>15.6</b>	<b>52.9</b>	<b>6.8</b>	<b>1.2</b>	<b>2,806.7</b>
<b>Future Utilisation Plans</b>							
2023/24 plans	(1,000.0)	(152.9)	(15.6)	0.0	0.0	0.0	<b>(1,168.5)</b>
2024/25 plans	(1,500.0)			0.0	0.0	0.0	<b>(1,500.0)</b>
<b>Potential Reserve Balances</b>	<b>77.3</b>	<b>0.0</b>	<b>0.0</b>	<b>52.9</b>	<b>6.8</b>	<b>1.2</b>	<b>138.2</b>

In addition to the £2,221.3k of unspent DFG grant brought forward from 2021/22, 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.

During 2022/23 the council has received funding from the UK Shared Prosperity Funds these have been added to the table to reflect how much was received in 2022-23 and how much was used. Leaving some funding to be used in 2023/24 to fund various aspect of the bid which have slipped into the 2023/24 financial year.

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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
<b>Communities Directorate</b>						
Customer Services	343	327	16	(4)	20	7.8
Operations Service	1,769	1,897	(128)	(160)	32	51.0
Parks & Cemeteries	685	686	(1)	(11)	10	21.0
Public Protection Unit	159	162	(3)	(3)		4.0
Environmental Health	233	247	(14)	(12)	(2)	5.0
Licensing & Enforcement	153	186	(33)	(26)	(7)	4.0
Communities Team	93	61	32	4		2.0
<b>Economic Development Directorate</b>						
Planning Services	531	543	(11)	(9)	(3)	12.4
Building Control Services	163	146	17	12	5	4.0
Regeneration	106	122	(17)	19	(35)	2.0
Property Services	104	86	18	10	8	3.6
Housing	326	272	54	(4)	58	8.5
<b>Corporate Services</b>						
Corporate Management	365	381	(16)	(96)	80	3.0
COVID19	-	(0)	0	(7)	7	
Legal Services	164	164	0	0	0	3.0
Local Land Charges	55	59	(4)	(2)	-	1.5
Empty Homes	27	35	(8)	3		1.0
Democratic Services	238	233	5	(3)	8	6.4
Financial Services	483	463	21	(20)	41	9.0
People & Policy	633	641	(8)	(6)	(3)	17.9
<b>Total Net Underspend</b>	<b>6,631</b>	<b>6,711</b>	<b>(80)</b>	<b>- 314</b>	<b>220</b>	<b>167.1</b>

The net employee overspend for the year was £80k. The overspend has reduced since the Q3 report due to several new burdens grants being received in March, for delivering covid grant schemes, energy rebates and household support funds. In addition, UKSPF funded our Town Centre Caretaker posts. There was also less overtime and agency required in the final quarter of the year. The impact of the pay award has been changed due to allocating other sources of finance to delivering the services:-

- Operations are overspent by £128k
- Licensing & Enforcement are overspent by £33k – unbudgeted post
- Corporate Management are overspent by £16k – Due to CEO and Director recruitment and temporary cover
- Financial Services are underspent by £21k\*
- Communities are underspent by £32k\*

\*Additional New Burdens grants received in March to fund delivery of the covid grants, energy rebates and household support fund.

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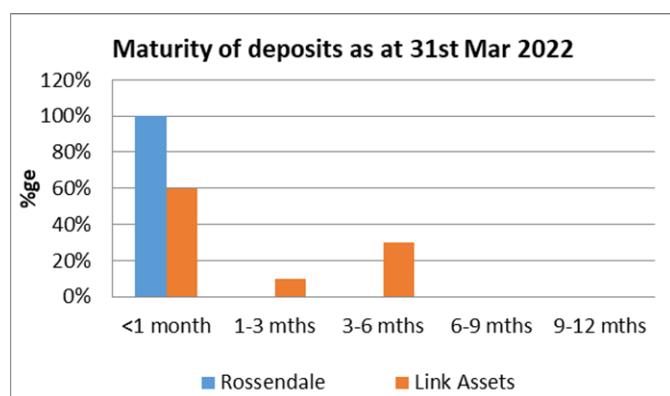
## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

