

Subject:	Financial Monitoring Report Q2 2024/25	Status:	For Publication
Report to:	Cabinet	Date:	20 th November 2024
Report of:	Head of Financial Services	Lead Member:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached: No	No
Biodiversity Impact Assessment:	Required: No	Attached: No	No
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1. RECOMMENDATION(S)

- 1.1 That Cabinet note the content of the Q2 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 2025.
- At 30 September 2024, the Council is estimating a favourable variance of £107.6k against an approved net budget for the year of £10,598k.
- The approved Capital Programme for 2024/25 was agreed in the sum of £11,409k, to this was added prior year slippage of £7,166k, plus new additions of £925k making a revised capital programme for 2024/25 of £19,500k. At 30th September the estimated capital outturn for the year is £14,588k. Estimated slippage requirements into 2025/26, including the associated funding sources, currently total £4,912k, this includes £1,794k disabled facility grants.

3. BACKGROUND

- 3.1 In February 2024 the MTFS set a balanced Budget of £10,598k for the year based on the assumptions made at that time and supported by £563k from reserves. The pay award, inflation rates, high vehicle fuel costs and high utility costs resulted in the requirement to use reserves to fund the budget gap.

4. DETAILS

Revenue

- 4.1 This Q2 monitoring report of the year 2024/25 is forecasting a favourable variance of £107.6k when compared to an original budget of £10,598k.

- 4.3 The most notable variances are:

- The budget contains a £225k vacancy savings target which is based on potential savings that may be obtained due to additional leave purchase and staff turnover, i.e. the salary saving made between an employee leaving the authority and the new recruit commencing. Staff cost savings are currently estimated to be £21k to the year-end, this is £204k short of the vacancy savings target of £225k. However, the estimates currently assume an extra 6.2% (average) pay award, the flat rate pay award of £1,920 is materially within this amount.

- At this stage it is anticipated that there will be an underspend on Empty Homes of approximately £100k
- As at Q2 we anticipate potential interest income of £200k for the year in excess of budget.
- We have seen additional expected costs with respect to audit fees of the Housing benefit Subsidy of £56k.
- At Q2 there is a predicted overspend of c£114k within the housing team on temporary accommodation. The team are actively working to reduce this overspend. It must be noted that we don't currently have supported accommodation, that provides the necessary service to support people, and which would also allow us to attract full housing benefit. This is not unique to Rossendale and is a national challenge.

4.4 Full details and explanations are included in appendix 1.

CAPITAL

4.5 The current estimate of Capital Receipts brought forward at 1st April 2024 totalled £2,503k.

4.6 The value of the budgeted capital scheme expenditure for 2024/25 was 11,409k to which £7,166k slippage has been added. New schemes have been added during the year to date totalling £925k with details of the most significant items set out on page 31 of appendix 1, this includes £265k of additional DFG funding. The revised capital programme for 2024/25 is £19,500k with an indicative outturn of £14,588k.

4.7 Anticipated slippage into 2025/26 is estimated at £4,912k.

TREASURY

4.8 At the end of June the Council's bank balances were c£14.2m. This is in line with cash amounts held at the end of Q2 in 2023/24.

4.9 Sustained high interest rates over recent months along with proactive treasury management resulted in the Council increasing its interest income budgets for 2024/25 to £109k from £9k in 2022/23. (also increased in 2023/24 to £120k – slight reduction in 2024/25 due to predicted interest rate reductions). Although it is anticipated that interest rates will fall (now 4.75% from November) along with anticipated reductions in cash balances due to internal borrowing for capital schemes we are optimistic that this budget will be exceeded. The budget for interest in 2024/25 is a net income of £3k, current estimates are that the outturn will exceed budget. The current estimated interest income is based on falling interest rates and reduced levels of available cash.

4.10 Details are included in Appendix 1.

COLLECTION FUND

4.11 Council Tax collection statistics have not yet returned to pre-pandemic levels. Whilst Business Rates collection performance appears to have returned to pre-pandemic levels, the 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 2024/25 given the 'Cost of Living Crisis' and potential impact on future collection.

- 4.12 For 2024/25 the Council Tax collection fund is predicting a surplus of £1,800k, with Rossendale Borough Council's share being £240k.
- 4.13 The NNDR collection fund is predicting a deficit of £1,350k with the Council's share being £540k.
- 4.14 Current estimates are that the Council will benefit from a pooling gain of £861k in 2024/25 through being a member of the Lancashire Business Rates Pool.
- 4.15 Details are included in Appendix 1.

EARMARKED RESERVES

- 4.17 The total cash-backed earmarked reserves brought forward at 1st April 2024 were £10,326k (after adjustment for Business Rate relief support repayable to government). The Earmarked Reserves closing balance at the 31 March 2025 are estimated to be £11,028k.

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 despite these rates falling over recent months. High inflation and interest rates are also impacting on the capital programme. On average vehicle replacement costs are running c20% over and above the estimates included in the capital programme. Rising inflation is also having an impact on the construction industry - pushing up costs, increasing tender prices.
- Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues (eg inflationary pressures and rising living costs) and opportunities, in particular service department net expenditure.
- Budget setting for future years is now treated as an integral part of financial monitoring during the current year and the impact of variances being reported will be considered by officers when preparing the detailed 2025/26 budgets. A zero based budget for 2025/26 is well underway at the date of publication of this paper.
- The council must explore ways of bridging its forecast annual funding gap. Amongst other things this may include becoming more commercially aware, aiming to grow its resources alongside the challenges to its cost base.
- If the level of Council Tax support claims increase as a result of the current economic climate or the level of Council Tax bad debt increases, this will have an adverse impact on the income the Council receives.
- The level of future Government funding is uncertain. Whilst the new Government are suggesting that three year settlements will be introduced in time, in reality the level of Government funding beyond 2024/25 is unknown until the expected announcement on 19th December.

6. CONCLUSIONS

- 6.1 Robust monitoring of the General Fund and MTFS is essential to control risks expressed in section 5 above and the Council continues to undertake this.
- 6.2 Since 2010 the Council has seen its central government funding reduced by c£6m pa in real terms. Since that time the Council has reduced its budget requirement accordingly and continues to seek efficiencies and grow income where possible. However, the current economic climate, is making it impossible for the Council to balance its in year income and expenditure.
- 6.3 The Council is continuing its cost reduction programme, however Members are facing increasingly difficult choices in an attempt to balance expenditure with available resources over the medium term, with energy costs, vehicle fuel costs, the inflation rate and the pay award making this more difficult.
- 6.4 The Finance Settlement for 2024/25 was confirmed in February 2024. The settlement provided an increase in core spending power for 2024/25 of circa 3%, prior to factoring in any council tax increases. The ongoing level of Government funding poses a significant risk to the MTFS.

