

Subject:	Financial Monitoring Report Q4 2023/24 – Outturn	Status:	For Publication
Report to:	Cabinet	Date:	16 th July 2024
Report of:	Interim Director of Resources	Lead Member:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
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1. RECOMMENDATION

- 1.1 That Cabinet note the 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 2024.
- At 31 March 2024, the Council has reported a favourable variance of £895k against an approved net budget for the year of £10,256k.
- The approved Capital Programme for 2023/24 was agreed in the sum of £5,963k, to this was added prior year slippage of £6,027k, plus new additions of £792k making a revised capital programme for 2023/24 of £12,782k. The capital outturn for the year is £5,616k. Potential slippage requirements into 2024/25, including the associated funding sources, currently total £7,166k, this includes £2,529k disabled facility grants.

3. BACKGROUND

- 3.1 In February 2023 the MTFs set a balanced Budget of £10,256k for the year based on the assumptions made at that time and supported by £756k from reserves. The pay award, inflation rates, high vehicle fuel costs and increasing utility costs resulted in the requirement to use reserves to fund the budget gap.

4. DETAILS

Revenue

- 4.1 This is the final outturn monitoring report of the year 2023/24. The final outturn position is a favourable variance of £895k when compared to the original budget of £10,256k.

- 4.2 The most notable variances are:

- The budget contains a £200k vacancy savings target which is based on potential savings that can be achieved due to staff turnover, i.e. the salary saving made between an employee leaving the authority and the new recruit commencing. Staff cost savings were c£150k to the year-end, however once the impact of agency staff cover is factored in the saving is reduced to £90k. However, this includes the additional £99k unbudgeted cost of the pay award. The Council also has a £25k additional leave purchase savings target, this target was met.

- Additional interest income of £377k compared to the annual budget. In addition the cost of borrowing is £145k less than budget due to officers continuing to internally borrow rather than seek to borrow externally.
- The 2023/24 Empty Homes revenue budget was £300k, with the final outturn figure being £95k, giving a saving of £205k.
- The year-end shortfall for commercial property rental income is an adverse variance of c£40.4k, and £7.9k for market rents. These shortfalls are being attributed to the current economic climate.

4.3 Full details and explanations are included in appendix 1.

CAPITAL

4.4 The Capital Receipts brought forward at 1st April 2023 totalled £1,931k, with additions during the year bringing this balance up to £2,472k at 31st March 2024.

4.5 The value of the budgeted capital scheme expenditure for 2023/24 was £5,963k to which £6,027k slippage has been added. New schemes have been added during the year totalling £792k as set out on page 33 of appendix 1, this includes £160k of additional DFG funding. The final revised capital programme for 2023/24 is £12,782k with an indicative outturn of £5,616k.

4.6 Potential slippage into 2024/25 is estimated at £7,166k.

TREASURY

4.7 At the end of December 2023 the Council's bank balances were c£7.9m. This is comparative to the previous year, when the balance as at 31 March 2023 was £6.3m.

4.8 Increasing interest rates over recent months along with proactive treasury management resulted in the Council increasing its interest income budgets for 2023/24 to £120k from £9k in 2022/23. However, interest rates continued to increase during 2023/24. The actual interest received during the year is £496k.

4.9 Details are included in Appendix 1.

COLLECTION FUND

4.10 Council Tax collection rates have not recovered to pre-pandemic levels and 2023/24 saw a dip when compared to 2022/23. Whilst Business Rates collection performance appears to be similar to pre-pandemic levels, the rates are distorted by transitional reliefs given to businesses due to the Business Rates revaluation, which kicked in from April 2023. This remains an area of focus into 2023/24 given the 'Cost of Living Crisis' and potential impact on future collection.

4.11 For 2023/24 the Council Tax collection fund outturn is a surplus of £441k, with Rossendale Borough Council's share being £60k.

4.12 The NNDR collection fund outturn is a deficit of £857k with the Council's share being £343k.

4.13 The Council has benefited from a NNDR growth/inflation compensation gain of £1,069k and a pooling gain of £498k in 2023/24.

4.14 Details are included in Appendix 1.

EARMARKED RESERVES

4.15 The total cash-backed earmarked reserves brought forward at 1st April 2023 were £8,484k (after adjustment for Business Rate relief support repayable to government). The Earmarked Reserves closing balance at the 31 March 2024 is £10,327k. This is due to a combination of factors:

- The final underspend enabling reserves to be replenished rather than called upon to fund the gap between income and expenditure.
- The gain in NNDR income; and
- Several ring fenced grants that have to be recognised in the year of receipt due to not having conditions attached, but that will not be spent until 2024/25 e.g. Digital Planning Improvement fund and Planning Skills delivery grant.

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 £6,163.1k over the life of the current MTFS (by March 2028), unless additional income and efficiencies are generated.

5. RISK

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. Whilst inflation is slowing down, it is still increasing. 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. 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 have been considered by officers when preparing the detailed 2024/25 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. The 2024/25 financial settlement is a one year settlement, therefore the level of Government funding beyond 2024/25 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 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 energy costs, vehicle fuel costs, the inflation rate and the pay award making this more difficult.
- 6.3 The Finance Settlement for 2024/25 was confirmed in February 2024. The settlement provided an increase in core spending power for 2024/25 of 5.9%. The ongoing level of Government funding poses a significant risk to the MTFS.
- 6.4 The favourable outturn position has enabled the Council to add to reserves rather than call on them. However, it must be noted that there are several one-off gains in 2023/24 that may not re-occur in 2024/25 e.g. as a result of the high interest rates the Council received £496k investment interest in 2023/24. The Council's treasury management advisors are predicting interest rates will reduce during 2024/25 and the Council's available cash balances are also reducing, therefore it is unlikely that interest generated during 2024/25 will match 2023/24 levels.
- 6.5 The Council must continue to seek ways to bridge the gap between income and expenditure.

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 2023/24 Outturn monitoring report.

Background Papers	
Document	Place of Inspection
Service monitoring statements	Financial Services

Appendix 1



Financial Monitoring Report

2023/24 Outturn as at end of March 2024

Including a Glossary of terms on page 37

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General Fund Revenue Operations – pages 7 to 21

As the current economic climate is having a significant impact on the Council in Q4, the financial performance has been favourable compared to budget. The full year impact has resulted in a favourable variance of £170.4k on the General Fund when compared to the original budget of £10,257k. This has decreased the budgeted call on reserves for the year. The significant budget variations are highlighted on page 4.

Earmarked Revenue Reserves – page 22

The total cash-backed Earmarked Reserves brought forward at 1st April 2023 were updated following publication of the 2022/23 Statement of Accounts to £8,484k.

The opening balance on the Transitional Reserve was £3.063k. The Council has received funding guarantee of £290k and £85k Services Grant as part of the 2023/24 Local Government Finance Settlement. This funding will be released in full as budgeted, to fund 2023/24 Net Service costs.

As reported previously due to the complexities of the Collection Fund accounting regime, in previous years the Business Rates Retention Reserve has held significant sums, however this balance reduced significantly during 2022/23 and by the end of 2023/24 the balance on the reserve is back to pre-pandemic levels.

The closing balance of earmarked reserves at the 31st March 2024, is £10,327k. Full detail is included in the reserves table on page 22.

The earmarked reserves figure includes ringfenced sums of £2,941k, this means that the funding was received for specific projects and may be subject to clawback.

Government Grants Unapplied – page 23

The opening value of Government Grants Unapplied at the 1st April 2023 was £2,746k, including £2,577k of Disabled Facilities Grant. The total balance of grants unapplied balance at 31st March 2024 is £4,183.3k, this includes £2,645.3k of Better Care funding for DFG's.

Staff Monitoring – page 24

The table on page 24 shows the staffing variances compared to actuals. The variance is £90k favourable. This takes into account the additional cost of the pay award of £99k. The 2023/24 budget includes a £225k salary savings target (£200k vacancy savings and £25k leave purchase). Therefore the vacancy savings target of £200k was not achieved (£110k shortfall), however the leave purchase target was achieved.

Treasury & Cash Management - page 25 to 28

At the end of March, the bank balances were £7.9m. These resources continue to be relatively high due to various grant funding, ie LUF, UKSPF fund, etc. Despite recent Bank of England base rate increases, banking institutions are now forecasting falling interest rates within the next six months. Due to the low rates available from banking institutions the Council is balancing the use of instant access accounts with shorter-term 'fixed' deposit facilities, to increase investment return within the scope of the approved Treasury Management Strategy. Fixed deposits are being made with high quality counterparties (Central Government, Local Authorities) where risk is considered low and returns are more closely linked to movement in the prevailing Bank Rate. Interest income is currently expected to exceed the budget for the year.

The provision for doubtful debt at the 1st of April 2023 was £380.6k, plus a further £5.4k set aside for licensing debt, against £481k of doubtful debts. The level of cover for sums

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outstanding and that risk going unpaid is considered adequate at this time (c84% cover) with no further movement proposed. At year end the bad debt provision was increased by £300k, split over Finance, Property and Operations.

Capital Receipts – page 31

The balance of capital receipts rolled forward into financial year 2023/24 is £1,931k. The value of Capital Grants received and allocated in 2023/24 is £1,434k. Capital receipts received totalled £541k. The Capital Receipts Reserve balance at the end of 2023/24 is £2,472k. Capital Receipts are prioritised as the most cost effective method of financing the Council's future Capital Programme. Whilst this is considered to be the most cost effective method of financing, it is acknowledged that capital resources remain earmarked to support projects in Whitworth (£38k), and Haslingden (£213k).

Capital Programme and Funding – page 31 to 34

The original Capital Programme for 2023/24 is £5,963k, including an estimate of £1,000k for DFGs and £329k for replacement operational vehicles. The slippage from 2022/23 was £6,027k, including £2,567k for DFG's. Throughout the year additional projects have been added, giving a final capital programme for 2023/24 of £12,782k.

The capital outturn at 31st March 2024 is spend in the sum of £5,616k, with potential slippage of £7,166k. The slippage includes £2,529k of DFG's, £1,762k Haslingden 2040 NLHF and £1,247k Capital Regeneration Projects (LUF).

Collection Fund 2023/24 (Council Tax & NNDR) - page 36 to 38

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 the change in the level of Government reliefs is masking the true collection rate.

The **Council Tax** Collection Fund has ended the year with a surplus of £441k, £60k for Rossendale.

The **Business Rates** collection fund has ended the year with a deficit of £857k in 2023/24, the Council's share of the deficit is £343k. The Council has a Business Rate Retention Reserve to provide for any peaks and troughs in business rate income, therefore this deficit will be charged to the reserve. The reserve also contained funds from Government to cover the additional reliefs granted to businesses during Covid. Due to the complicated accounting process for business rates these funds have been released from the reserve into the collection fund over three years, of which 2023/24 is the final year.

Although the Council has suffered a collection fund loss, a pooling/growth gain of £1,051k has been generated. The February 2023 MTFS included a growth/pooling gain contribution of £500k, the surplus has allowed the Council to add to its reserves, thus contributing towards alleviating pressure on the MTFS.