### Treasury Management & Cash Flow Monitoring

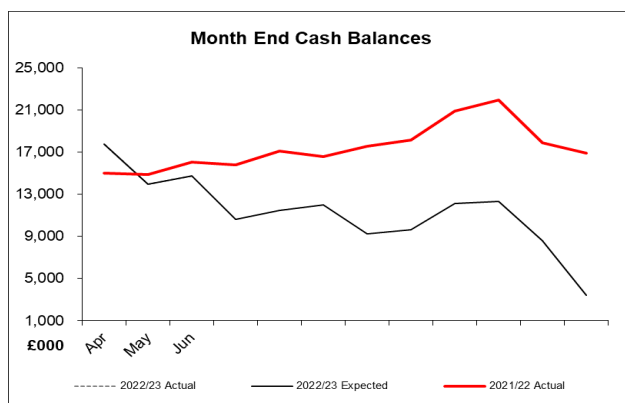
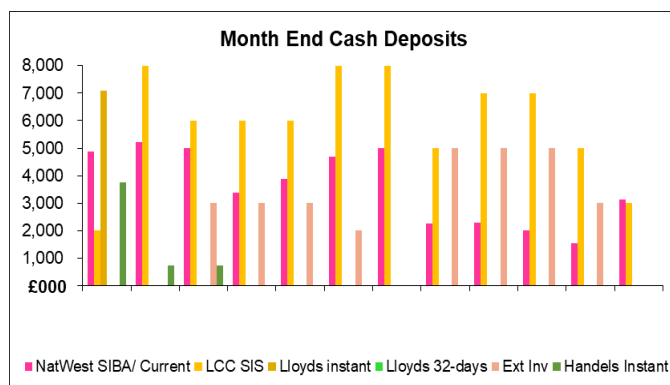
At the end of March the bank balances were £6.1m. This represents a significant reduction in cash balances in Q4 are largely as a result of the repayment of sums reported at previous quarter ends relating to Covid monies unspent. It was originally estimated that c£6m of funding held over from 2020/21 would be repayable to Government by the end of April 22. Circa £3m was repaid in July, with the remaining funding repaid later in January 2023.

During the period the Council has also continued to hold funding for the Household Support Scheme, this scheme will complete in Q1 2023/24.

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	3,136	0.10
Lancashire CC Call	3,000	3.25
Handelsbanken instant	-	0.00
External Investments	-	3.00
Lloyds instant access	-	0.00
Lloyds 12mth Deposit	-	-
<b>Total Bal &amp; Avg interest</b>	<b>6,136</b>	<b>1.64</b>



NB 2022/23 Month end cash balances currently aligned to actual cash – hence cannot see dotted line at during the 2022/23 year.

There have been multiple interest rate increases in the year to date. At the end of Q4 the Bank of England base rate sat at 4.25% and subsequently rose to 4.5% on 11th May 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).

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

At 31st March 2023, the Council's portfolio mix consists of £3m in an LCC call account and liquid funds of £3.1m.

<b>Interest Forecast</b>	<b>Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Variance Fav/(Adv)</b>	<b>Change Fav/(Adv)</b>
<b>Revenue</b>				
Interest payable (PWLB)	(127.0)	(127.0)	0.0	0.0
Other interest payable	(1.0)	2.4	3.4	3.4
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	9.0	195.0	186.0	186.0
<b>Net Interest</b>	<b>(119.0)</b>	<b>77.4</b>	<b>196.4</b>	<b>196.4</b>

The average effective interest rate at the end of Q4 was 3.35%, 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 income of £77k.

### Economic Outlook

#### (Released May 2023)

The Consumer Prices Index rose by 10.1% in the 12 months to April 2023, down from 10.4% in February and from a recent peak on 11.1% in October 2022. The largest downward contribution to the change of 2.1 percentage points came from transport, with further large downward contributions from housing and household services. 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 (0.2 percentage points), also rising are Recreation and culture (0.3 percentage points).