7. FINANCE

The financial implications are fully set out above and in Appendix 1.

8. LEGAL

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

9. POLICY AND EQUALITIES IMPLICATIONS

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

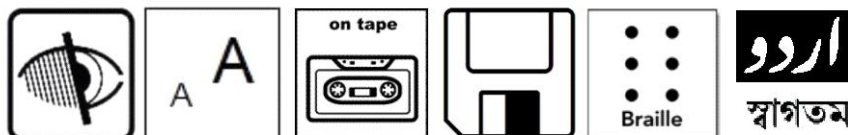
10. REASON FOR DECISION

Cabinet are recommended to note the Q1 monitoring report.

Background Papers	
Document	Place of Inspection
Service monitoring statements	Financial Services

Financial Monitoring Report

2024/25 as at end of September 2024
Including a Glossary of terms on page 39



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General Fund Revenue Operations – pages 4 to 21

Despite the current economic climate continuing to have a significant impact on the Council in Q2, the financial performance has been favourable compared to budget. The full year impact is predicted to result in a favourable variance of £107.6k on the General Fund when compared to the original budget of £10,598k. This will reduce the impact on reserves in the year. The significant budget variations are highlighted on page 6.

Earmarked Revenue Reserves – page 22

The total cash-backed Earmarked Reserves brought forward at 1st April 2024 were £10,326k.

The opening balance on the Transitional Reserve was £4,865k. The Council has received funding guarantee of £290k and £85k Services Grant as part of the 2024/25 Local Government Finance Settlement. This funding will be released in full as budgeted, to fund 2024/25 Net Service costs.

The indicative closing balance of earmarked reserves at the 31st March 2025, is estimated at £11,028k. Based on current plans and forecast commitments, and if nothing else changes, at the time of this report, available earmarked reserves are anticipated to run out during 2027/28. The earmarked reserves figure includes ringfenced sums of £2,054, 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 2024 was £4,183 of which £2,645 related to Disabled Facilities Grants. The balance carried forward into 2024/25 relates to previous years' slippage. The allocation of Better Care funding for DFGs for 2024/25 is £1,265k, giving total DFG resources available of £3,910.6k. The remaining balances related to UK Shared Prosperity Funding and Capital Regeneration Programme monies which are anticipated to be spent in full during 2024/25.

Staff Monitoring – page 24

The table on page 24 shows the forecast staffing variances for the year based on Q2 actuals. The forecast underspend for the year is currently £231k. However, consideration needs to be given to the pay award which at the date of preparation of this report was anticipated to average 6.2% which equals £235k additional cost (subsequent to the preparation of this report the pay award has been agreed and is materially in line with our forecast), once this has been factored in, the adjusted underspend will be £21k which includes the additional leave (£25k). Therefore, the shortfall at Q2 is £204k on the 2024/25 budget of £225k (£200k vacancy savings and £25k leave purchase).

Treasury & Cash Management - page 25 to 29

At the end of September, the bank balances were £14.2m. These resources continue to be relatively high due to various grant funding, ie UKSPF fund, HHSF5 etc. Despite Bank of England base rate increases over the last two years, it is now anticipated that rates will begin to fall. 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.

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The provision for doubtful debt at the 1st of April 2024 was £380.6k, plus a further £5.4k set aside for licensing debt, against £510k of doubtful debts. The level of cover for sums outstanding and that risk going unpaid is considered adequate at this time (c75% cover) with no further movement proposed. However given the 'Cost of Living Crisis' dominating the headlines, this position will be kept under review.

Capital Receipts – page 30

The total Capital Receipts rolled forward into financial year 2024/25 is £2,503k, but this is subject to review and may change.

The total value of Capital Grants receivable in the financial year 2024/25 is £9,743k. As all figures are indicative at this point in the reporting cycle, work continues to determine the most effective method of funding the Council's Capital Programme.

On current assumptions, the Capital Receipts Reserve is expected to total £2,550k at the yearend 2024/25, reflecting 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.

Capital Programme and Funding – page 31 to 35

The original Capital Programme for 2024/25 is £11,409k, including an estimate of £1,000k for DFGs and £740k for replacement operational vehicles. The slippage from 2023/24 was £7,166k, including £2,529k of DFG's. There is also an additional £265k for DFGs

The indicative capital outturn at 31st March 2025 is spend in the sum of £14,588k. The Capital Outturn will be reviewed throughout the year.

Collection Fund 2024/25 (Council Tax & NNDR) - page 35 to 37

Council Tax collection levels are recovering. However, they are still not back to pre-pandemic levels. Business rate collection appears to have returned to typical levels experienced pre-Covid, however there were two major appeals in 2022/23 which have distorted the comparative figures.

The Council Tax account is predicting an early surplus of £240k for Rossendale.

The **business rates** collection fund is predicting a deficit of £1,328k in 2024/25, the Council's share of the deficit is £531k. The Council has a Business Rate Retention Reserve to provide for any peaks and troughs in business rate income, therefore this deficit will be charged to the reserve. The reserve also contains funds from Government to cover the additional reliefs granted to business during Covid. Due to the complicated accounting process for business rates these funds have been released from the reserve into the collection fund over three years, of which 2023/24 was the final year.

Although it is anticipated the Council will suffer a collection fund loss, a pooling gain of £870k is estimated. The February 2024 MTFs included a pooling gain contribution of £500k, therefore if the current forecast remains at year end, it will result in a £370k surplus against that income budget, thus contributing towards alleviating pressure on the MTFs.