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General Fund Summary - Period 12 (Quarter 4)

Service Area	2023/24 App Budget £000	2023/24 Q4 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,640.7	1,301.6	339.1	63.7	275.4
Operational Functions	2,163.5	2,239.9	(76.4)	77.7	(154.1)
Parks and Cemeteries	741.2	686.4	54.8	17.6	37.2
Public Protection Unit	184.0	176.2	7.8	15.0	(7.2)
Environmental Health	149.9	174.9	(25.0)	(57.7)	32.7
Licensing & Enforcement	84.9	87.6	(2.7)	(29.2)	26.5
Communities Team	130.8	115.3	15.5	2.0	13.5
Economic Development Directorate					
Planning Services	351.2	368.2	(17.0)	5.8	(22.8)
Building Control Services	16.8	18.9	(2.1)	(6.2)	4.1
Regeneration	180.6	114.9	65.7	27.0	38.7
Property Services	545.5	754.8	(209.3)	(101.6)	(107.7)
Housing	180.8	143.2	37.6	(238.0)	275.6
Corporate Management Directorate					
Corporate Management	454.4	364.0	90.4	87.9	2.5
Legal Services	190.1	171.8	18.3	7.5	10.8
Local Land Charges	(15.2)	10.4	(25.6)	(28.9)	3.3
Democratic Services	617.9	547.1	70.8	52.6	18.2
Financial Services	766.7	803.3	(36.6)	(42.4)	5.8
People and Policy	730.2	703.3	26.9	25.4	1.5
Non Distributed Costs	131.4	326.4	(195.0)	(15.7)	(179.3)
Capital Financing and Interest	742.0	143.2	598.8	313.5	285.3
Leisure Services	(31.0)	15.0	(46.0)	(5.8)	(40.2)
Empty Homes Scheme	300.0	95.0	205.0	-	205.0
TOTAL Service Cost	10,256.4	9,361.4	895.0	170.2	724.8
Funded by					
Council Tax	(6,278.0)	(6,278.0)	-	-	-
Retained Business Rates	(2,261.0)	(3,330.0)	1,069.0	-	1,069.0
Funding Guarantee	(290.0)	(290.0)	-	-	-
Revenue Support Grant	(85.0)	(85.0)	-	-	-
Services Grant	(85.0)	(85.0)	-	-	-
New Homes Bonus	(1.0)	(1.0)	-	-	-
Estimated NDR Pooling/growth Gain	(500.0)	(498.0)	(2.0)	182.0	(184.0)
LESS Estimated use of Reserves	(756.4)	1,205.6	(1,962.0)	(352.2)	(1,609.8)
Net Budget Shortfall	-	-	-	-	-

The 2023/24 outturn position is a favourable variance of £895k.

The main variances are shown below: -

- Income relating to long term, high interest, deposits have matured in this period. This has contributed to additional interest income of £377k compared to the annual budget. In addition the cost of borrowing is £145k less than budget due to officers continuing to internally borrow rather than seek to borrow externally.
- Staff cost savings are estimated to be c£150k to the year-end position, this is £50k short of the vacancy savings target of £200k. Although once the impact of agency staff cover is factored in the saving is reduced to £90k. However, the figures include the additional £99k unbudgeted cost of the pay award.

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- Fuel 'pump prices' continue to be monitored, the budgets for 2023-24 included a £60k premium for the use of HVO. Due to the increasing differential between HVO and Diesel, in June the decision was taken to switch back to diesel until the two prices were more comparable, therefore along with the reduced cost of diesel, this has meant fuel costs have remained within the original budget this year.
- An adverse outturn variance of c£40.4k in relation to income from commercial property rents, and £7.9k from market rents. These shortfalls are being attributed to the current economic climate. The property team are working to eliminate these shortfalls in 2024/25.
- The £36.6k adverse variance within Finance includes additional temporary staffing costs, training on the new finance software and additional bank charges of c£11k due to the increase in volume of individuals using the Council's electronic payment system. The Council tendered for its Merchant acquiring services during Q3, with the new supplier commencing during Q4 which should reduce the adverse variance in future years.
- In 2023/24 the Council had 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 revenue outturn for the scheme is £95k and the capital outturn is £204k giving a total underspend of £501k. This is largely due to the considerable effort being made by the empty homes team to hand properties back in a timely and correct manner to avoid any future litigation.

Target Efficiency Savings 2023/24

The Council agreed, as part of the 2023/24 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 2023/24 budget, the table below summarises efficiency performance against the individual budget headings.

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

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Budget Proposals (Efficiency Targets)	2023-24	2023-24	Commentary at Q4
	£'000	£'000	
Income Targets	Target	Q4	
Trade Waste net increased income	(21)	29	The 2023/24 total shortfall £29k. This is made up of an underspend on the Tipping Fees of £28.9k and a Shortfall on the income targets of £57.8k.
Increased Taxi Licence Fees (Subject to Taxi Licencing Committee Approval)	(2)	17	Whilst the fees have been increased the taxi fee income budget has underachieved by £17k
Increased Grant Income	(20)	20	Additional funding had been promised from Together and Active Futures but unfortunately this did not come to fruition.
Garden Waste: Increased Subscriptions	(25)	(24)	At year end is the shortfall £0.6k
Fees and charges: annual increase in line with inflation	(8)	(8)	This target was achieved
Total Income Targets	(76)	34	
Savings Target			
Promoting Rossendale Budget	(20)	(26)	Budget has been removed of £20k and the Underspend at Year End is £6.4k
Review of Partner Grant Funding	(12)	(12)	Achieved
Corporate Contingency	(10)	(10)	Achieved
Management Savings Target	(65)	(65)	Budget has been removed and no evidence at end Q4 of any overspends in this area. Saving to be achieved with the restructure at senior level.
Total Savings Target	(107)	(113)	
Growth			
Citizen Access - Customer Portal	34	34	Not yet completed. No anticipated overspend
Kings Coronation Community Grants	10	10	Grants now distributed. No overspend
Total Growth	44	44	
Total efficiencies gained	(139)	(35)	

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Annual Variances	Q1	Q2	Q3	Q4	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	
Communitites Directorate						
Customer Services and e-Government						
Staff costs	(10.4)	(1.0)	0.1	0.6	(10.7)	
Additional New Burdens grant	-				-	
Housing Benefit	(13.0)	(16.0)	51.2	41.7	63.9	
Court costs	17.3			196.5	213.8	
Central IT Costs	8.0	13.5	(27.8)	51.2	44.9	
Other minor variances	0.4	13.9	3.8	9.1	27.2	339.1
Operational Functions Including Parks						
Staff costs (including agency and overtime)	32.7	(98.5)	(0.1)	(104.9)	(170.8)	
Bad Debt Provision				(100.0)	(100.0)	
Recharges for Overtime to UKSPF		15.0			15.0	
Fuel, Vehicle Maint and Hire		120.0	89.0	7.6	216.6	
Parks & Open Spaces	(0.8)	(14.4)	18.6	42.4	45.8	
Street sweep running costs	(3.2)	(24.8)		45.7	17.7	
Garden Waste Income Less Costs	(11.8)	8.4	0.4	2.4	(0.6)	
Extra Costs within Refuse	(0.3)	1.4		(12.8)	(11.7)	
Trade Waste & Bulks Net income	1.0	(26.2)	(7.8)	1.1	(31.9)	
Other minor variances	(5.4)	8.7	(6.6)	1.6	(1.7)	(21.6)
Communities Team	50.6	(50.8)	2.2	13.5	15.5	15.5
Env'tal Health, PPU, Licensing and Enforcement						
Staff costs	(37.1)	38.8	3.1	10.0	14.8	
Income Shortfall	-	(46.9)	(30.1)	8.9	(68.1)	
Dog Service Cost Savings	12.4	(4.6)	(7.8)	-	0.0	
Extra Costs for Vet Fees etc	(2.0)	(3.4)	19.3	(1.0)	12.9	
Other minor variances	(4.2)	(5.6)	(3.8)	34.1	20.5	(19.9)
Economic Development						
Staff costs (net of grant & fee income)	116.1	33.9	3.0	5.0	158.0	
Associated Costs with investment into Bacup 2040	(8.9)	(17.1)	-	(2.3)	(28.3)	
Market Income	0.2	(1.8)	(6.3)	(0.8)	(8.7)	
Housing	(306.2)	38.4	30.4	261.8	24.4	
Planning Consultancy Professional fees	(32.8)	(2.7)	(1.6)	16.4	(20.7)	
Planning Application Fee Income	13.3	6.1	(7.2)	(30.4)	(18.2)	
Planning Pre-apps	(25.4)	(2.0)	(1.2)	1.0	(27.6)	
Building Control Fee Income	(15.2)	(2.1)	(7.0)	0.7	(23.6)	
Planning /Building Control misc under/over	(4.5)	(5.2)	-	10.5	0.8	
Property Running costs	63.0	5.0	(15.7)	(35.1)	17.2	
Business Rates	26.4			1.0	27.4	
Spinning Point bus station	(25.5)	(1.3)		3.0	(23.8)	
Estates Income	(32.4)	7.8	(5.7)	4.1	(26.2)	
Valuation Fees & Professional Fees	(15.9)	(23.7)		5.0	(34.6)	
Futures Park Plot 1& 5	1.5				1.5	
Business Centre rentals	(12.2)	0.6		(0.8)	(12.4)	
Business Centre Cleaning			(10.0)	5.6	(4.4)	
Christmas Lights			(7.5)	3.4	(4.1)	
Tree Felling	(10.0)	(5.0)	(5.0)	8.6	(11.4)	
Knot Weed	(12.0)	(1.0)		2.5	(10.5)	
Bad Debt Provision				(100.0)	(100.0)	
Other minor variances	7.3	9.4	(11.3)	(5.4)	0.1	(125.1)
Corporate Management						
Staff costs	122.0	0.5	17.5	9.8	149.8	
Legal income			3.8	(0.6)	3.2	
Legal Professional fees and ref books			4.2	10.4	14.6	
Election, Democratic Services and Member costs	(6.5)	1.1	12.2	24.0	30.8	
Land Charges income			(26.0)	8.4	(17.6)	
Internal and External Audit - Finance	7.3		0.1	0.2	7.6	
Leisure Services	(6.0)	0.2		(40.0)	(45.8)	
Civica software upgrade				(20.3)	(20.3)	
Bank & Cash Collection Charges	(19.7)	(2.5)	(0.9)	16.2	(6.9)	
Training	22.6	(18.7)	5.2	6.0	15.1	
Annual Licences			(13.6)	(8.7)	(22.3)	
Empty Homes				205.0	205.0	
Other minor variances	(5.2)	(2.8)	1.6	(3.6)	(10.0)	303.2
Non-Distributed Costs & Capital Financing						
Net Interest	156.0		158.7	207.0	521.7	
Employee & Pension Costs	34.0	(54.0)		(79.7)	(99.7)	
Bad Debt Provision				(100.0)	(100.0)	
MRP Underspend				77.1	77.1	
Other minor variances	(1.0)	3.6	0.6	1.5	4.7	403.8
Favourable/(adverse) variance	64.6	(105.9)	222.0	714.2	895.0	895.0

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Communities Directorate - Customer Services & IT

Period 12 (Mar)

Customer Services & ICT	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q4 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Customer Services							
Benefits Administration	(129.6)	-	(129.6)	(154.2)	24.6	25.0	(0.4)
Benefits Granted	(23.7)	-	(23.7)	(103.3)	79.6	37.9	41.7
Local Tax Collection	(378.6)	-	(378.6)	(567.8)	189.2	-	189.2
Revenues & Benefits Partnership	1,091.2	-	1,091.2	1,074.0	17.2	2.7	14.4
Strategic Functions							
Management and Support	82.4	-	82.4	79.1	3.3	2.9	0.5
Service Assurance Team	134.3	-	134.3	147.2	(13.0)	8.9	(21.9)
Central Telephones	6.2	-	6.2	2.4	3.8	3.3	0.5
Central Printing	5.5	-	5.5	-	5.5	0.4	5.1
ICT Support	873.2	(20.0)	853.2	824.3	28.9	(17.6)	46.5
Total	1,660.7	(20.0)	1,640.7	1,301.6	339.2	63.6	275.5

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
Benefits Admin				
Court fees/fines expenses	25.0	(0.4)	24.6	
Benefits Granted				
Benefits Admin Subsidy - overpayment recovery	37.9	41.7	79.6	
Local Tax Collection				
Court costs awarded	-	189.2	189.2	
Revenues & Benefits Partnership				
Partnership contracts	2.7	14.4	17.1	
Management and Support				
Other minor variances	2.9	0.4	3.3	
Service Assurance Team				
SAT Team counter fraud work	9.6	(21.9)	(12.3)	
Other minor variances	(0.7)		(0.7)	
ICT Support				
Staff	(11.3)	0.6	(10.7)	
Other minor variances	3.1	0.3	3.4	
Central IT Costs				
Annual Licences	(8.5)	45.3	36.8	
Income re Recharge of Licences/Telephony/IT Services to Capita				
Central Printing	0.4	5.1	5.5	
Telephones				
Other minor variances	2.5	0.8	3.3	
TOTAL	63.6	275.5	339.1	

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Customer Service & ICT Highlight Report – Q4 (end March 2024)

Historic Issues

- None.