Road fuel prices in mid-May 2023 remain higher than the end of 2021/22 but lower than recent months. The mid-month average retail price of petrol for May 2023 was 145.24 pence per litre, 22 per cent lower than the recent peak in mid-July 2022, and now lower than March 2022 (163.8 pence per litre).

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

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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 and 2022/23.

### **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 Q4, 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%
<b>5Y PWLB RATE</b>								
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%
<b>10Y PWLB RATE</b>								
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%
<b>25Y PWLB RATE</b>								
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%
<b>50Y PWLB RATE</b>								
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**

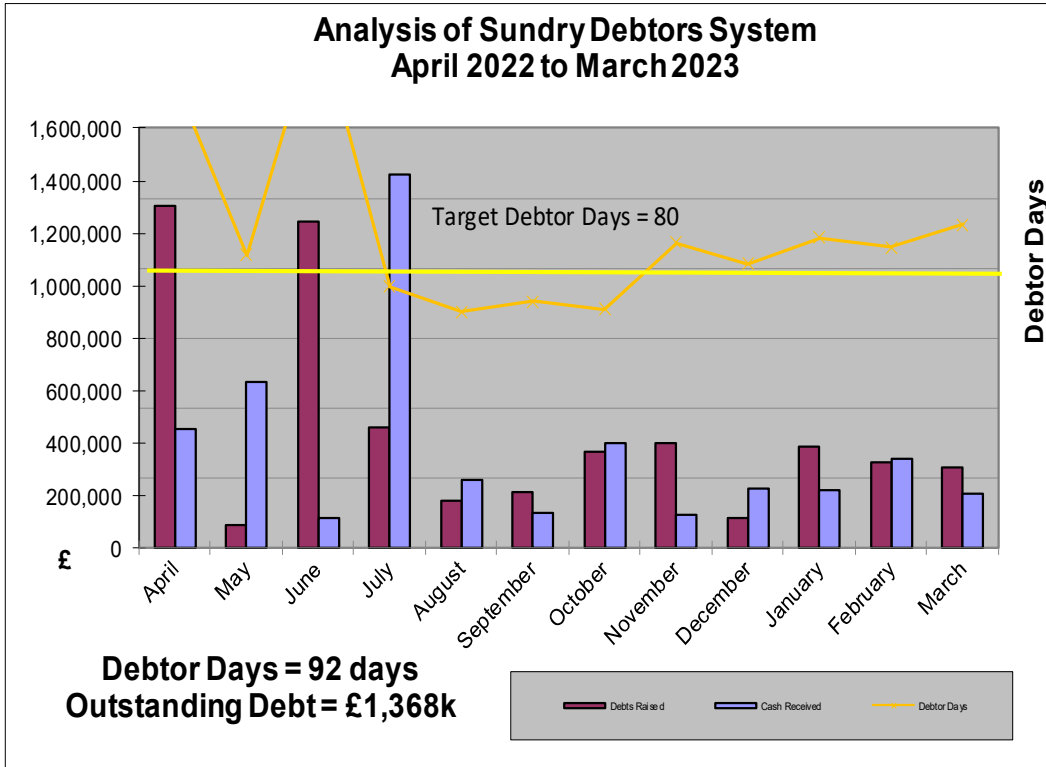
The Council's Treasury Management Strategy Statement 2022/23 was approved by Council on 23<sup>rd</sup> February 2022.

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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.