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Service Area	2024/25 App Budget £000	2024/25 Q2 Outturn £000	2024/25 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 2 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,742.9	1,850.4	(107.4)	(38.6)	(68.8)
Operational Functions	2,251.7	2,317.1	(65.4)	(120.9)	55.5
Parks and Cemeteries	945.8	942.0	3.8	19.9	(16.0)
Public Protection Unit	205.9	190.1	15.9	21.7	(5.9)
Environmental Health	212.2	199.2	13.0	1.5	11.4
Licensing & Enforcement	54.0	70.7	(16.8)	0.2	(17.0)
Communities Team	169.0	119.9	49.1	48.7	0.4
Economic Development Directorate					
Planning Services	310.1	314.8	(4.7)	(1.4)	(3.3)
Building Control Services	6.6	2.8	3.8	(2.3)	6.2
Regeneration	272.9	316.6	(44.7)	(37.4)	(7.3)
Property Services	235.4	279.7	(44.3)	(42.2)	(2.1)
Housing	273.5	387.6	(114.1)	(168.5)	54.4
Corporate Management Directorate					
Corporate Management	517.8	464.7	53.2	48.4	4.8
Legal Services	199.4	193.8	5.6	5.1	0.5
Local Land Charges	(4.9)	(17.1)	12.2	10.7	1.5
Democratic Services	627.3	552.4	74.9	87.3	(12.5)
Financial Services	769.9	773.4	(3.5)	54.3	(57.8)
People and Policy	801.14	749.8	51.3	46.0	5.3
Non Distributed Costs	106.01	125.1	(19.1)	(19.6)	0.5
Capital Financing and Interest	633.30	433.3	200.0	180.0	20.0
Leisure Services	(31.6)	23.5	(55.1)	(55.1)	(0.0)
Empty Homes Scheme	300.0	200.1	99.9	100.0	(0.1)
TOTAL Service Cost	10,598.25	10,489.82	107.6	137.8	(30.3)
Funded by					
Council Tax	(6,444.0)	(6,444.0)	-	-	-
Retained Business Rates	(2,335.0)	(2,335.0)	-	-	-
Funding Guarantee	(361.0)	(361.0)	-	-	-
Revenue Support Grant	(91.0)	(91.0)	-	-	-
Services Grant	(15.0)	(15.0)	-	-	-
New Homes Bonus	(163.0)	(163.0)	-	-	-
Collection Fund Surplus - Council Tax	(126.0)	(126.0)	-	-	-
Estimated NNDR Pooling/growth Gain	(500.0)	(500.0)	-	-	-
LESS Estimated use of Reserves	(563.2)	(454.8)	(107.6)	(137.9)	30.3
Net Budget Shortfall	0.0	0.0	0.0	0.0	0.0

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The position at Q2 2024/25 shows a favourable variance of £137.8k

The main variances are shown below: -

- Staff cost savings are estimated to be £21k to the year-end position, this is £204k short of the vacancy savings target of £225k. However, the estimates currently assume an extra 6.2% (average) pay award, the actual pay award has only been finalised following completion of this report. The flat rate pay award of £1,920 is materially within this amount.
- Fuel 'pump prices' continue to be monitored, Budgets for Fuel in 2024/25 remain at substantial levels totalling £489k which still includes the £60k premium for the use of HVO. In 23-24, due to the increasing differential between HVO and Diesel, a decision was taken to switch back to diesel until the two prices were more comparable. During Q2 2024/25 the differential between HVO and Diesel has reduced and HVO has been purchased during the period. As the two fuel types can be mixed, the decision regarding which fuel to use can be made on an order by order basis. At Q2 the surplus budget which includes £60k premium for HVO is £128.8k. So, if prices do rise due to global challenges there should be sufficient provision.
- Market income, budgeted at £28k, will not be received due to the refurbishment of Haslingden Market and there is an agreed rent free period with stall holders at Bacup Market until it closes for redevelopment. It is anticipated that this will at least be partially off-set by cost savings generated during market closures due to re-development works.
- The £34.6k favourable variance within Finance relates to staffing costs. There has been a transfer of staff into different roles within the department which has resulted in savings to two budgeted roles.
- In 2024/25 the Council has a total budget for Empty Homes related expenditure in the sum of £800k. This budget is split £300k (Revenue funding) and £500k (Capital funding.) At Q1 the predicted outturn is that the revenue out-turn will show an underspend of £100k and the capital underspend circa £300k. 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. At the end of Q2, 12 properties remain on scheme and at time of publication 8 properties remain on scheme.

Target Efficiency Savings 2024-25

The Council agreed, as part of the 2024/25 Budget processes, a number of Efficiency Targets, including Staffing and Asset Management.

Whilst the indicative outturn position noted above requires a small contribution from reserves to balance the 2024/25 budget, the table below summaries 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)	2024-25	2024-25	2024-25	Commentary At Q2
	£000	£000	£000	
Income & Efficiencies Asset Management	Target	Q1	Q2	
Business Centre	(5)	(13)	(14)	Target Exceeded due to rent review implementation, reduced utility costs and new tenants moving into the building
Markets	(6)	-	-	Budgeted Income will not be received due to the refurb of Haslingden Market and an agreed rent free period for Bacup Market. This will be off-set against savings made due to the refurbishment of the markets.
Corporate Estates	(2)	-	(5)	Rent review ongoing. A full review of older leases is being carried out.
Council Offices	(13)	-	-	Full details for plans for Council owned offices are currently under review
Public Conveniences	(5)	-	-	All sites identified for sale have had successful offers made and it is hoped that the sales will complete end 2024/25
Depots	(11)	10	5	Ops team still occupying Tup Bridge. Move out date not yet confirmed therefore costs forecast for 12 month occupancy. This may reduce.
Sports Grounds	(8)	-	-	As part of the review of sports and leisure facilities it has become necessary to review utility usage at all sites. We are not predicting any savings until this is complete.
Public Halls	(2)	-	-	As above
	(52)	(3)	(14)	
Staffing				
Various Staffing Savings	(71)	(32)	(21)	Continue to be reviewed. See separate table
	(123)	(35)	(35)	

As can be seen in the above table, there is one area which has achieved and exceeded the targets set. Several of the above efficiency measures are dependent on the outcome of the sports and leisure facilities review, once this is complete it is hoped that budgeted savings will be achieved.

The staffing saving will be affected by the outcome of the pay-award for 24-25.