Current Quarter's Issues

At Outturn variance is £339.2k favourable, the main changes being: -

- Benefits administration has made a saving of £24.6k due to additional grant income and court cost savings.
- The benefits granted outturn shows a positive variance of £79.6k. This is due to additional grant income and recovery of overpayments being higher than budgeted.
- In terms of business rates, the renewable energy income and budgeted S31 grants have been transferred into the Transitional Reserve as per the original budget assumptions.
- The upgrade and implementation of the Civica system has incurred costs of £18k. A full review of costs will be carried out throughout the year to review for any items of a capital nature
- The Service Assurance Team has incurred additional costs for professional fees relating to inform CPI costs for rates reviews carried out.
- A review of IT professional subscriptions and licences is carried out throughout the year to check for any potential overspends in this area.
- Income of £139k from Capita, in relation to annual licence charges, has been received and offsets against the expenditure the council incurs in the year

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/AWE rates this will have a significant impact for 2024/25.

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Communities Directorate

Period 12 (Mar)

Operations & Communities	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q4 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Operational Functions							
Operations Admin & Vehicle Maintenance	373.6	-	373.6	562.0	(188.5)	(59.8)	(128.7)
Refuse & Recycling	1,505.0	-	1,505.0	1,413.7	91.3	151.4	(60.1)
Street Sweeping	284.9	-	284.9	264.1	20.8	(13.9)	34.7
Parks & Cemeteries							
Parks & Open Spaces	980.5	-	980.5	926.7	53.8	16.9	36.9
Cemeteries	(239.3)	-	(239.3)	(240.3)	0.9	0.7	0.2
Communities Team							
Area Forums	115.8	-	115.8	100.3	15.4	2.0	13.4
	15.0	-	15.0	15.0	0.0	-	0.0
Total	3,035.4	-	3,035.4	3,041.7	(6.3)	97.4	(103.6)

Key changes made during the period to the full year forecast	Variance	Variance	Full-Yr Forecast	R
	Bfwd £000	this Qtr £000	£000	A G
Operations Admin & Vehicle Maintenance				
Operations Efficiency Saving on Henrietta Street	(71.2)	(0.2)	(71.4)	
Fleet Management Vacancy and Agency	(1.4)	(29.3)	(30.7)	
Henrietta Street Supplies & Services	9.3	1.9	11.2	
Henrietta Street - Public Realm Income	1.0	0.6	1.6	
Fleet Running Costs MOTs	5.0	(4.2)	0.8	
Bad Debt Provision		(100.0)	(100.0)	
Refuse & Recycling				
Refuse Salaries and Agency	(6.8)	(87.8)	(94.6)	
Fuel Budget Savings	209.0	(11.7)	197.3	
Garden Waste under achieved income	(3.0)	2.4	(0.6)	
Trade Waste & Bulks- income	(33.0)	1.1	(31.9)	
Other Variances - Supplies & services	(14.8)	33.8	19.0	
Street Sweeping				
Street Sweeping Salaries and Agency	1.1	(9.9)	(8.8)	
External Funding Staffing Recharge for Overtime	14.5	10.0	24.5	
Fuel Budget Savings	-	18.3	18.3	
Other Variances	(29.5)	22.7	(6.8)	
Parks & Open Spaces				
External Funding Staffing Recharge for Overtime	0.5	(0.1)	0.4	
Parks Salary Variances (Including temporary gardeners)	15.7	(10.7)	5.0	
Parks Costs	(4.7)	(6.5)	(11.2)	
Fuel Budget Savings	-	1.0	1.0	
Parks & Open Spaces S106 and Other Contributions Public Realm	8.1	42.0	50.1	
Parks Playing Fields	-	0.5	0.5	
Cemeteries				
Cemetery Income & Internment Fees	(0.7)	1.6	0.9	
Other Variances				
Overtime Budgets (net all areas)	(3.3)	7.0	3.7	
Communities Minor Variances	1.6	13.8	15.4	
TOTAL	97.4	(103.7)	(6.3)	

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Operations Highlight Report – Q4 – 31st March 2024

Historic Issues

- In prior years there had been a need to rely on extra Agency Support. This need has continued into 2023-24. In 2022-23 Operations were affected by the cost of increased fuel prices during the year and increased inflationary costs for tyres and other components however this has reduced during the current year generating savings against fuel costs.

Current Quarter Issues

- At the end of Q4, Operations and Green Spaces have an adverse variance of £21.7k. Staffing costs are now overspent by £151.7k which includes agency and overtime. The costs have impacted on agency during the last quarter due to using agency mechanics for the workshop. This in-turn has cost an extra £29.3k during 23-24. Some additional funding has been made available from UKSPF to cover overtime for work done in partnership with the Pride Groups. It also takes into account the pay award and the figures include a £100k addition to the bad debt provision.

Fleet

- This department currently has 3 members of staff down which in the short term will be covered by Agency staff at a higher cost and offsets any vacancy savings this has resulted in an overspend of £28k for the year.

Refuse

- The shortfall in Garden Waste Service Subscriptions at the end of Q4 has fallen from £11.8k in Q2 down to £0.6k at the end of Q4 compared to the budgeted target. The resource costs associated with Refuse have seen increased prices resulting in a number of overspends for some supplies. However, at Q4 the service is within budget for direct costs. The fuel budgets include £60k that was added to enable the fleet to be switched to HVO fuel. However due to the increasing cost of HVO in June the decision was made to revert back to diesel until HVO costs are more aligned to the cost of diesel. Therefore at month 12 fuel costs are underspent, but future fuel prices remain uncertain. The fuel costs outturn is a net saving of £197k. Fuel costs for the same period to Q4 22-23 were over £157k higher than the current period in 23-24.

Street Sweep

- Due to prices increases within the market, resource costs associated with Street Sweep have overspent by £4.9k on direct costs and £4.5k on costs for Fleet. This includes the increased cost of the Weed-killing Service along with Hire Costs associated with the Autumn Season for Equipment for collecting leaves. However, staff costs for work done on the Britain in Bloom Programme along with the Town Centre Caretakers has been funded by UKSPF, along with extra income for the Public Realm this has led to an overall underspend of £20.8k.

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Parks

- At year end Parks have underspent on staffing and resources by £53.9k. Supplies and service costs on Parks Playgrounds are overspent by £10.9k due to extra costs for external contractors, resources and playground equipment maintenance. However, contributions have been generated through rechargeable works and S106 Contributions totalling £40.4k
- Cost of materials for the Playing Fields have also seen inflationary increases, which in turn has gone over budget by £0.5k at Q4.
- Extra income has been received for Parks £2k from miscellaneous Contributions.

Cemeteries

- Cemeteries income has exceeded target but some extra costs have been incurred for grave materials exceeding the budget by £10k which in turn has generated a shortfall against the overall budget of £1k.

The Future

- The Council is now working up plans to deliver the transfer station. This will assist in driving through efficiencies in refuse collection operations, which will contribute towards funding the capital expenditure required to build a transfer station.

The Government has stipulated that by March 2026 every household will have a weekly food waste collection. This will be fully funded. The Council has been notified of the amount of capital funding it will receive, and is awaiting the revenue funding notification.

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Communities Directorate

Period 12 (Mar)

Public Protection	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q4 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Public Protection Unit	161.8	22.2	184.0	176.2	7.8	15.0	(7.2)
Environmental Health	194.2	(44.3)	149.9	174.9	(25.1)	(57.7)	32.6
Licensing & Enforcement	62.7	22.2	84.9	87.6	(2.7)	(29.2)	26.5
Total	418.7	0.0	418.7	438.7	(20.0)	(71.9)	51.9

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
PPU				
PPU Staffing	28.6	(7.1)	21.5	
Other Variance	(13.6)	(0.1)	(13.7)	
Environmental Health				
Environmental Health - staffing and consultant	14.4	1.4	15.8	
Income Shortfall Offset by Direct Cost underspend	(57.5)	10.1	(47.4)	
Direct Cost Underspend Consultancy and Car Allowances	-	21.5	21.5	
Climate Change - Contract Extended	(14.7)	(0.3)	(15.0)	
Licensing & Enforcement				
Licensing & Enforcement - staffing	(23.5)	15.0	(8.5)	
Licensing & Enforcement - Income Taxi	(22.4)	5.5	(16.9)	
Licensing & Enforcement - Income Animals	2.9	(6.7)	(3.8)	
Licensing & Enforcement - Extra Costs for Vet Fees - Less Costs on Licensing	13.9	12.6	26.6	
TOTAL	(71.94)	51.9	(20.0)	

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Environmental Health, Public Protection Unit and Licensing and Enforcement Service Highlight Report – Q4 – 31st March 2024

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 £20k due to staffing pressures during the first half of the year and a shortfall in income broken down as follows;

Environmental Health, Licensing and Enforcement

- At Q2 staffing costs in Licensing & Enforcement were anticipated to overspend by £40k for the year, due to an unbudgeted post. However due to staff turnover this has now been resolved and the staffing overspend has reduced to £9k. Overall staffing has generated savings within Environmental Health and the Public Protection Unit of £33k.
- Supplies & services are £19.4k underspent on Environmental Health and underspent in Licensing by £21.7k. This is largely because vet fees have been recharged where possible.
- Income streams within Licencing at Qtr 4 have a shortfall of £16.9k on Taxi Income. This is partially offset by income recovered on Animal Licensing totalling £3.9k. Income generation has also suffered within Environmental Health resulting in a substantial shortfall of £47.4k, however c£37k of this figure was due to a budgeting error.

Rogue Landlords

- At the end of Q4 2022-23 there was some ring fenced Rogue Landlord grant funding left, £18.2k which was transferred to Reserves at the year end and has been used during 2023-24 for delivering training and associated costs. All costs incurred within this area have been funded from this grant.

Public Protection Unit

- The staffing costs are now underspent due to staff turnover generating savings of £21.5k offset against an overspend of £17.7k for Direct Costs.
- The cost of dog services are now within budget at Q4 with an underspend of £2.4k.
- During the year PPU has received contributions totalling £3.9k.

Future Issues

- Nothing reported.