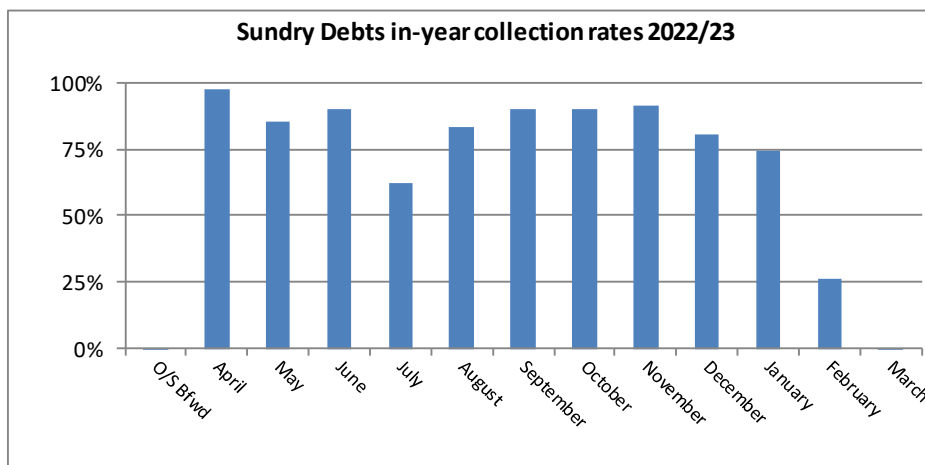
### Sundry Debts Monitoring



Invoices raised in the year, to the end of Q4 totalled £5,691k. As at March 2023, £1,420k (24.9%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 75.1%. It should be noted, however, that a large number of invoices for annual debits were raised in March 2023, so this figure is distorted by these accounts.

**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 Q4 this debt has risen to £656k of which 44% is now provided for as doubtful debts and 56% is not currently provided for. However, a large number of invoices for annual debits (eg. Rents) were raised in March 2023 so this balance is distorted by these invoices.

### Doubtful debts



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## Monthly Financial Monitoring Report 2022/23 Q4 March 2023

The debtor days in Q4, based on a rolling 12 month average have increased from 81 days to 92 days, for collection of sums due, which is somewhat above the target average of 80 days. However, there were some annual debits raised in March 2023 which distorted this figure. It would be expected to have improved by the end of Q1 in 2023-24.

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 2023/24, given the ongoing, challenging economic conditions for individuals and businesses.

Debts Outstanding	Jun 2022	Sep 2022	Dec 2022		31 Mar 2023		Doubtful Debts at 31 Mar 2023	
	£k	£k	£k	£k	£k	£k	Rate	Value
Earlier Debt	65.6	65.6		65.2		65.2	100%	65.2
2017/18 Debt	68.5	68.4		68.4		64.5	100%	64.5
2018/19 Debt	61.2	61.5		60.7		59.9	100%	59.9
2019/20 Debt	26.3	25.3		24.2		23.7	100%	23.7
2020/21 Debt	126.3	125.5		116.6		116.8	100%	116.8
2021/22 Debt	94.8	79.8		63.8		87.2	75%	65.4
2022/23 Debt	350.0	585.1		722.6				
Q3 Dec						488.7	15%	73.3
Q4 Jan						100.7	15%	15.1
Q4 Feb						240.5	15%	36.1
Q4 Mar						590.2	15%	88.5
<b>Total Debt o/s</b>	<b>792.7</b>	<b>1,011.2</b>		<b>1,121.5</b>		<b>1,837.4</b>		<b>608.5</b>

The general impairment provision brought 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 Forecast £000	Year to Date Forecast £000
<b>Capital Receipts</b>			
Land & Property Sales	50	29	29
Obsolete refuse vehicles	50	90	90
<b>Net receipts to table 2</b>	<b>100</b>	<b>119</b>	<b>119</b>

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2022	1,052
Capital Grants in 2022/23	623
Capital Receipts in 2022/23	119
	<b>1,795</b>
Revenue Contributions from Earmarked Reserves	
from Revenue Operations	-
<b>Total Capital Resources 2022/23</b>	<b>1,795</b>
Capital Prog funding applied	(883)
<b>Total Capital Resources March 2023</b>	<b>911</b>
Capital Receipts Reserve (housing)	-
Capital Receipts Reserve (Whitworth)	100
Capital Receipts Reserve (Haslingden)	236
Capital Receipts Reserve (unalloc)	575

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### Current issues

The total spend for the Vehicle Replacement Programme in 2022/23 is £1,043k, which is higher than was anticipated.