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Additional Narrative to General Fund Summary variances 2024/25	Q1 Fav/(Adv)	Q2 Fav/(Adv)	Q3 Fav/(Adv)	Q4 Fav/(Adv)	Total Fav/(Adv)	
Communitites Directorate						
Customer Services and e-Government						
Staff costs	0.1	(1.5)			(1.5)	
Benefits Admin Subsidy shortfall	(71.2)	(8.4)			(79.6)	
Central IT Costs	32.7	(58.9)			(26.2)	
Other minor variances	0.1	(0.2)			(0.1)	(107.4)
Operational Functions Including Parks						
Staff costs (including agency and overtime)	(195.1)	50.2			(144.9)	
Fuel, Vehicle Maint and Hire	113.9	(14.9)			99.0	
Parks & Open Spaces	2.5	(11.0)			(8.5)	
Garden Waste Income Less Costs	(13.2)	7.5			(5.7)	
Trade Waste & Bulks Net income	(6.6)	12.5			5.9	
Other minor variances	(2.5)	(4.9)			(7.4)	(61.6)
Communities Team	48.7	0.4			49.1	49.1
Env'tal Health, PPU, Licensing and Enforcement						
Staff costs	19.6	13.3			32.9	
Income Shortfall	(2.7)	(18.4)			(21.1)	
Other minor variances	6.5	(6.3)			0.2	12.0
Economic Development						
Staff costs (net of grant & fee income)	147.9	(12.1)			135.8	
Economic Development	(8.0)	(11.8)			(19.8)	
Market Income	(28.7)				(28.7)	
Housing	(192.5)	54.4			(138.1)	
Planning Consultancy Professional fees	(42.8)	(5.0)			(47.8)	
Planning Application Fee Income	(6.0)				(6.0)	
Planning Pre-apps	(24.6)	8.0			(16.6)	
Building Control Fee Income	(2.4)	5.6			3.2	
Planning /Building Control misc under/over	(7.2)				(7.2)	
Property Running costs	(14.4)	7.3			(7.1)	
Business Rates	16.3				16.3	
Spinning Point bus station	(4.0)				(4.0)	
Estates Income	(30.3)				(30.3)	
Valuation Fees & Professional Fees	(26.2)				(26.2)	
Tree Felling	(20.0)				(20.0)	
Other minor variances	(9.0)	1.5			(7.5)	(204.0)
Corporate Management						
Staff costs	158.5	(3.0)			155.5	
Legal income	(1.7)				(1.7)	
Legal Professional fees and ref books	2.7				2.7	
Election, Democratic Services and Member costs	45.9				45.9	
Land Charges income	12.6				12.6	
Internal and External Audit - Finance	15.7	(49.7)			(34.0)	
CIVICA Software update	(7.6)	(5.0)			(12.6)	
Leisure Services	(55.1)				(55.1)	
Bank & Cash Collection Charges	2.7				2.7	
Training	15.2				15.2	
Empty Homes	100.0				100.0	
Other minor variances	7.9	(0.6)			7.3	238.5
Non-Distributed Costs & Capital Financing						
Net Interest	180.0	20.0			200.0	
Employee & Pension Costs	(20.0)				(20.0)	
Other minor variances	0.4	0.5			0.9	180.9
Favourable/(adverse) variance	137.9	(30.3)	-	-	107.6	107.6

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Communities Directorate - Customer Services & IT

Period 6 (Sep)

Customer Services & ICT	2024/25 Orig Budget £000	Virements Budget £000	2024/25 App Budget £000	2024/25 Q2 Outturn £000	2024/25 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 2 (Adv)/Fav £000
Customer Services							
Benefits Administration	(117.6)	-	(117.6)	(66.2)	(51.4)	12.4	(63.7)
Benefits Granted	(23.7)	-	(23.7)	25.4	(49.1)	(120.4)	71.3
Local Tax Collection	(378.6)	-	(378.6)	(376.8)	(1.8)	(1.8)	-
Revenues & Benefits Partnership	1,158.1	-	1,158.1	1,135.4	22.7	35.8	(13.2)
Strategic Functions							
Management and Support	83.4	-	83.4	83.1	0.3	0.3	0.0
Service Assurance Team	147.2	-	147.2	162.0	(14.8)	(13.9)	(0.9)
Central Telephones	5.0	-	5.0	5.0	-	-	-
Central Printing	-	-	-	-	-	-	-
ICT Support	869.1	-	869.1	882.5	(13.4)	48.8	(62.2)
Total	1,742.9	-	1,742.9	1,850.4	(107.4)	(38.6)	(68.7)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Benefits Admin			
Housing Benefit External Audit fee		(56.0)	(56.0)
Court fees/fines		4.6	4.6
Benefits Granted			
Benefits Admin Subsidy shortfall	(107.0)	57.9	(49.1)
Housing Benefits Overpmts Recovered			-
Revenues & Benefits Partnership			
Payments to Other LAs (Ribble Valley)		(1.8)	(1.8)
Partnership contracts	35.8	(13.1)	22.7
Management and Support			
Other minor variances	(1.1)	1.3	0.2
Service Assurance Team			
SAT staffing	1.5	(1.4)	0.1
SAT Team counter fraud work	(4.5)	3.9	(0.6)
Annual Licences		(15.8)	(15.8)
Other minor variances	(10.8)	12.3	1.5
ICT Support			
ICT Staff	(1.5)		(1.5)
Other minor variances	0.9	(0.9)	-
Central IT Costs			
Annual Licences	48.0	(86.6)	(38.6)
IT Equipment maintenance		9.7	9.7
Other Private Contractors (Disaster Recovery)		9.4	9.4
Other minor variances		7.7	7.7
Central Printing	-		-
Telephones			
TOTAL	(38.7)	(68.7)	(107.4)

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Customer Service & ICT Highlight Report – Q2 (September 2024)

Historic Issues

- None.

Current Quarter's Issues

At Outturn variance is £107.4k adverse, the main changes being: -

- Higher than anticipated costs for external audit of the Housing benefits administration, for the years 2023/24 and 2024/25. Giving an adverse variance of £56k
- The benefits granted outturn shows an adverse variance of £49k, due to the Housing Benefits subsidy shortfall being greater than anticipated. This is offset against higher than anticipated recovery of Housing benefits overpayments and unbudgeted funding received for Discretionary Housing. This is currently an estimation and will be monitored throughout the year.
- IT professional subscriptions and licences is estimated to have an adverse variance of £39k. A review of licences is carried out throughout the year to check for any potential overspends in this area.
- The contract with Capita is estimated to show savings of £23k for the year

Future Issues

- The Council's contract with Capita includes annual indexation increases linked to the higher of CPI or AWE.