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Economic Development Directorate

Period 12 (Mar)

Economic Development & Regeneration Services	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q4 Outturn £000	2023/24 Variance (Adv)/Fav £001	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Planning							
Development Control	198.3	-	198.3	218.0	(19.7)	3.1	(22.8)
Forward Planning	152.9	-	152.9	150.2	2.6	2.7	(0.1)
Building Control							
Building Control - Fee Earning Account	(19.1)	-	(19.1)	(13.8)	(5.3)	(6.6)	1.3
Building Control - Statutory Function	33.0	-	33.0	29.6	3.4	0.8	2.6
Building Control - Street Signs	3.0	-	3.0	3.2	(0.2)	(0.4)	0.2
Regeneration							
Economic Regeneration	164.5	-	164.5	94.0	70.5	34.9	35.5
Whitaker Park Museum	20.0	-	20.0	22.4	(2.4)	(0.0)	(2.4)
Tourism	20.0	-	20.0	13.6	6.4	(0.0)	6.4
Markets	(23.9)	-	(23.9)	(15.2)	(8.7)	(7.9)	(0.8)
Property Services & Facilities Management							
Property Services	102.0	-	102.0	83.8	18.2	(1.8)	20.0
Corporate Estates	(476.1)	-	(476.1)	(278.2)	(197.9)	(10.4)	(187.5)
Non Domestic Estates	(129.1)	-	(129.1)	(152.1)	23.0	24.9	(1.9)
Office Accommodation	52.0	-	52.0	54.5	(2.5)	(80.3)	77.8
Operational Properties	487.5	-	487.5	555.2	(67.8)	(98.0)	30.3
Leisure Properties	144.8	-	144.8	190.2	(45.4)	41.2	(86.7)
Bus Shelters	129.3	-	129.3	121.3	8.0	(44.1)	52.2
Business Centre	235.1	-	235.1	180.1	55.0	66.9	(11.9)
Strategic Housing							
Housing Strategy	62.9	-	62.9	42.2	20.7	19.5	1.2
Private Sector Housing Renewals	2.3	-	2.3	(14.6)	16.9	3.6	13.3
Homelessness	115.5	-	115.5	115.6	(0.1)	(261.2)	261.1
Total	1,274.9	-	1,274.9	1,400.0	(125.1)	(312.8)	187.8

Key changes made during the period	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Planning				
Forward Planning staffing	3.6	(0.9)	2.7	G
Planning staffing	128.7	10.1	138.8	G
Planning Agency Staff Fees	(44.5)	(16.1)	(60.6)	R
Planning Consultancy fees/ Legal fees	(53.5)	6.9	(46.6)	R
20% FBHM to support staffing	(1.4)	1.4	-	G
Planning Application Fee Income	12.2	(30.4)	(18.2)	R
Pre-App Income	(28.6)	1.0	(27.6)	R
Other Miscellaneous Variances	(10.2)	4.5	(5.7)	Y
Building Control				
Building Control staffing	19.2	(1.6)	17.6	G
Building Control Fees	(24.3)	0.7	(23.6)	R
Building Control - Street Signs	(0.2)	-	(0.2)	Y
Other Miscellaneous Variances	(1.3)	5.4	4.1	G
Regeneration				
Economic Regeneration Staffing and Costs	53.4	9.7	63.1	G
Economic Regenerations Costs and contributions	-	21.1	21.1	G
Tourism Underspend	-	6.4	6.4	G
Museum Overspend	-	(2.0)	(2.0)	G
Restoring Your Railway and Ross Works recovery Contributions towards costs.	-	23.0	23.0	G
Costs recovered for Rawtenstall Market from Play Ltd except Electric and General Repairs	7.0	(15.9)	(8.9)	G
Associated Costs with investment into Bacup 2040	(25.5)	(2.8)	(28.3)	R
Markets Income under achieved	(7.9)	(0.8)	(8.7)	Y

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Key Changes continued

Strategic Housing				
Housing Strategy Staffing	17.1	4.8	21.9	
Housing Strategy Costs and contributions		(3.5)	(3.5)	
Housing Strategy Income	2.4	(0.1)	2.3	
Private Sector Housing Renewals staffing	3.6	7.9	11.5	
Private Sector Housing Renewal Costs		(1.6)	(1.6)	
Private Sector Renewals additional fee income	-	7.0	7.0	
Homelessness Staffing and Agency	54.5	(78.9)	(24.4)	
Costs for Homelessness funded from Government grants		345.6	345.6	
Overspend on temporary Accomodation	(315.0)	(6.3)	(321.3)	
Property Services Team				
Property Services staffing / recruitment	(21.8)	9.1	(12.7)	
Pool Car, CCTV, Emergency Planning,	(1.3)	6.3	5.0	
Provision for Bad Debts		(100.0)	(100.0)	
Corporate Estates				
Corporate Estates rental income	(23.8)	4.1	(19.7)	
Futures Park rental income	5.7		5.7	
Valuation Fees & Professional Fees	(37.3)	5.0	(32.3)	
Operational Properties				
Property Running Costs: Repairs & Maintenance	(0.0)	(4.5)	(4.5)	
Gas, Electricity, Water	52.1	(83.2)	(31.1)	
NNDR - excluding Spinning Point bus station	26.4	1.0	27.4	
Legionella . Asbestos underspend	-	11.1	11.1	
Tree Felling	(15.0)	8.6	(6.4)	
Knotweed Treatment	(13.0)	2.9	(10.1)	
Boilers / Alarms / lifts / Clocks &	(8.8)		(8.8)	
Bus Station / Shelters				
Spinning Point Bus Station running costs	(20.7)	3.0	(17.7)	
Spinning Point Bus Station - Departure charges	(6.1)	-	(6.1)	
Bus Shelters	(1.0)	-	(1.0)	
Christmas Lights	(7.5)	3.4	(4.1)	
Business Centre				
Business Centre Cleaning	(10.0)	5.6	(4.4)	
Business Centre boiler / alarms / lifts	(5.7)		(5.7)	
Business Centre rentals	(11.6)	(0.8)	(12.4)	
Business Centre Fit Tarrif	3.0	(2.6)	0.4	
Other Miscellaneous Variances	(5.8)	24.1	18.3	
TOTAL	(312.8)	187.7	(125.2)	

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Economic Development & Regeneration Highlight Report – Q4 (Mar 2024)

Historic Issues

- None

Current Quarter Issues

Economic Regeneration has a favourable variance of £65.7k, which is broken down as detailed below: -

- Staff Costs in Economic Regeneration are underspent by £63.1k due to structural changes and recharges to externally funded programmes. There are recovery of costs totalling £22.8k and additional income of £12.6k.
- The Q4 shortfall on Income for Markets of £8.6k taking into account work due to start at Bacup Market in January 2024.
- The Museum has slightly overspend by £2.4k at the end of the year due to external site works.
- Tourism during 23-24 underspent by £6.3k
- There are unbudgeted costs incurred for the Bacup 2040 Future High Street Fund of £27.8k for the running costs for the Barclays Bank Site which includes NNDR and some one-off costs for site works. These costs will cease now the demolition has completed.

Housing has a favourable variance of £37.6k which is broken down as detailed below:-

- Private Sector Renewal Team have generated extra income after a successful year of processing Disabled Facility Grant Applications - £7k favourable against the budget target. Underspend on Direct Costs of £1.5k
- Staffing underspends at Q4 have generated £58.7k of savings however this is offset by Agency staff costing £76.4k. These extra costs for Agency have been funded by the Flexible Homelessness Grant (FHG).
- All other budgeted costs at Q4 for resources on Homelessness are underspent by £71k. with direct Income contributions from Housing Benefit £12.8k favourable.
- The actual overspend on temporary accommodation costs is £321.3k for 23-24. This is because housing benefit can only be recovered at the one bed Local Housing Allowance (LHA) rate for bed & breakfast costs incurred during the year. This is a national issue due to the increase in private rental costs and the fact that the LHA rate hasn't increased since 2020. The Housing Team are actively working to reduce this overspend:-
 - However since April there have been 148 people/families housed in temporary accommodation by the housing options team
 - Officers are using the additional dispersed accommodation purchased, work with partners and the Empty Homes scheme
 - Two additional properties have been purchased
 - More favourable rates have been negotiated with a B&B if a resident is placed for more than 6 weeks

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- Responsibility for some families has been reallocated to Children's Services

The Council received ring fenced grants during 2023/24 to help fund the increased costs of temporary accommodation, this has resulted in Homelessness coming in on budget for the year, with the surplus grant being placed in ringfenced reserves to help support 2024/25 costs.

Property Services and Facilities Management is currently showing an adverse variance of £209.3k.

- Salary / recruitment costs are showing an adverse variance of £12.7k.
- Facilities running costs are showing an adverse variance of £35.6k
- The estates income is showing an overall adverse variance of £14k. The section is seeking new income streams and completing rent reviews to reduce this variance. The adverse variance at Q3 was £24.6k
- Valuation Fees / professional fees are showing an over spend of £34.6k. This includes annual asset valuations and studies on sites within Haslingden and Whitworth
- The Business Centre room hire are projecting an under achievement of £12.4k. Property are looking to increase tenant occupancy which will seek to reduce this deficit.
- Spinning point units are now fully tenanted. Tenants received introductory offer in the first year.
- Christmas lights have over spent by 4.1k this year. This is due to repairs and electrical works.
- A provision for bad debts for £100k has been included in the outturn

Planning & Building Control are showing an adverse variance of £17k

- Planning/Forward Planning staffing (inc agency/consultancy) costs are showing a favourable variance of £34.4k. Planning have 2 vacant posts, assumed recruited to by November 2023 at the grades per budget
- Building Control staffing costs are showing a favourable variance of £17.6k
- The Planning fee income is showing an underachievement of £18.2k, and pre-application fees have under achieve by £30.7k. This is in part due to a limit on applications being processed
- Building Control income are projecting an adverse variance of £23.6k.

Future Issues

- Continued high gas and electricity costs are placing a strain on the Council's budget.

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Corporate Services Directorate

Period 12 (Mar)

Corporate Management	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q4 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Corporate Management							
Executive Office	380.0	-	380.0	282.8	97.1	96.8	0.3
Corporate Contingency	40.2	-	40.2	29.1	11.1	-	11.1
Corporate Subscriptions	34.2	-	34.2	52.0	(17.7)	(8.9)	(8.9)
Legal Services	190.1	-	190.1	171.8	18.3	7.5	10.8
Land Charges	(15.2)	-	(15.2)	10.4	(25.6)	(28.9)	3.3
Democratic Services				-			
Electoral Registration	95.7	-	95.7	75.6	20.0	3.6	16.5
Elections	88.8	-	88.8	88.5	0.3	0.0	0.3
Democratic Support	367.0	-	367.0	317.1	49.9	46.8	3.2
Mayoralty & Civic Events	63.9	-	63.9	63.3	0.6	2.3	(1.7)
Town Twinning	2.5	-	2.5	2.5	-	-	-
Financial Services							
Treasury Management	220.3	-	220.3	231.2	(10.9)	(27.9)	17.0
Insurance, Risk & Audit Fees	64.7	-	64.7	52.3	12.4	7.4	4.9
Financial Services	481.7	-	481.7	519.7	(38.0)	(21.9)	(16.1)
People & Policy							
Human Resources	481.8	-	481.8	465.1	16.7	24.6	(7.9)
Corporate Support	244.3	-	244.3	238.2	6.1	(3.3)	9.4
Publicity	4.0	-	4.0	-	4.0	4.0	-
Leisure Services	(101.0)	70.0	(31.0)	15.0	(46.0)	(5.8)	(40.2)
Empty Homes Scheme	300.0	-	300.0	95.0	205.0	-	205.0
Total	2,943.0	70.0	3,013.0	2,709.8	303.2	96.2	206.9