There are several grant funded projects which have spent significantly less at the end of the year than had previously been anticipated in projections. These are as follows :

	<b>Original Estimate £000</b>	<b>2022/23 Outturn £000</b>	<b>Difference £000</b>
Haslingden 2040 NHLF	1,300	45	1,255
Bacup High St Heritage Action Zone	431	366	65
Disabled Facilities Grants	1,250	804	446
<b>Totals</b>	<b>2,981</b>	<b>1,215</b>	<b>1,766</b>

### 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 1<sup>st</sup> April 2022 was £1,052k. This figure is still subject to the implications of any post-audit amendments to the 2018/19 accounts and the impact of any post audit adjustments in subsequent years.

The original Capital Programme for 2022/23 approved in February was £5,082k, to which £3,939k 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 £623k (not including DFGs). Current funding for the slippage carried forward into the 2022/23 capital programme consists of a mixture of resources, split between grants, capital receipts and (internal) borrowing. The most effective method of funding the Council's capital programme will be determined at end of the financial year.

The total in the Useable Capital Receipts Reserve at the end of 2022/23 is currently expected to be £911k (not including DFGs). 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	Full-Year Forecast	Variance (Adv)/Fav	Estimated Slippage	Adj Variance (Adv)/Fav	Indicative Funding Arrangements			
	£000	£000	£000	£000	£000	£000	£000	Grants/Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow
<b>Communities Directorate</b>											
IT Software & Equipment	135	134	39	39	95	95	-	-	39	-	-
Operations	1,047	1,063	1,119	1,119	(56)	(56)	-	-	8	-	1,111
Communities	80	137	292	292	(155)	(155)	-	109	105	78	-
Housing	1,500	3,880	1,150	1,150	2,730	2,730	-	804	346	-	-
<b>Economic Devt Directorate</b>											
Whittaker Park Museum Refurbishment	-	246	71	71	175	175	-	71	-	-	-
Henrietta Street Depot Improvements	206	136	21	21	115	115	-	-	21	-	-
Futures Park	-	550	39	39	511	511	-	-	39	-	-
Spinning Point Ph1 & 2 (Bus Station)	-	102	73	73	29	29	-	73	-	-	-
Property Repairs & Maint	100	142	88	87	55	55	-	-	87	-	-
Car Parks General 22-26 MTFs	72	72	4	4	68	68	-	-	4	-	-
Stubbylee Skate Park	21	179	137	137	42	42	-	99	38	-	-
Bacup Historic England	484	431	366	366	65	65	-	366	-	-	-
Haslingden 2040 NLHF	800	1,300	45	45	1,255	1,255	-	45	-	-	-
Museum Improvements	0	25	13	13	12	12	-	-	13	-	-
Rawtenstall Market Electrical Works	-	101	-	0	101	101	-	-	-	-	-
Rawtenstall Market External Cabins	-	6	-	0	6	6	-	-	-	-	-
Rawtenstall Public Realm Town Square	-	56	31	31	25	25	-	-	31	-	-
Hareholme Viaduct	100	100	-	0	100	100	-	-	-	-	-
Carbon Reduction Fund	250	496	114	114	382	382	-	-	114	-	-
Christmas Lighting Catenary	33	33	-	0	33	33	-	-	-	-	-
Marl Pits - Running Track	-	15	45	45	(30)	(30)	-	45	-	-	-
Leisure Facilities Upgrade and Liabilities	254	237	36	36	201	201	-	-	36	-	-
	<b>5,082</b>	<b>9,441</b>	<b>3,685</b>	<b>3,682</b>	<b>5,759</b>	<b>5,759</b>	<b>0</b>	<b>1,612</b>	<b>881</b>	<b>78</b>	<b>1,111</b>