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Communities Directorate

Period 6 (Sept)

Operations & Communities	2024/25 Orig Budget £000	Virements Budget £000	2024/25 App Budget £000	2024/25 Q2 Outturn £000	2024/25 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 2 (Adv)/Fav £000
Operational Functions							
Operations Admin & Vehicle Maintenance	421.9	-	421.9	456.6	(34.7)	(45.1)	10.4
Refuse & Recycling	1,530.4	-	1,530.4	1,587.7	(57.3)	(89.7)	32.4
Street Sweeping	299.3	-	299.3	272.8	26.6	13.8	12.8
Parks & Cemeteries							
Parks & Open Spaces	1,070.1	-	1,070.1	1,066.0	4.1	18.7	(14.6)
Cemeteries	(124.3)	-	(124.3)	(124.0)	(0.3)	1.1	(1.5)
Communities Team							
Area Forums	154.0	-	154.0	104.9	49.1	48.7	0.4
	15.0	-	15.0	15.0	-	-	-
Total	3,366.4	-	3,366.4	3,378.9	(12.5)	(52.3)	39.8

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Operations Admin & Vehicle Maintenance			
Operations Efficiency Saving on Henrietta Street	(87.0)		(87.0)
Henrietta Street Employee Related Costs	59.5	(0.3)	59.2
Henrietta Street Supplies & Services	(2.0)	(9.1)	(11.1)
Fleet Management Vacancy and Agency	(13.5)	27.0	13.5
Fleet Running Costs MOTs	(2.5)	(5.5)	(8.0)
Other Variances		(1.4)	(1.4)
Refuse & Recycling			
Refuse Salaries and Agency	(160.4)	(5.6)	(166.0)
Fuel Budget Savings	92.4	18.6	111.0
Garden Waste under achieved income	(13.2)	11.6	(1.6)
Trade Waste & Bulks- income	(6.6)	12.5	5.9
Other Variances - Supplies & services	(1.6)	(5.0)	(6.6)
Street Sweeping			
Street Sweeping Salaries and Agency	(4.1)	17.9	13.8
Street Sweep Refuse		(4.1)	(4.1)
Fuel Budget Savings	18.0		18.0
Other Variances	-	(1.1)	(1.1)
Parks & Open Spaces			
Parks Salary Variances (Including temporary gardeners)	9.2	12.4	21.6
Parks Costs	(7.5)	(5.0)	(12.5)
Parks Purchase of Tools/Equipment		(6.8)	(6.8)
Hire of Vehicle and Plant		(5.8)	(5.8)
Parks External Contractors		(10.5)	(10.5)
Fuel Budget Savings	6.0	(6.2)	(0.2)
Tyres - Renewal/Repair		3.0	3.0
Trees, Seeds and Plants		(5.5)	(5.5)
Parks & Open Spaces S106 and Other Contributions F	10.0	-	10.0
Insurance Savings		9.7	9.7
Cemeteries			
Cemetery Income & Internment Fees	1.1	(1.4)	(0.3)
Communities			
Communities staffing	48.7	0.4	49.1
Other Variances			
Overtime Budgets (net all areas)	1.2	-	1.2
TOTAL	(52.3)	39.8	(12.5)

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Operations Highlight Report – Q2 (September 2024)

Historic Issues

- The service last year and prior years have always needed to rely on Agency Support. This need continues into 2024-25. .

Current Quarter Issues

- At the end of Q2, Operations and Green Spaces have an adverse variance of £62k. Staffing costs are overspent by £145k which includes agency and overtime. A significant contributing factor is the difficulty in recruiting mechanics for the workshop.
- The service workshop continues to use Agency which does cost more by around £20k. Additionally, within the refuse service area the forecast out-turn for agency throughout the year is £144k adverse compared to the budget.
- Despite making savings on the fuel budgets the efficiency saving expected for the services will not be met which is £87k.

Fleet

- There is currently sufficient budget to cover the Fuel costs in 24-25 if the fuel prices remain stable
- Due to there being two vacant posts, and one post being vacant at the start of the year, employment costs are showing an annual saving £13k. This includes agency costs that are being used to cover the vacant posts.

Refuse

- The shortfall in Garden Waste Service Subscriptions at the end of Q1 is £2k.
- The fuel costs forecast outturn is a net saving of £111k across operations but subject to possible change.

Street Sweep

- The fuel costs forecast outturn is a net saving of £18k but subject to possible change

Parks

- There is one vacant post for the Parks Inspector.
- Playing Fields are within budget and so are the Play Grounds due to savings on insurance for the year of £6k.
- Within Playgrounds some S106 Funds have been released in Q1 of £10k.

Cemeteries

- Cemeteries has a minimal overspend and will be monitored over the future quarters.
- The budgeted running costs for the cemeteries have now been transferred into this area rather than the costs being recorded in Facilities.

Communities Team

- There is one vacant post in the Communities team, resulting in a saving of £50k.

The Future

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

The Council is now working up plans to deliver the waste 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.

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Communities Directorate

Period 6 (Sep)

Public Protection	2024/25 Orig Budget £000	Virements Budget £000	2024/25 App Budget £000	2024/25 Q2 Outturn £000	2024/25 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 2 (Adv)/Fav £000
Public Protection Unit	205.9	-	205.9	190.1	15.9	21.7	(5.9)
Environmental Health	212.2	-	212.2	199.2	13.0	1.5	11.4
Licensing & Enforcement	54.0	-	54.0	70.7	(16.8)	0.2	(17.0)
Total	472.1	-	472.1	460.1	12.0	23.4	(11.4)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
PPU			
PPU Staffing	11.3		11.3
Misc Income	1.8	1.1	2.9
CCTV	6.7	(6.7)	-
Other Variance	2.3	(0.6)	1.7
Environmental Health			
Environmental Health - staffing and consultant	6.5	17.9	24.4
Income Shortfall Offset by Direct Cost underspend	(4.5)	(6.9)	(11.4)
Licensing & Enforcement			
Licensing & Enforcement - staffing	1.8	(4.6)	(2.8)
Licensing income		(11.5)	(11.5)
Other misc variances	(2.5)		(2.5)
TOTAL	23.40	(11.4)	12.0

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Environmental Health, Public Protection Unit and Licensing and Enforcement Service Highlight Report – Q2 (Sept 2024)

Historic Issues

- Nothing reported.

Current Quarter Issues

- At the end of Q2 Environmental Health, Public Protection Unit and the Licensing and Enforcement budgets are projected to underspend by £12k primarily due to staffing changes generating saving of £11.3k and below reports the breakdown within the services.

Public Protection Unit

- The staffing costs are projected to underspend due to staffing succession - new manager appointed at lower point of scale £11.3k.
- The cost of dog services are currently within budget at Q2 with an under spend of £5.9k.
- During the year PPU has received contributions totalling £2.9k.