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Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Executive Office				
Salary variances	100.7	(0.6)	100.1	
Other minor variances	(3.9)	12.0	8.1	
Corporate Contingency				
General subscriptions	(8.9)	(8.9)	(17.8)	
Legal Services				
Salary variances	(0.2)	0.5	0.3	
Professional fees	4.2	10.4	14.6	
Legal Income	3.8	(0.6)	3.2	
Other Legal Misc under/ over	(0.3)	0.4	0.1	
Land Charges				
Salary variances	(2.8)	0.2	(2.6)	
Search Income	(26.0)	8.4	(17.6)	
Other minor variances	(0.3)	(2.3)	(2.6)	
Democratic Services				
Salary variances Elections	3.5	(1.0)	2.5	
Other Election Misc under/ over	1.9	16.7	18.6	
Salary variances Democratic Support	36.5	(1.9)	34.7	
Members Costs	6.8	0.9	7.7	
Other Dem Misc under /over	4.1	0.4	4.5	
Treasury Management				
Professional fees	(4.8)		(4.8)	
Bank Charges / Bank interest	(23.1)	17.1	(6.0)	
Insurance, Risk & Audit Fees				
LCC Audit fees	7.4	5.0	12.4	
Financial Services				
Salary variances - Accountants	(6.9)	4.1	(2.8)	
Salary variances - Exchequer	(20.5)		(20.5)	
Civica Software upgrade		(20.0)	(20.0)	
Other misc under / (over) spends	5.5		5.5	
Human Resources				
Salary variances	25.7	(0.8)	24.9	
Authority wide Training	10.9	(1.0)	9.9	
Annual Licences	(6.1)	(2.6)	(8.7)	
Other minor variances	(6.1)	(3.6)	(9.7)	
Corporate Support				
Salary variances	(3.2)	9.3	6.1	
Publicity	4.0		4.0	
Empty Homes	-	205.0	205.0	
Leisure	(5.7)	(40.2)	(45.8)	
TOTAL	96.2	207.0	303.3	

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Corporate Management Highlight Report – Q4 (March 2024)

Historic Issues

- None

Current Quarter Issues

The Corporate Management outturn is forecast to be a favourable variance of £303.2k, the main movements being: -

- Staffing cost variances at quarter 4 are £142.6k favourable:
 - Legal Services – are showing an favourable variance of £0.3k
 - Land Charges – are showing an adverse variance of £2.6k
 - Democratic Services – are showing a favourable variance of £34.7k
 - Elections – are showing a favourable variance of £2.5k
 - Corporate management – savings of £100.1k due to the vacancy of the Director of Communities position.
 - Financial Services – adverse £23.3k linked to the cost of agency staff to support the finance function.
 - People & Policy – is showing a favourable variance of £31k
- Local Land Charges income is showing an adverse variance of £17.6k.
- Members costs are showing an underspend of £7.7k
- Due to the increase in volume of individuals using the Council's electronic payment system bank charges are predicted to be £6k over budget. A new merchant provider has been engaged and has been in place since January 2024, this will reduce costs going forwards and has been recognised in the 2024/25 budgets.
- The Empty Homes scheme has ended the year £205k under budget. The scheme is due to end in December 2024 and team are working hard to return properties to their owners with vacant possession as stipulated in the leases.

Futures Issues

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

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Corporate Services Directorate

Period 12 (Mar)

Non-Distributed Costs & Capital Financing	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q4 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr4 (Adv)/Fav £000
Non Distributed Costs							
Employee & Pension Costs	110.2	0.4	110.6	210.3	(99.7)	(20.0)	(79.7)
Other Non-distributed Costs	71.2	(50.4)	20.8	116.2	(95.4)	4.3	(99.7)
Capital Financing							
Minimum Revenue Provision	599.3	-	599.3	522.2	77.1	(0.0)	77.1
Interest (net)	142.7	-	142.7	(379.0)	521.7	313.5	208.1
Total	923.4	(50.0)	873.3	469.6	403.7	297.8	105.9

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
Employee & Pension Costs				
Vacancy control savings target - net	(20.0)	(140.1)	(160.1)	
Superann additional years/Contribution to Pension deficit	-	60.4	60.4	
Bad Debt Provision	-	(100.0)	(100.0)	
Other minor variances	4.3	0.2	4.5	
Capital Financing				
MRP	-	77.1	77.1	
Interest Payable	145.0	-	145.0	
Interest Receivable	169.7	207.0	376.7	
Other minor variances	(1.2)	1.3	0.1	

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Non-Distributed Costs & Capital Financing Highlight Report – Q4 (March 2024)

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 Minimum revenue provision is £77.1k under budget, this is mainly due to delays in capital expenditure. This is not a saving, but delayed expenditure.
- The non-distributed costs also includes an addition of £100k to the bad debt provision.
- Net interest for the year is a favourable variance of £521.7k as per the following:
 - Income relating to longer term, high interest, deposits had matured in this period. On top of this interest from LCC, relating to the previous quarter, was received in this period.
 - Officers have been working hard to maximise interest receivable on the Council's cash balances. Along with the high interest rates this has resulted in the total interest income received in the year being £498k against a budget of £120k.
 - Interest payable is below budget by £145k, this budget is linked to the capital programme and assumed the capital programme will fully spend for 2023/24 which would force the Council to borrow. This has not been the case, therefore the interest payable budget is underspent by the £145k.

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)	Local Business Rates Retention Reserve	Transitional Budgetary Support	Response & Recovery Reserve	Rawtenstall Bus Station Commuter sum	Directorate Reserves	MMI	General Reserves	Total Reserves
Balance at 01/04/2023	1,028.0	3,063.0	709.0	500.0	2,184.0	0.0	1,000.0	8,484.0
Funds Received 2023/24								
Collection Fund								0.0
Collection Fund - S31 Grants (NNDR3)		1,256.0						1,256.0
Collection Fund - Renewable Energy (NNDR1/3)		231.0						231.0
Business Rates Pooling net gain								0.0
New Homes Bonus		1.0						1.0
Services Grant		85.0						85.0
Funding Guarantee		290.0						290.0
Other Revenue income received		431.0			650.0			1,081.0
Total Funds Available	1,028.0	5,357.0	709.0	500.0	2,834.0	0.0	1,000.0	11,428.0
2023/24 Published Budget Utilisation								
Retained Business Rates								0.0
New Homes Bonus		(1.0)						(1.0)
Services Grant		(85.0)						(85.0)
Funding Guarantee		(290.0)						(290.0)
General budget support		(189.0)	(150.0)	(14.0)	(601.0)			(954.0)
2023/24 Other Utilisation Plans								
Transfers between Reserves		73.0	(1.0)		(72.0)			0.0
Other Commitments						229.0		229.0
Total Utilisation Commitment	0.0	(492.0)	(151.0)	(14.0)	(673.0)	229.0	0.0	(1,101.0)
Reserve Estimates 31/3/2024	1,028.0	4,865.0	558.0	486.0	2,161.0	229.0	1,000.0	10,327.0
Future Contributions/Utilisation Plans								
2024/25 Plans		(564.0)			(290.1)			(854.1)
2025/26 Plans		(1,246.0)			(379.2)			(1,625.2)
2026/27 Plans		(699.0)			(552.8)			(1,251.8)
2027/28 Plans		(348.0)			(84.8)			(432.8)
Potential Reserve Balances	1,028.0	2,008.0	558.0	486.0	854.1	229.0	1,000.0	6,163.1

Current issues

The reserve balances as at 1st April 2023 is £8,484k as detailed above and of this balance c£2,054k is ringfenced. The February 2023 MTFS included plans to fund the 2023/24 budget gap of £756k. As noted on page 2, the 2023/24 outturn position is a favourable variance of £895k. Therefore once the retained business rates/pooling gain of £1,067k is factored in rather than taking £756k from reserves a contribution of £1,206k will be made to reserves. In addition non-conditional but ring-fenced grants of £409k will be added to reserves until required. The provision for liabilities arising from Municipal Mutual Insurance (MMI) has also been transferred to a reserve. The balance of total reserves at 31st March 2024 is £10,327k

Whilst the reserve balances have increased during 2023/24, it must be noted that the use of reserves to bridge the funding gap is not sustainable.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	UK Shared Prosperity Grant (Revenue)	UK Shared Prosperity Grant (Capital) *	Capital Regeneration Programme (CRP)	On-Street Residential Charge Point Scheme (ORCS)	Local Authority Housing Fund (LAHF)	Total
	£000	£000	£000	£'000	£'000	£'000	
	AL030132	AL030142	AL030143	AL030143 CB030805	AL030143	AL030143	
Balance at 01/04/2023	2,577.0	153.0	16.0	0.0	0.0	0.0	2,746.0
New Funds Received 2023/24							
Grant due/received	1,261.3	541.0	101.0	1,223.5	128.7	687.8	3,943.3
Total Funds Available	3,838.3	694.0	117.0	1,223.5	128.7	687.8	4,649.3
Utilisation in 2022/23							
DFGs Outturn 2023/24	(1,193.0)						(1,193.0)
UKSPF Revenue & Capital Allocations		(664.0)	(96.0)				(760.0)
CRP Markets and Gytratory				(553.0)			(553.0)
On-Street Residential Charge Point Scheme (ORCS)					0.0		0.0
Local Authority Housing Fund (LAHF)						0.0	0.0
Anticipated Balance 31/03/2024	2,645.3	30.0	21.0	670.5	128.7	687.8	4,183.3
Future Utilisation Plans							
2024/25 plans	(1,145.3)	(30.0)	(21.0)	(670.5)	(128.7)	(687.8)	(2,683.3)
2025/26 plans	(1,500.0)						(1,500.0)
Potential Reserve Balances	(0.0)	0.0	0.0	0.0	0.0	0.0	(0.0)

In addition to the £2,577k of unspent DFG grant brought forward into 2023/24, the 2023/24 allocation of £1,160k and £101.2k has been paid to RBC from LCC, giving total DFG resources of £3,838.3k. For the purpose of the above table, future utilisation plans recognise an estimated profile of DFG grants received to date only, and do not include estimation of any future receipts from the Better Care Fund. The Council's approved Medium Term Capital Strategy assumes DFG grant receipts in the sum of £1,000k per year over the plan period. The total allocation for DFG for the Council for 2023/24 is again £1,160k plus a further supplementary payment of £101.2k as above.

The council has been granted a share of the UK Shared Prosperity Funds between 2022/23 – 2025/26, over 3 years. As at 01/04/2023 there were brought forward balances on the UKSPF for both Revenue and Capital of £153k and £16k respectively. Funds were received during 2023/24 (£541k Revenue and £101k Capital) more will be received in 2024/25. The table above shows how this will be used during 2023/24. Other Funding Received includes the Capital Regeneration Programme for the Markets and Gytratory of which we have received £1.2m and the On-Street Residential Charge Point Scheme (ORCS) has also been signed off and agreed giving us £128.7k to spent during 24-25 with a final payment of £42.9k at the end of the Scheme in 24-25.

Staff Costs, including agency

Whilst the actual employee vacancy saving is £150k, the net employee underspend at Q4 is £90k, this is due to the cost of agency/consultants being used to cover the posts. This also includes the pay award, the impact of which was an average increase of 6.21%, 1.21% more

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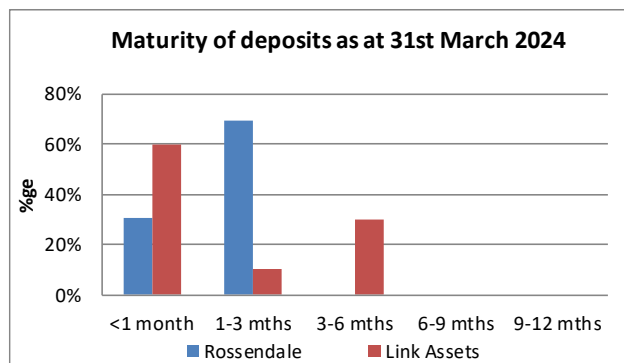
than the budget of 5%. The 1.21% equates to a full year cost of c£99k The vacancy savings target for the year was £200k. Due to the additional cost of the pay award, this will not be achieved. The £25k additional leave purchase target was achieved.