Capital Programme 2022/23	£000
Original Capital Programme	5,082
Slippage from 2021/22	3,939
<b>New capital projects in 2022/23 :</b>	
Marl Pits Running Track	45
DFG	160
Clare House Repairs	4
Edenfield Pump Track	37
New Hall Hey Footpath	75
Stubbylee Skate Park	99
<b>Revised Capital Programme</b>	<b>9,441</b>

Slippage items cfwd at end of 2021/22	Costs £000	Funding Arrangements			
		Grants/Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
<b>Communities Directorate</b>					
Operational Vehicles	22				22
Playgrounds (community projects)	(142)		(142)		
Cemeteries	18				18
Wheeled & Litter Bins	(6)		(6)		
Pathways	48				48
Vehicle Charging Points	5	5			
DFGs	2,211	2,211			
CPOs	5		5		
	<b>2,161</b>	<b>2,216</b>	<b>(143)</b>	<b>0</b>	<b>88</b>
<b>Economic Development Directorate</b>					
Whittaker Park Museum Refurb	246	246			
Futures Park	550		550		
Spinning Point Phases 1 & 2 (Bus Stn)	102		28		74
Property Repairs & Maintenance	107		107		
Haslingden 2040 NLHF	500				500
Rawtenstall Market Electrical Works	101		101		
Rawtenstall Public Realm Town Square	56		56		
Bacup High St Action Zone	(53)				(53)
Henrietta St Depot Improvements	(1)		(1)		
Leisure Legacy Liabilities (Various)	(76)		(76)		
Carbon Reduction Fund	246		246		
	<b>1,778</b>	<b>246</b>	<b>1,011</b>	<b>0</b>	<b>521</b>
	<b>3,939</b>	<b>2,462</b>	<b>868</b>	<b>0</b>	<b>609</b>

### 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.

To this was added slippage of £3,939k 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.

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The revised 2022/23 Capital Programme is now estimated at £9,441k. More details are provided in the tables above.

The indicative outturn for the Council's Capital expenditure programme at 31<sup>st</sup> March 2023 is £3,682k. 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 31<sup>st</sup> 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 2022/23	Revised MRP Required 2022/23	Potential (Additions) / Savings 2022/23
	£000	£000	£000
Corporate	549.6	549.6	0.0
	549.6	549.6	0.0

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

<u>Section 106 Agreements</u>	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
2022/23	£000	£000	£000	£000
Balance b fwd at 1st April 2022	323.8	104.6	773.0	1,201.4
Deposits received in 2022/23	71.1		22.3	93.4
Deposits applied in 2022/23	(72.8)	(19.7)	(6.0)	(98.5)
<b>Current Balance</b>	<b>322.1</b>	<b>84.9</b>	<b>789.3</b>	<b>1,196.3</b>

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Section 106 Agreements in detail	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
<b>Balance bfwd at 1st April 2022</b>	<b>323.8</b>	<b>104.6</b>	<b>773.0</b>	<b>1,201.4</b>
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
Reedsholme		(9.7)		(9.7)
Horse & Jockey			(6.0)	(6.0)
Horse & Jockey	56.7			56.7
New Hall Hey	(72.0)			(72.0)
	<b>322.1</b>	<b>84.9</b>	<b>789.3</b>	<b>1,196.3</b>

The value of S106 agreements brought forward on the 1<sup>st</sup> April was £1,201.4k. To the end of March 2023, £93.4k of new S106 deposits have been received, with £98.5k having been used.. Closing position at Q4 £1,196.3k.

### Council Tax & NNDR Collection Rates

Cumulative Collection	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	73.49	74.77	74.26	77.15	73.09	74.88
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	91.22	91.11	90.91	90.17	89.30	94.79
February	94.90	94.60	92.37	93.43	93.85	95.73	95.00	93.66	95.13	94.73
March	96.70	96.32	95.72	95.59	95.95	98.47	97.78	94.19	98.15	98.85

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.

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### Council Tax Collection Fund

At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £971k. This includes a £683k contribution for doubtful debts. This year RBC's share of the Council Tax is 13.69%, equating to £133k of the forecast surplus.