Environmental Health

- At Q2 staffing costs are underspent by £24.4k; one member of staff is on reduced hours working 4 days a week and a post assumed vacant for 3 months
- Supplies & services are projected to over spend by £11.5k within Licensing

Licensing & Enforcement

- The staffing costs are projected to over spend by £2.8k
- With 6 months of licensing income now received it is projected income will under achieve by £11.5k.

Future Issues

- None

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Economic Development Directorate

Period 6 (Sep)

Economic Development & Regeneration Services	2024/25 Orig Budget £000	Virements Budget £000	2024/25 App Budget £000	2024/25 Q2 Outturn £000	2024/25 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 2 (Adv)/Fav £000
Planning							
Development Control	150.6	-	150.6	158.3	(7.7)	(1.9)	(5.8)
Forward Planning	159.5	-	159.5	156.5	3.0	0.5	2.5
Building Control							
Building Control - Fee Earning Account	(30.9)	-	(30.9)	(35.2)	4.3	(1.7)	6.0
Building Control - Statutory Function	34.5	-	34.5	34.6	(0.1)	0.0	(0.1)
Building Control - Street Signs	3.0	-	3.0	3.4	(0.4)	(0.7)	0.2
Regeneration							
Economic Regeneration	205.9	-	205.9	227.7	(21.8)	(8.2)	(13.6)
Whitaker Park Museum	25.9	-	25.9	20.9	5.0	(0.5)	5.5
Tourism	20.0	-	20.0	20.0	0.0	0.0	0.0
Markets	21.1	-	21.1	49.0	(27.9)	(28.7)	0.8
Property Services & Facilities Management							
Property Services	69.4	-	69.4	62.6	6.8	3.5	3.3
Corporate Estates	(374.4)	-	(374.4)	(444.4)	70.0	62.5	7.5
Non Domestic Estates	(136.3)	-	(136.3)	(145.2)	9.0	10.9	(1.9)
Office Accommodation	(33.0)	-	(33.0)	47.3	(80.3)	(77.4)	(2.9)
Operational Properties	302.5	-	302.5	385.9	(83.5)	(82.4)	(1.0)
Leisure Properties	55.0	-	55.0	48.5	6.5	9.6	(3.1)
Bus Shelters	148.6	-	148.6	136.6	12.0	18.0	(6.0)
Business Centre	203.6	-	203.6	188.5	15.2	13.2	2.0
Strategic Housing							
Housing Strategy	42.5	-	42.5	43.8	(1.3)	0.1	(1.3)
Private Sector Housing Renewals	11.4	-	11.4	(12.7)	24.1	23.6	0.5
Homelessness	219.6	-	219.6	356.6	(137.0)	(192.2)	55.2
Total	1,098.4	-	1,098.4	1,301.5	(204.0)	(251.9)	47.9

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Key changes made during the period	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
Planning			
Forward Planning staffing	0.8		0.8
Planning staffing	78.5	(9.4)	69.1
Planning Consultancy fees/ Legal fees	(42.8)	(5.0)	(47.8)
Planning Application Fee Income	(6.0)		(6.0)
Pre-App Income	(24.6)	8.0	(16.6)
Other Miscellaneous Variances	(4.9)	2.3	(2.6)
Building Control			
Building Control staffing	0.0		0.0
Building Control Fees	(2.4)	5.6	3.2
Building Control - Statutory Function	-		
Building Control - Street Signs	(0.6)		(0.6)
Other Miscellaneous Variances	(1.7)	1.3	(0.4)
Regeneration			
Economic Regeneration Staffing	(1.6)	(1.6)	(3.2)
Recruitment Advertising	(0.8)		(0.8)
Economic Regenerations Costs and contributions	(5.6)	4.3	(1.3)
Markets Income under achieved	(28.7)		(28.7)
Whitaker Park Museum	0.5	(10.2)	(9.7)
Tourism	-		-
Strategic Housing			
Housing Strategy Staffing	0.1		0.1
Private Sector Housing Renewals staffing	23.6	(1.1)	22.5
Homelessness Staffing and Agency	14.8		14.8
Flexible Homelessness Grant Increase	71.1		71.1
Costs for Resources on Homelessness excluding B&B Costs underspent	52.1		52.1
Recharge from the Collection Fund for Costs associated with Bed & Breakfast Provision	(451.2)	35.1	(416.1)
Increase Income from Housing Benefits to Cover direct allocation of Bed & Breakfast	121.0	20.0	141.0
Property Services Team			-
Property Services staffing / recruitment	31.7		31.7
Pool Car, Emergency Planning, Xmas	4.6	(1.0)	3.6
Corporate Estates			
Corporate Estates rental income	(30.3)		(30.3)
Futures Park rental income	(0.4)		(0.4)
Valuation Fees	(5.9)		(5.9)
Professional Fees	(20.3)	1.4	(18.9)
Operational Properties			
Property Running Costs: Repairs & Maintenance	(0.6)	0.3	(0.3)
Gas, Electricity, Water	(13.5)	7.0	(6.5)
NNDR	16.3		16.3
Tree Felling	(20.0)		(20.0)
Bus Station / Shelters			-
Spinning Point Bus Station running costs	1.8	(3.5)	(1.7)
Spinning Point Bus Station - Departure charges	(5.8)		(5.8)
Bus Shelters			-
Business Centre			
Business Centre Cleaning	(1.0)		(1.0)
Business Centre rentals	(9.9)	1.8	(8.1)
Business Centre Fit Tarrif	1.5		1.5
Other Miscellaneous Variances	8.3	(7.4)	0.9
TOTAL	(251.9)	47.9	(204.0)

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Economic Development & Regeneration Highlight Report – Q2 (Sept 2024)

Historic Issues

- None

Current Quarter Issues

Planning & Building Control are showing an adverse variance of £0.9k

- Planning/Forward Planning staffing (inc agency/consultancy) costs are showing a favourable variance of £69.9k. Planning have 2 vacant posts
- Building Control staffing costs are projected to be on budget
- The Planning fee income is showing an under achievement of £6k, and pre-application fees an under achievement of £16.6k. This is in part due to a limit on applications being processed
- Building Control income are projecting a favourable variance of £3.2k.

Economic Regeneration has an adverse variance of £44.7k

- Staff Costs in Economic Regeneration are slightly over budget. Direct Costs for Professional Fees and subscriptions are overspent by £4k.
- The Q2 forecast shortfall on Income for Markets is £28.7k. Work has begun on Haslingden Market during 24-25 and Bacup Market Traders have been offered a rent free period until works on the site commence
- The Museum is projected to overspend by £9.7k, this will be closely monitored.
- Tourism at Q2 is within Budget.