Net Employment Costs 2023/24 to end Mar 2024	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 2023/24	FTE Changes during 2023/24	Current Vacant Posts
Communities Directorate								
Customer Services	352	379	(27)	(21)	(6)	7.8	0.0	0
Operations Service	1,968	2,149	(181)	(63)	(118)	53.0	0.0	3.5
Parks & Cemeteries	767	777	(10)	(19)	9	22.0	0.0	0
Public Protection Unit	167	146	22	16	5	5.0	0.0	0
Environmental Health	209	221	(12)	(7)	(5)	6.0	0.0	0
Licensing & Enforcement	163	172	(9)	(17)	8	3.0	0.0	0
Communities Team	92	71	21	(1)	22	2.0	0.0	0
Economic Development Directorate								
Planning Services	577	499	78	65	13	11.8	0.0	3
Building Control Services	148	128	20	15	6	4.0	0.0	1
Regeneration	217	159	58	24	34	8.5	0.0	0
Property Services	109	119	(10)	(14)	4	2.9	0.0	0
Housing	384	383	1	(12)	14	8.5	0.0	0
Corporate Services								
Corporate Management	373	273	100	69	32	3.0	0.0	1
Legal Services	174	172	1	0	1	3.0	0.0	0
Local Land Charges	47	49	(3)	(2)	-	1.5	0.0	0
Democratic Services	261	223	37	26	12	5.5	0.0	1
Financial Services	527	539	(12)	(25)	12	11.0	0.0	0
People & Policy	707	638	69	39	30	18.2	0.0	1
Empty Homes	26	80	(54)	(40)	(14)	2.0	0.0	0
Total Net Underspend	7,267	7,177	90	32	59	178.7	0.0	10.5

Treasury Management & Cash Flow Monitoring

At the end of March the bank balances were £7.9m. This is comparative to previous years when the balance as at 31 March 2023 was £6.3m.

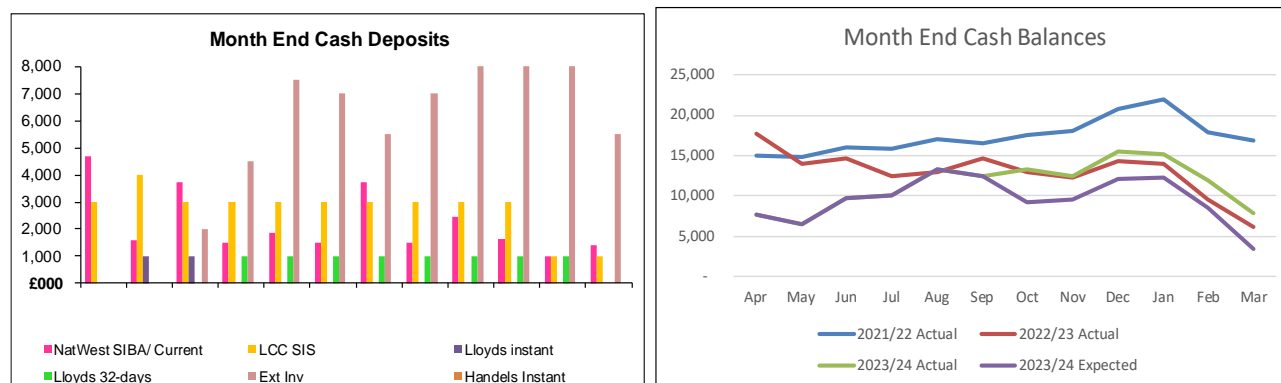
Given the recent higher levels of Bank of England Base Rate and the temporary cash balances available to invest, the Council has continued to take a more proactive approach to managing its cash balances in 2023/24 to maximise interest receivable, relative to its budget estimate, and to mitigate the impact of rising costs as far as possible, a result of historically high inflation pressures.



Balances & Interest Rates at 31/03/2024	Current Balance £k	Avg Interest Rate %
NatWest SIBA	1,404	0.10
Lancashire CC Call	1,000	5.00
Handelsbanken instant	-	0.00
External Investments	5,500	5.21
Lloyds instant access	-	5.14
Lloyds 12mth Deposit	-	5.20
Total Bal & Avg interest	7,904	4.28

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The Bank of England voted to increase the 'Bank Rate' on 22nd June 2023, increasing from 4.5% to 5.0%. The Monetary Policy Committee (MPC) further increased the bank rate in July by 0.5% increase. There was a further increase again in August 2023 to 5.25%. No additional movements have occurred since this date.

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

Instant access arrangements typically return lower interest rates despite the recent increase in bank rate. In some cases there has been no uplift to interest rates on offer to the Council from its existing relationships. Officers are working to generate the highest level of interest income possible whilst maintaining the ability to access funds when needed.

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 2024, the Council's portfolio mix consists of £1m in an LCC call account, £5.5m on deposit with the DMO for up to 3 months and liquid funds of £1.4m.

Interest Forecast	Budget 2023/24	Forecast 2023/24	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLb)	(127.0)	(120.0)	7.0	7.0
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
Net Interest	(119.0)	77.4	196.4	196.4

The average effective interest rate at the end of Q4 was 4.28%, however the majority of funds were held in accounts generating above 5% in interest.

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Interest Received

The budget for interest received in 2023/24 is £120k, the actual interest received during the year is £496k. Interest rates are predicted to begin to fall and council officers will continue to seek the best available rates.

Economic Outlook

(Released April 2024)

The Consumer Prices Index rose by 0.6% in the 12 months to March 2024, down from 4.2% in December. The largest downward contributions to the annual CPI inflation rate in March 2024 came from Transport and the largest increase was from Alcohol and Tobacco.

Average diesel prices stood at 151.9 pence per litre in December 2023, compared with 140.6 pence per litre in December 2023. The average price of petrol in December 2023 was 143.5 pence per litre compared with 140.9p per litre in the previous quarter. The 12-month rate for motor fuels and lubricants a reduction of 0.4%, down from an increase of 34.8% a year previous, which was the highest since before the start of the constructed historical series in January 1989.

These movements are likely to impact on the original forward planning assumptions approved when setting the budget for 2023/24 and Medium Term Financial Strategy (MTFS), and particularly budgets for utility supplies, fuel for fleet vehicles, any contractual obligations linked to CPI uplifts and potentially future pay award for Council staff.

Borrowing

The Council has an identified a 'prudential' borrowing need to finance its Capital expenditure plans, in the sum of £6.2m, over the plan period to 2023/24 - 2026/27.

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 Q2, suggestions of future rate rises in the short-term and rising inflation rates.

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Interest Rate Forecasts								
Bank Rate	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Link	5.25%	5.00%	4.50%	4.00%	3.50%	3.25%	3.25%	3.25%
Cap Econ	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%
5Y PWLB RATE								
Link	4.90%	4.70%	4.50%	4.30%	4.10%	4.00%	3.90%	3.90%
Cap Econ	4.90%	4.60%	4.20%	4.10%	4.00%	4.00%	3.90%	3.80%
10Y PWLB RATE								
Link	5.00%	4.80%	4.60%	4.40%	4.30%	4.10%	4.10%	4.10%
Cap Econ	5.00%	4.70%	4.30%	4.30%	4.20%	4.10%	4.10%	4.00%
25Y PWLB RATE								
Link	5.30%	5.20%	5.00%	4.80%	4.70%	4.50%	4.50%	4.40%
Cap Econ	5.40%	5.00%	4.60%	4.50%	4.40%	4.40%	4.30%	4.20%
50Y PWLB RATE								
Link	5.10%	5.00%	4.80%	4.60%	4.50%	4.30%	4.30%	4.20%
Cap Econ	5.00%	4.80%	4.60%	4.60%	4.50%	4.40%	4.30%	4.30%

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

Treasury Management Practices (TMPs) and Prudential Indicators

The Council's Treasury Management Strategy Statement 2023/24 was approved by Council on 28th February 2023.

Prudential Indicators

The updated Prudential Indicators are shown below.

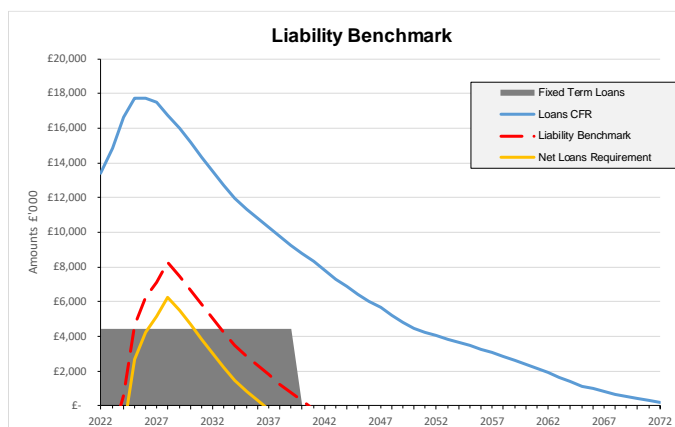
Capital Expenditure	Original 2023/24 £'000	2023/24 Actual £'000	Financing of Capital Expenditure	Original 2023/24 £'000	2023/24 Actual £'000
Operations & Communities	594	1,503	Capital Receipts	200	200
Corporate Services & Buildings	524	819	Capital Grants	2,297	2,751
Housing	1,500	1,724	S106		349
Regeneration	3,095	1,314	Capital Reserves	-	-
Climate change	250	254	Earmarked Reserves	-	-
Total	5,963	5,614	Total in-year resources	2,497	3,300
			Net Financing need for year	3,466	2,314

CFR	Original 2023/24 £'000	2023/24 £'000	Operational Boundary & Authorised Limit	Original 2023/24 £'000	Revised 2023/24 £'000
Total CFR	19,542	17,272	Operational Boundary	20,500	20,500
			Authorised Limit	22,500	22,500