Council Tax Forecast 2022/23	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000
Council Tax Collectable (after Discounts & Exemptions)	45,479	45,413	45,377	45,318
less Doubtful Debt Provision	(500)	(500)	(832)	(683)
	<b>44,979</b>	<b>44,913</b>	<b>44,545</b>	<b>44,635</b>
less Precepts for 2022/23				
Lancashire County Council	(31,164)	(31,164)	(31,164)	(31,164)
Police	(4,866)	(4,866)	(4,866)	(4,866)
Fire	(1,590)	(1,590)	(1,590)	(1,590)
Rossendale Borough Council	(5,985)	(5,985)	(5,985)	(5,985)
Whitworth Town Council	(58)	(58)	(58)	(58)
	<b>(43,663)</b>	<b>(43,663)</b>	<b>(43,663)</b>	<b>(43,663)</b>
<b>Surplus / (Deficit)</b>	<b>1,316</b>	<b>1,249</b>	<b>881</b>	<b>971</b>
<b>RBC Share = 13.69%</b>	<b>181</b>	<b>171</b>	<b>121</b>	<b>133</b>

Court Costs Forecast 2022/23	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000
<b>Court Costs Charged</b>				
C Tax	125	216	233	293
NNDR	6	9	12	14
<b>Provisions &amp; Written on/ (off)</b>				
C Tax	(12)	(21)	(31)	(37)
NNDR	(1)	(5)	(7)	(8)
<b>Total Income in 2019/20</b>	<b>118</b>	<b>199</b>	<b>207</b>	<b>262</b>
Budget / target	300	300	300	300
<b>Variance Favourable / (Adverse)</b>	<b>(182)</b>	<b>(101)</b>	<b>(93)</b>	<b>(38)</b>

The Council's revenue budget contains a court costs recovery target, the aim is to ensure the Council recovers its costs when issuing court summons and liability orders. The budget is £300k pa, this year the costs recovered amounts to £262k, a shortfall of £38k.

### 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.

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Business Rates Collection Fund 2021/22 (50% Pool)		NNDR1	Q1	Q2	Q3	Out-turn
		£000	£000	£000	£000	£000
Net Liability Due		12,557	10,593	10,642	10,530	10,571
Use of Appeals Provision		0	1,241	1,241	1,241	2,139
Less Cost of Collection Allowance		(93)	(93)	(96)	(96)	(96)
Less Doubtful Debt Provision		(400)	(500)	(500)	(50)	108
Less Appeals Provision		(590)	(590)	(590)	(350)	(150)
Less Renewables 100% to RBC		(183)	(183)	(183)	(183)	(178)
<b>Net NNDR due</b>	<b>A</b>	<b>11,291</b>	<b>10,468</b>	<b>10,514</b>	<b>11,092</b>	<b>12,394</b>
Less Trans surcharge	B	0	0	0	0	429
Less Precepts		(11,291)	(11,291)	(11,291)	(11,291)	(11,291)
Cash Surplus/(Deficit)	C	0	(823)	(777)	(199)	1,532
<b>RBC Share = C x 40%</b>	<b>D</b>	0	(329)	(311)	(80)	613
Central Government share 50%			(412)	(389)	(99)	766
LCC and Fire share 10%			(82)	(78)	(20)	153

The outturn position for the business rates collection fund is a surplus of £1,532k for 2022/23, the Council retains a local share of any surplus or deficit arising at year-end from activity on the fund, in the sum of 40%, thus the Council's share of the surplus is £613k. This is largely due to the use of £2,139k from the appeals provision to fund three successful business rates appeals relating to Asda and Tesco, which have resulted in reducing their rateable values backdated to 2010. Whilst the appeals provision within the Collection fund has been used to cover the cash refund due, the reduced rateable values will have an impact on the level of business rate income in future years.