Housing has an adverse variance of £114.1k

- Private Sector Renewal Team have a current vacancy which has not yet been appointed to at Q2 giving potential savings of £22.5k for the year. This will be reviewed if the position is filled
- Staffing underspends at Q2 generated by the Housing Options Team is £14.8k due to staff being appointed at below budgeted rate generating some savings against the budget.
- RBC are receiving additional funding resources within Housing in addition to the budgeted amount of £71.1k. In addition, RBC are in receipt of additional Housing Benefit from DWP to cover the direct costs charged to the Housing Options Team for Bed & Breakfast charges from the hotels. This covers circa 1/7th of the costs incurred
- Most other budgeted costs at Q2 for resources on Homelessness are projected to underspend. With the exception of the costs associated with Bed and Breakfast. Over the last few years these costs have significantly increased and this situation is being closely monitored and other temporary accommodation options are being reviewed. It is anticipated that demand for this service will at best remain static but is likely to increase

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- The forecasted overspend on temporary accommodation costs for 24-25 based on actual within Quarter 2 is £416.1k compared to £321.3k for 23-24 which is an estimated 40% increase in this current financial year. 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 until 2024 and is still not comparable to the Private Sector rent levels. The Housing Team are actively working to try to reduce this overspend:-
 - Officers are using the additional dispersed accommodation purchased
 - Additional properties have been purchased to reduce the number of families placed within B&B and the authority is looking to purchase additional properties in the year
 - More favourable rates have been negotiated with a B&B if a resident is placed for more than 6 weeks
 - Responsibility for some families has been reallocated to Children's Services

The Council is continuing to receive ring fenced grants during 2024/25 to help fund the increased costs of temporary accommodation. The situation will be closely monitored so decisions can be made as we progress through the year.

Property Services and Facilities Management is currently showing an adverse variance of £45.3k.

- Salary costs are showing a favourable variance of £31.7k. This is due to there being one vacant post
- Facilities running costs are showing a favourable variance of £9.5k
- The estates income is showing an overall adverse variance of £30.3k. The section is seeking new income streams and completing rent reviews to reduce this variance.
- Valuation Fees / professional fees are showing an over spend of £5.9k.
- Professional fees are showing an over spend of £18.9k due to enforcement advisory for evictions of Travellers
- The Business Centre room hire are projecting an under achievement of £8.1k. Property are looking to increase tenant occupancy which will seek to reduce this deficit.
- Spinning point departure charges are projected to under achieve by £5.8k
- Tree Felling across unmaintained land are projected to spend £30k

Future Issues

- The council has entered into a new contract for gas and electricity with a potential of reducing these costs

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Corporate Services Directorate

Period 6 (Sep)

Corporate Management	2024/25 Orig Budget £000	Virements Budget £000	2024/25 App Budget £000	2024/25 Q2 Outturn £000	2024/25 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 2 (Adv)/Fav £000
Corporate Management							
Executive Office	453.4	-	453.4	398.4	55.0	50.2	4.8
Corporate Contingency	30.2	-	30.2	30.2	-	-	-
Corporate Subscriptions	34.2	-	34.2	36.1	(1.8)	(1.8)	-
Legal Services	199.4	-	199.4	193.8	5.6	5.1	0.5
Land Charges	(4.9)	-	(4.9)	(17.1)	12.2	10.7	1.5
Democratic Services							
Electoral Registration	94.4	-	94.4	89.1	5.3	5.1	0.2
Elections	89.7	-	89.7	89.7	0.0	0.0	0.0
Democratic Support	373.0	-	373.0	313.8	59.2	72.9	(13.7)
Mayoralty & Civic Events	67.7	-	67.7	57.3	10.4	9.4	1.1
Town Twinning	2.5	-	2.5	2.5	0.0	0.0	0.0
Financial Services							
Treasury Management	200.3	-	200.3	244.4	(44.1)	2.7	(46.8)
Insurance, Risk & Audit Fees	64.7	-	64.7	48.9	15.7	15.7	-
Financial Services	504.9	-	504.9	480.0	24.9	35.9	(11.0)
People & Policy							
Human Resources	501.3	-	501.3	479.0	22.2	32.8	(10.5)
Corporate Support	295.9	-	295.9	270.8	25.1	9.2	15.9
Publicity	4.0	-	4.0	-	4.0	4.0	-
Leisure Services	(31.6)	-	(31.6)	23.5	(55.1)	(55.1)	(0.0)
Empty Homes Scheme	300.0	-	300.0	200.1	99.9	100.0	(0.1)
Total	3,179.0	-	3,179.0	2,940.5	238.5	296.8	(58.3)

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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
Executive Office			
Salary variances	53.6	5.0	58.6
Other minor variances	(5.2)	(0.3)	(5.5)
Legal Services			
Salary variances	0.2		0.2
Professional fees	2.7		2.7
Legal Income	(1.7)	1.0	(0.7)
Other Legal Misc under/ over	4.0	0.3	4.3
Land Charges			
Salary variances	(2.4)		(2.4)
Search Income	12.6	1.5	14.1
Other minor variances	0.7		0.7
Democratic Services			
Salary variances Elections	5.0	(11.3)	(6.3)
Other Election Misc under/ over	(0.1)		(0.1)
Salary variances Democratic Support	41.1		41.1
Members Costs	33.5		33.5
Other Dem Misc under /over	7.5	(1.9)	5.6
Treasury Management			
Bank Charges / Bank interest	2.7	2.8	5.5
External Audit fees		(49.7)	(49.7)
Insurance, Risk & Audit Fees			
LCC Audit fees	15.7		15.7
Financial Services			
Salary variances - Accountants	23.4	(0.6)	22.8
Salary variances - Exchequer	14.5	(2.7)	11.8
CIVICA test data	(6.8)	(5.0)	(11.8)
Other misc under / (over) spends	5.0	(2.7)	2.3
Human Resources			
Salary variances	14.6	(9.8)	4.8
Authority wide Training	15.2		15.2
Other minor variances	3.5	(1.3)	2.2
Corporate Support			
Salary variances	8.5	16.4	24.9
Publicity	4.1		4.1
Empty Homes	100.0	-	100.0
Leisure	(55.1)	-	(55.1)
TOTAL	296.8	(58.3)	238.5

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Corporate Management Highlight Report – Q2 (Sept 2024)