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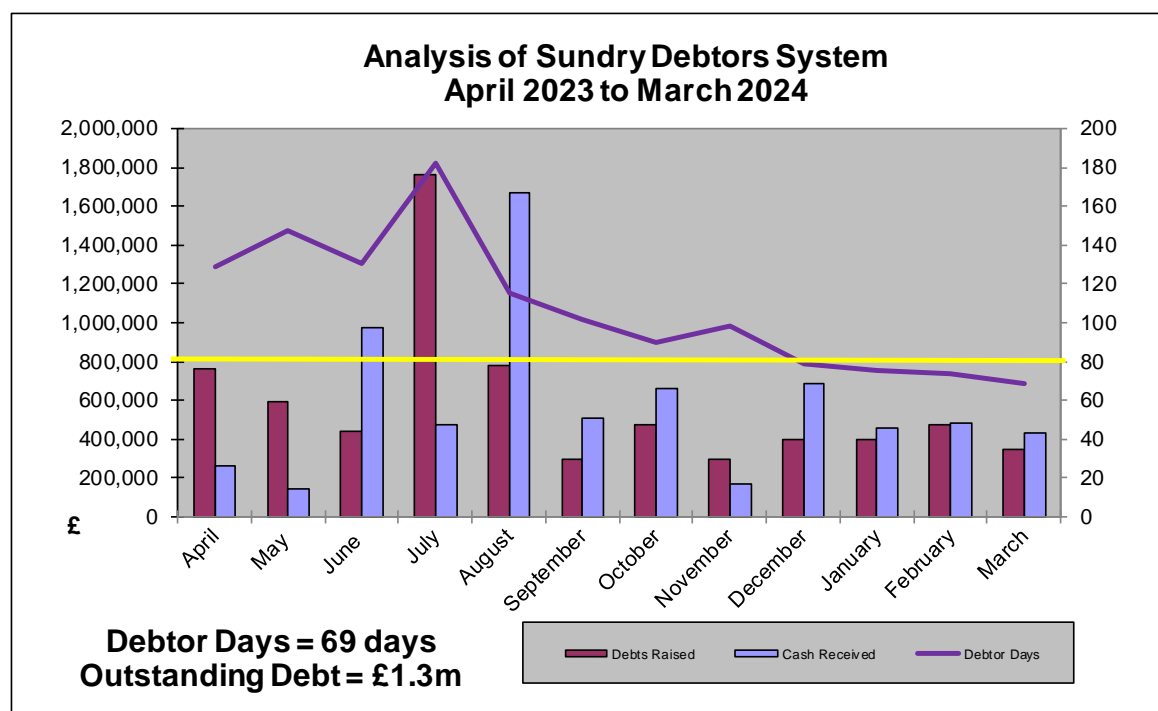
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Ratio of financing costs to net revenue stream	Original 2023/24 £'000	Revised 2023/24 £'000
Interest Payable - Services	274	119
Interest Receivable	(120)	(498)
Net cost of capital	154	(379)
Net Revenue Stream	10,256	9,361
Ratio of financing costs to net revenue stream	1.50%	-4.05%



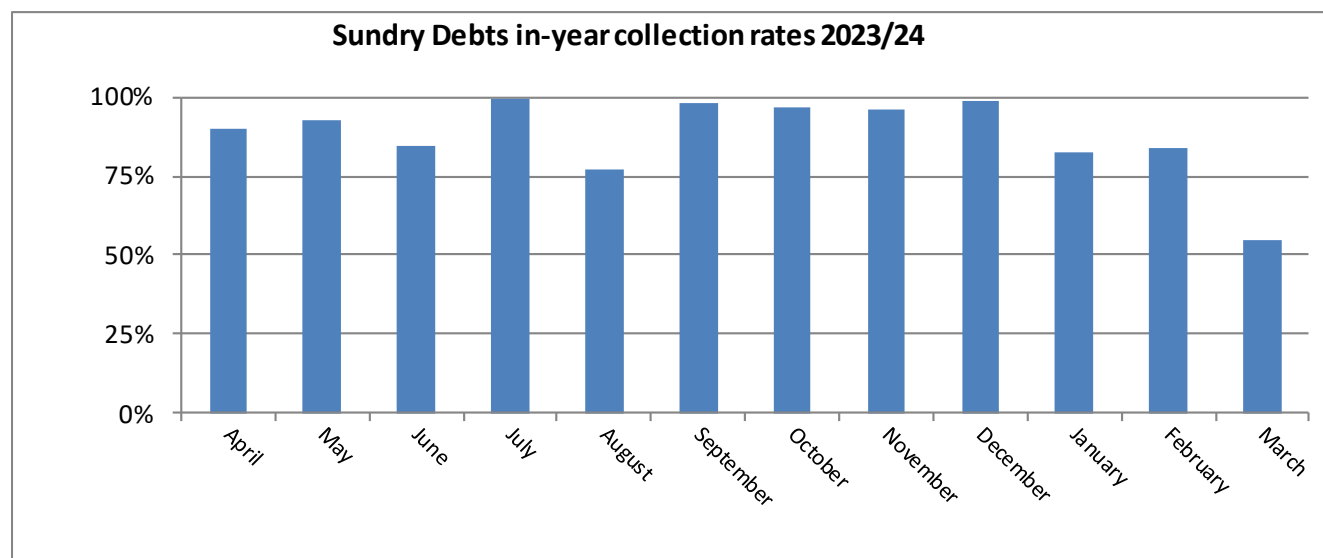
Sundry Debts Monitoring

Invoices raised in the year, to the end of Q4 totalled £7,024k. As at March 2024, £717k (10%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 90%.



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Doubtful debts

The debtor days in Q4, based on a rolling 12 month average has decreased from 79 days to 69 days, for collection of sums due. This figure is below the target average of 80 days and will continue to be monitored.

The Council has set aside sufficient sums in the event of non-recovery of 'aged' debt. 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 increased the level of cover for bad and doubtful debts by £300k during 2023/24, the Council has a provision of c83% for debts its considered to be at risk of going unpaid (impairment) and c50% for total debt issued and considered overdue.

Given the subsequent collection performance of Q4 debts into 2023/24, the revised level of provision is considered adequate but will be maintained under review throughout 2024/25, given the ongoing, challenging economic conditions for individuals and businesses.

The general impairment provision carried forward at 31 March 2024 is at £668k.

Of the sundry debts below, £35k are held on the Local Land Charges Register. The debts below exclude the Rossendale Leisure Trust Debt which stood at £1,285m as at 31st March 2024.

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Debts Outstanding	Mar 2023	Jun 2023	Sept 2023	Dec 2023	Mar 2024	Doubtful Debts at 31 Mar 2024	
	£000	£000	£000	£000	£000	Rate	£000
Earlier Debt	54.7	54.7	54.7	54.5	54.5	100%	54.5
2017/18 Debt	64.5	64.5	63.6	63.6	63.6	100%	63.6
2018/19 Debt	59.9	59.7	57.5	57.5	57.5	100%	57.5
2019/20 Debt	23.7	21.4	20.0	19.8	19.8	100%	19.8
2020/21 Debt	116.8	112.4	112.2	111.7	111.7	100%	111.7
2021/22 Debt	87.2	56.2	46.8	41.5	41.5	75%	31.1
2022/23 Debt	1,420.3	361.6	324.8	92.7	92.7	50%	46.4
2023/24 Debt :		771.1	1,096.0	874.1	414.4	15%	62.2
Q4 Jan					70.5	15%	10.6
Q4 Feb					76.1	15%	11.4
Q4 Mar					156.6	15%	23.5
Total Debt o/s	1,827.1	1,501.6	1,775.6	1,315.4	1,158.9		492.3

Capital

Capital Resources

Table 1 - 2023/24 receipts

Major Receipts:	Original Budget £000	Year to Date £000	Variance Fav/(Adv) £000
Capital Receipts			
Land & Property Sales	50	541	491
Obsolete vehicles and kit	50	(0)	(50)
Net receipts to table 2	100	541	441

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2023	1,931
Capital Grants in 2023/24	1,434
Capital Receipts in 2023/24	541
	3,906
Revenue Contributions	
from Earmarked Reserves	-
from Revenue Operations	-
Total Capital Resources 2023/24	3,906
Capital Prog funding applied	(1,434)
Total Capital Resources March 2024	2,472
Capital Receipts Reserve (housing)	-
Capital Receipts Reserve (Whitworth)	38
Capital Receipts Reserve (Haslingden)	213
Capital Receipts Reserve (unalloc)	2,221

Current issues

The cost of specialised Fleet vehicles continues to rise, putting increased pressure on the budget.

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Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of the funds generated by the sale of Council assets; the estimated balance brought forward at 1st April 2023 is £1,931k. This figure is still subject to any effects of post-audit amendments to the 2018/19 accounts and their impact on subsequent years.

The original Capital Programme for 2023/24 approved in February 2023 was £5,963k, to which £6,027k (£2,567k DFG's) of slippage was added, relating to projects which were ongoing at the end of 2022/23.

The original 2023/24 estimate for DFGs included in the programme was £1,000k. The actual grant receivable in the year is £1,160k, so an additional £160k has been added to the base programme.

The total grant income expected for the approved capital programme is £3,271k (including DFGs). Current funding for the slippage carried forward into the 2023/24 capital programme consists of a mixture of resources, namely grants, capital receipts and (internal) borrowing. The most effective method of funding the Council's capital programme will be determined by the end of the financial year. Commentary on the projected Capital outturn can be seen on page 34.

The total in the Useable Capital Receipts Reserve at the end of 2023/24 is £2,472k. This represents the most effective method of financing the planned Capital spend in 2023/24. It is noted that Capital resources remain earmarked for Whitworth projects (£38k), and Haslingden Regeneration (£213k) respectively and that the Council will assess the most effective method of financing these projects as they fall due.

Future Issues

Slippage of £6,874k on schemes approved in the 2023/24 programme will be moved into 2024/25 where appropriate, along with the estimated source of financing. This includes £2,529k in DFG's

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Capital Programme Spending

Capital Programme 2023/24	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	S106/Reserves/RCCO	RBC Int Borrow
IT Software & Equipment	14	117	120	120	(3)	(3)	-	-	-	-	120
Operations	399	399	823	823	(424)	(424)	-	-	-	-	823
Communities	365	699	491	491	208	208	-	297	-	13	182
Housing	1,780	4,616	1,726	1,726	2,890	2,890	-	1,198	-	324	204
Stubbylee Hall	-	-	4	4	(4)	(4)	-	-	-	-	4
Henrietta Street Depot Improvements	-	127	30	30	97	97	-	-	-	-	30
Futures Park	-	525	2	2	523	523	-	-	-	-	2
Town Square	-	20	-	-	20	20	-	-	-	-	-
Property Repairs & Maint	100	43	328	328	(285)	(285)	-	-	-	-	328
Environ Improvement Programme (PRIDE)	-	-	-	-	-	-	-	-	-	-	-
Car Parks General 22-26 MTFS	60	110	9	9	101	101	-	-	-	-	9
The Ashworth, Civic Hall Whitworth	-	17	21	21	(4)	(4)	-	-	-	-	21
Stubbylee Skate Park	-	42	42	42	(0)	(0)	-	-	-	-	42
Bacup Historic England	285	350	149	149	201	201	-	121	-	-	28
Haslingden 2040 NLHF	725	1,980	218	218	1,762	1,762	-	182	-	-	36
Rawtenstall Town Square Public Realm	-	-	9	9	(9)	(9)	-	9	-	-	-
Museum Improvements	-	4	18	18	(14)	(14)	-	-	-	-	18
Mechanics Hall, Bacup	-	100	97	97	3	3	-	39	-	-	58
Haslingden Market (UKSPF)	-	50	51	51	(1)	(1)	-	51	-	-	-
Rawtenstall Market Electrical Works	-	101	-	-	101	101	-	-	-	-	-
Rawtenstall Market External Cabins	-	6	-	-	6	6	-	-	-	-	-
Stubbylee Tennis Courts	-	22	13	13	9	9	-	13	-	-	-
Whitaker Park Tennis Courts	-	81	104	104	(23)	(23)	-	88	-	-	16
Hareholme Viaduct	-	436	326	326	110	110	-	26	-	-	300
Carbon Reduction Fund	250	627	254	254	373	373	-	21	-	-	233
Christmas Lighting Catenary	-	33	31	31	2	2	-	-	-	-	31
Marl Pits - Running Track	-	-	-	-	-	-	-	-	-	-	-
Whitaker Park Drainage	85	110	10	10	100	100	-	-	-	-	10
Edgeside Pump Track	-	34	34	34	(0)	(0)	-	34	-	-	-
Leisure Various	-	133	152	152	(19)	(19)	-	-	-	-	151
Legacy Liabilities	100	200	-	-	200	200	-	-	-	-	-
Capital Regeneration Projects (LUF)	1,800	1,800	553	553	1,247	1,247	-	553	-	-	-
	5,963	12,782	5,616	5,616	7,166	7,166	-	2,632	-	337	2,646