The Council, is part of the Lancashire Business Rates Pool, each year the Council is subject to a levy payment of 50% of calculated business rates growth, above its baseline funding level, as determined annually in the Local Government Finance Settlement. Membership of the Pool restricts this levy to 10% (of the 50% levy) and allows the Council to hold the balance as 'retained levy' thus reducing the total value of sums paid over to central Government, to apply locally. For 2022/23 the pooling gain is £652k. The February 2022 MTFs included a contribution of an estimated pooling gain of £390k, the additional £262k will reduce the call on reserves to balance the 2022/23 budget.

RBC General Fund / Pooling gains		NNDR1	Q1	Q2	Q3	Out-turn
		£000	£000	£000	£000	£000
Business Rates Income	A+B	11,291	10,468	10,514	11,092	12,823
RBC Share = 40%		4,517	4,187	4,206	4,437	5,129
less tariff paid to Lancashire Pool		(2,714)	(2,714)	(2,714)	(2,714)	(2,714)
add S31 Grants (for Levy calculation)	E	1,920	1,920	1,920	1,920	1,214
Subtotal		3,723	3,393	3,412	3,643	3,629
RBC Baseline Funding Level used in Budget		2,180	2,180	2,180	2,180	2,180
<b>Surplus for Levy Calculations</b>	<b>F</b>	<b>1,543</b>	<b>1,213</b>	<b>1,232</b>	<b>1,463</b>	<b>1,449</b>
Levy due for non Pool membership 50%		(772)	(607)	(616)	(731)	(725)
Levy payable as Pool member 10% of above	G	(77)	(61)	(62)	(73)	(72)
<b>Retained Levy through Pool membership</b>		<b>694</b>	<b>546</b>	<b>554</b>	<b>658</b>	<b>652</b>

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

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estimate for those grants totalled £1,920k, however the actuals based on the outturn position have reduced to £1,214k.

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	Q1	Q2	Q3	Out-turn
		£000	£000	£000	£000	£000
Business Rates Surplus/(Deficit) 2022/23	F	1,543	1,213	1,232	1,463	1,449
less Lancashire Pooling Levy	G	(77)	(61)	(62)	(73)	(72)
Renewable Energy		183	183	183	183	178
<b>Overall Gain/(loss)</b>	<b>H</b>	<b>1,649</b>	<b>1,336</b>	<b>1,353</b>	<b>1,573</b>	<b>1,555</b>
Business Rates Retention Reserve Bfwd		5,031	5,031	5,031	5,031	5,031
Business Rates Cash Surplus/(Deficit) 2021/22		(1,913)	(1,913)	(1,913)	(1,913)	(1,913)
Business Rates Cash Surplus/(Deficit) 2022/23	H	1,649	1,336	1,353	1,573	1,555
Less Budgeted Utilisation		0	(2,028)	(2,028)	(2,028)	(2,028)
<b>Total Retained Business Rates Resources Cfwd</b>		<b>4,767</b>	<b>2,426</b>	<b>2,443</b>	<b>2,663</b>	<b>2,645</b>

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### Covid Grants 2022/23

Covid Grants	Opening Balance 2022/23 £000	Amount Applied 2022/23 £000	Commitments including repayment of restricted funds £000	Closing Balance £000	Description
LA Covid Support	322	80		402	This is to support the Council's Covid related costs and supplement lost income.
Containing Outbreak Management Fund (COMF)	331	(31)	(300)	0	Department of Health funding to cover <b>specific</b> expenditure relating to the pandemic. Confirmation has been received that committed funding can be carried forward into 22/23, but can only be used Covid related expenditure
Self Isolation Practical Support	54		(54)	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	(24)		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)	(81)	81		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	5	(5)		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	(64)		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	18	(18)		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	(38)		0	Balance of Covid Business Grant Funding repaid to Government
Covid19 Council Tax Hardship Reserve	7		(7)	0	This was to support Council Tax Support recipients - To be repaid to Government.
<b>Total</b>	782	(19)	(361)	402	

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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.

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### Public Works Loans Board (PWLB)

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

### Reserve

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

### 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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