Capital Programme 2023/24	£000	Funded by
Original Capital Programme	5,963	
Slippage from 2022/23	6,027	see list
Increase to capital projects in 2023/24		
Weir Play Area	130	Grant / Capital Receipts
Stubbylee Tennis Courts	57	External Grants
Whitaker Park Tennis Courts	46	External Grants
DFGs	160	External Grants
Clare House	9	Revenue Contributions
Mechanics Hall	50	External Contribution (50%)
Moller Ring	4	External Funding
Hareholme Viaduct	336	RBC
Revised Capital Programme	12,782	

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Slippage items b fwd at end of 2022/23	Costs '£000	Indicative Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Customer Services & IT					
Digital Access	73	-			73
Printer Replacement	30				30
Communities Directorate					
Playgrounds (Various)	5				5
Cemeteries	15				15
Pathways (Various)	34				34
Car Parks Improvements	50				50
Victoria Park Improvements	22				22
Economic Development Directorate					
Carbon Reduction Fund	377				377
Edgeside Pump Track	34	34			
Futures Park	525	157			368
Haslingden 2040 NLHF	1,255	1,255			
Bacup High St Heritage Action Zone	65	65			
Town Square	20				20
Property Repairs & Maintenance	65				65
Christmas Lighting Catenary	33				33
Rawtenstall Market Electrical Works	101				101
Rawtenstall Market External Cabins	6				6
Stubbylee Skate Park	42				42
Whitaker Drainage	25	25			
Hareholme Viaduct	100				100
Leisure Various	108				108
Legacy Liabilities	100				100
Sub-total Econ Devmt	2,856	1,536	-	-	1,320
DFGs	2,567	2,567			
Supported Accommodation	100			100	
Sub-total Housing	2,667	2,567	-	100	-
Total	6,027	4,232	-	131	1,664

Capital Programme

The original Capital Programme was £5,963k, including £329k for the replacement of Vehicles and Equipment, and a provisional estimate of £1,000k for DFGs.

To this was added slippage of £6,027k from 2022/23 (including DFGs). A revised estimate for DFGs has been made following confirmation of the 2023/24 grant allocation with a net increase of £160k. Additional projects have been added in respect of the Weir Play Area (£130k), Stubbylee Tennis Courts (£57k) and Whitaker Park Tennis Courts (£46k). Council also approved an increase to the Hareholme Viaduct project was of £336k. An assessment of the timing of 'spend' has been undertaken as part of the development of the MTFs and cost estimates re-profiled over the medium term. The final 2023/24 Capital Programme £12,782k. More details are provided in the tables above.

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The final outturn for the Council's Capital expenditure programme at 31st March 2024 is £5,616k. The Council uses the most cost effective method of financing this expenditure from available resources, namely external grants and contributions, capital receipts and 'prudential' (internal/external) borrowing. The Council's current strategy is to finance expenditure from capital receipts where it is able to do so, in order to limit the future impact upon the Council's Revenue Account e.g. sums set aside for future repayment of loan principal and interest. However, it is acknowledged that the Council has an underlying need to borrow to finance its capital plans and proceeds from the disposal of assets are a finite resource.

As outlined above, the revised Capital Programme was re-profiled as part of the development of the MTFs, with the likely timing of the expenditure estimated. The actual timing of spend as at 31st March 2024 has caused an adverse variation against this estimate which will see future years' estimated spend adjusted to reflect spend being incurred earlier/later than anticipated.

Items of estimated slippage brought forward into 2023/24 and the associated funding arrangements are shown in the table above.

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

Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget	Revised MRP	(Additions) / Underspend
	2023/24	2023/24	2023/24
	£000	£000	£000
Corporate	599.3	522.2	77.1
	599.3	522.2	77.1

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

Section 106 Receipts Monitoring

The value of S106 agreements brought forward on the 1st April was £1,196.2k. To the end of March 2024, £66.2k of new S106 deposits have been received and £393.7k of monies held have been applied to fund expenditure.

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Section 106 Agreements 2023/24	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2023	322.3	84.9	789.0	1,196.2
Deposits received in 2023/24	16.3		49.9	66.2
Deposits applied in 2023/24	(47.8)	(10.0)	(335.9)	(393.7)
Current Balance	290.8	74.9	503.0	868.7

Section 106 Agreements in detail	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2023	322.3	84.9	789.0	1,196.2
Station Rd			(2.3)	(2.3)
Douglas Rd, Bacup		(10.0)		(10.0)
Land off Oaklands Dr, Rawtenstall			(91.1)	(91.1)
Horse & Jockey, Edenfield			(0.4)	(0.4)
Johnny Barn Close			14.6	14.6
Scout Moor	(6.3)			(6.3)
Scout Moor wind farm	16.3			16.3
Rear of 85 Grane Rd			21.9	21.9
Holmfield House			(25.5)	(25.5)
Land off Oaklands Dr, Rawtenstall			(70.3)	(70.3)
TRO's	(41.5)			(41.5)
Forest Mill (ALDI)			13.4	13.4
Land off Oaklands Dr, Rawtenstall			(134.5)	(134.5)
Reedsholme			(1.5)	(1.5)
Station Rd			(7.7)	(7.7)
Land off Oaklands Dr, Rawtenstall			(2.7)	(2.7)
	290.8	74.9	503.0	868.7

Collection Fund Monitoring

Council Tax & NNDR Collection Rates

Cumulative Collection	Council Tax						Business Rates					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
April	10.41	10.51	10.04	10.90	10.44	10.11	11.26	12.22	10.24	8.60	12.78	12.79
May	19.72	19.70	18.96	19.70	19.44	19.48	18.93	21.07	18.89	16.20	31.81	21.29
June	28.79	28.63	27.62	28.70	28.35	28.19	27.28	28.68	25.62	24.30	28.16	28.19
July	37.97	37.86	36.56	37.66	37.21	37.09	36.25	37.37	33.92	33.96	35.83	36.52
August	47.03	46.90	45.24	46.71	46.21	46.01	49.93	50.82	48.55	47.63	47.86	51.19
September	56.05	56.01	54.29	55.43	55.64	54.92	58.43	58.34	57.84	56.05	55.54	58.11
October	65.32	65.23	63.29	71.16	64.55	64.03	67.95	67.52	68.97	64.90	64.73	65.99
November	74.52	74.78	72.30	78.43	73.49	72.93	74.77	74.26	77.15	73.09	74.88	74.92
December	83.55	83.33	80.90	82.12	82.25	81.50	83.00	82.70	85.92	81.41	81.91	81.93
January	92.72	92.48	89.90	90.96	91.22	91.05	91.11	90.91	90.17	89.30	94.79	90.27
February	94.90	94.60	92.37	93.43	93.85	93.37	95.73	95.00	93.66	95.13	94.73	94.23
March	96.70	96.32	95.72	95.59	95.95	95.75	98.47	97.78	94.19	98.15	98.85	98.60

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Collection rates for Council Tax are recovering but are not yet back at pre-pandemic levels with collection performance for 2023/24 slightly below that of 2022/23 (-0.2%). This remains an area of focus into 2023/24 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 were distorted in 2022/23 by the Covid relief the Government distributed. 2023/24 are also distorted by the transitional reliefs given to businesses due to the Business Rates revaluation, which kicked in from April 2023.

Council Tax Collection Fund

At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £441k. This includes a £220k contribution for doubtful debts. This year RBC's share of the Council Tax is 13.56%, equating to £60k of the forecast surplus.

Council Tax Forecast 2023/24	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000
Council Tax Collectable (after Discounts & Exemptions)	47,559	47,513	47,464	46,708
less Doubtful Debt Provision	(500)	(500)	(500)	(220)
	47,059	47,013	46,964	46,488
less Precepts for 2023/24				
Lancashire County Council	(32,798)	(32,798)	(32,798)	(32,798)
Police	(5,237)	(5,237)	(5,237)	(5,237)
Fire	(1,714)	(1,714)	(1,714)	(1,714)
Rosendale Borough Council	(6,238)	(6,238)	(6,238)	(6,238)
Whitworth Town Council	(60)	(60)	(60)	(60)
	(46,047)	(46,047)	(46,047)	(46,047)
Surplus / (Deficit)	1,012	966	917	441
RBC Share = 13.56%	137	131	124	60

Local retention of Business Rates (NNDR)

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

The business rates collection fund as at 31 March 2024 resulted in a deficit of £857k, 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 deficit is £343k.

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% and allows the Council to hold the balance as 'retained levy' thus reducing the total value of sums paid over to central Government, to apply locally. Therefore even though the Council will suffer a collection fund loss of £343k, a pooling/growth gain of £1,067k was achieved. The February 2023 MTFs included a contribution of an estimated pooling gain of £500k, and the actual pooling gain is £498k.

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Business Rates Collection Fund 2023/24 (50% Pool)		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000	Out-turn £000
Net Liability Due		13,603	13,301	13,075	12,990	12,617
Use of Appeals Provision		0	0	0	353	350
Less Cost of Collection Allowance		(97)	(97)	(97)	(97)	(97)
Less Doubtful Debt Provision		(300)	(300)	(300)	(150)	(10)
Less Appeals Provision		(500)	(500)	(500)	(897)	(885)
Less Renewables 100% to RBC		(228)	(228)	(228)	(228)	(231)
Net NNDR due	A	12,477	12,176	11,950	11,971	11,744
Transitional reliefs	B	1,787	1,787	1,763	1,688	1,663
Less Precepts		(14,264)	(14,264)	(14,264)	(14,264)	(14,264)
Cash Surplus/(Deficit)	C	0	(301)	(551)	(605)	(857)
RBC Share = C x 40%	D	0	(120)	(220)	(242)	(343)
Central Government share 50%			(150)	(276)	(303)	(429)
LCC and Fire share 10%			(30)	(55)	(61)	(86)

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000	Out-turn £000
Business Rates Income	A+B	14,264	13,963	13,713	13,659	13,407
RBC Share = 40%		5,706	5,585	5,485	5,464	5,363
less tariff paid to Lancashire Pool		(3,482)	(3,482)	(3,482)	(3,482)	(3,482)
add S31 Grants (for Levy calculation)	E	1,233	997	997	997	1,487
Subtotal		3,457	3,100	3,000	2,979	3,368
RBC Baseline Funding Level used in Budget		2,261	2,261	2,261	2,261	2,261
Surplus for Levy Calculations	F	1,196	839	739	718	1,107
Levy due for non Pool membership 50%		(598)	(420)	(370)	(359)	(553)
Levy payable as Pool member 10% of above	G	(60)	(42)	(37)	(36)	(55)
Retained Levy through Pool membership		538	378	333	323	498

Business Rates Summary		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000	Out-turn £000
Business Rates Surplus/(Deficit) 2023/24	F	1,196	839	739	718	1,107
less Lancashire Pooling Levy	G	(60)	(42)	(37)	(36)	(55)
Renewable Energy		228	228	228	228	231
Overall Gain/(loss)	H	1,364	1,026	930	910	1,282
Business Rates Retention Reserve Bfwd		1,028	1,028	1,028	1,028	1,028
Business Rates Cash Surplus/(Deficit) 2022/23		(804)	(804)	(804)	(804)	(804)
Business Rates Cash Surplus/(Deficit) 2023/24	H	1,364	1,026	930	910	804
Less Budgeted Utilisation		0	0	0	0	0
Total Retained Business Rates Resources Cfwd		1,588	1,250	1,154	1,134	1,028

The table above shows the impact on the Business Rates Retention Reserve.

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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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