Historic Issues

- None

Current Quarter Issues

The Corporate Management outturn is forecast to be a favourable variance of £238.5k, the main movements being: -

- Staffing cost projected variances at Q2 are showing a favourable variance of £155.5k.
 - Land Charges – are showing an adverse variance of £2.4k.
 - Democratic Services – are showing a favourable variance of £29.8k due to reduced working hours. An appointment has now been made to the vacant post.
 - Elections – are showing a favourable variance of £5k.
 - Corporate management – savings of £58.6k due to the vacancy of the Director of Communities position.
 - Financial Services – is showing a favourable variance of £34.6k.
 - People & Policy – is showing a favourable variance of £29.7k.
 - Legal salary costs are within budget
- Local Land Charges income is showing a favourable variance of £12.4k.
- Members costs are showing an underspend of £33.5k due to reduced number of councillors and cabinet members
- The Empty Homes scheme is estimated to have an underspend of £100k

Future Issues

None

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Corporate Services Directorate

Period 6 (Sep)

Non-Distributed Costs & Capital Financing	2024/25 Orig Budget £000	Virements Budget £000	2024/25 App Budget £000	2024/25 Q2 Outturn £000	2024/25 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr2 (Adv)/Fav £000
Non Distributed Costs							
Employee & Pension Costs	95.2	-	95.2	115.2	(20.0)	(20.0)	-
Other Non-distributed Costs	10.8	-	10.8	9.9	0.9	0.4	0.5
Capital Financing							
Minimum Revenue Provision	644.1	-	644.1	644.1	-	-	-
Interest (net)	(10.8)	-	(10.8)	(210.8)	200.0	180.0	20.0
Total	739.3	-	739.3	558.4	180.9	160.4	20.5

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Employee & Pension Costs			-
Superann additional years/Contribution to Pension deficit	(20.0)		(20.0)
Other minor variances	0.4	0.5	0.9
Capital Financing			
Interest Receivable	180.0	20.0	200.0
MRP			-
TOTAL	160.4	20.5	180.9

Non-Distributed Costs & Capital Financing Highlight Report – Q2 (Sept 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

- Net interest for the year is a favourable variance of £200k as per the following:
 - Income relating to longer term, high interest, deposits had matured in this period.
 - Officers have been working hard to maximise interest receivable on the Council's cash balances.

Future Issues

A significant reduction in interest rates would reduce the amount of interest income that we receive.

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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 Commuted sum	Directorate Reserves	MMI	General Reserves	Total Reserves
Balance at 01/04/2024	1,028.0	4,865.0	558.0	486.0	2,160.0	229.0	1,000.0	10,326.0
Funds Received 2024/25								
Collection Fund								0.0
Collection Fund - S31 Grants (NDR3)		878.0						878.0
Collection Fund - Renewable Energy (NDR1/3)		279.0						279.0
Business Rates Pooling net gain								0.0
New Homes Bonus		163.0						163.0
Services Grant		85.0						85.0
Funding Guarantee		290.0						290.0
Other Revenue income received								0.0
Total Funds Available	1,028.0	6,560.0	558.0	486.0	2,160.0	229.0	1,000.0	12,021.0
2024/25 Published Budget Utilisation								
Retained Business Rates								0.0
New Homes Bonus		(163.0)						(163.0)
Services Grant		(85.0)						(85.0)
Funding Guarantee		(290.0)						(290.0)
General budget support		(454.8)						(454.8)
2024/25 Other Utilisation Plans								
Transfers between Reserves		149.0	(149.0)					0.0
Other Commitments								0.0
Total Utilisation Commitment	0.0	(843.8)	(149.0)	0.0	0.0	0.0	0.0	(992.8)
Reserve Estimates 31/3/2025	1,028.0	5,716.2	409.0	486.0	2,160.0	229.0	1,000.0	11,028.2

Current issues

The reserves balances as at 1st April 2024 are £10,326k as shown in the table above, and of this balance c£2,054k is ring-fenced. As noted on page 2, the forecast positive variance at Q2 of £107.6k will reduce the contribution required from the Transitional Reserve to support the budget.

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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 01/04/2024	2,645.3	30.0	21.0	670.5	128.7	687.8	4,183.3
New Funds Received 2024/25							
Grant due/received	1,265.3	866.0	815.3				2,946.6
Total Funds Available	3,910.6	896.0	836.3	670.5	128.7	687.8	7,129.9
Utilisation in 2024/25							
DFGs Outturn 2024/25	(1,265.0)						(1,265.0)
UKSPF Revenue & Capital Allocations		(896.0)	(836.3)				(1,732.3)
CRP Markets and Gyrotory				(670.5)			(670.5)
On-Street Residential Charge Point Scheme (ORCS)					(128.7)		(128.7)
Local Authority Housing Fund (LAHF)						0.0	0.0
Anticipated Balance 31/03/2025	2,645.6	0.0	0.0	0.0	0.0	687.8	3,333.4
Future Utilisation Plans							
2025/26 plans	(1,380.6)					(687.8)	(2,068.4)
2026/27 plans	(1,265.0)						(1,265.0)
Potential Reserve Balances	0.0	0.0	0.0	0.0	0.0	0.0	0.0

In addition to the £2,645k of unspent DFG grant brought forward 1st April 2024, the 2024/25 allocation of £1,265k has been confirmed, giving total DFG resources of £3,911k. For the purpose of the above table, future utilisation plans recognise an estimated profile of DFG grants received to date only, and do not include estimation of any future receipts from the Better Care Fund. The Council's approved Medium Term Capital Strategy assumes DFG grant receipts in the sum of £1,000k per year over the plan period and will be updated in due course to reflect the recent confirmation that the DFG allocation for the Council for 2024/25 is £1,265k.

The council has been granted a share of the UK Shared Prosperity Funds between 2022/23 – 2025/26, over 3 years. As at the 1st April 2024 the brought forward balances on the UKSPF for both Revenue and Capital were £30k and £21k respectively. There have been funds received at the start of the year of which have been receipted amounting to £866k on Revenue and £815.3k on Capital. The table above shows how this will be used during 2024/25 as all funding needs to be spent by 31st March 2025.

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Staff Costs, including agency

Net Employment Costs 2024/25 to end Sept 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 2024/25	FTE Changes during 2024/25	Current Vacant Posts
Communities Directorate								
Customer Services	193	193	0	0	(0)	7.8	0.0	0
Operations Service	1,054	1,101	(47)	(25)	(22)	52.0	0.0	3
Parks & Cemeteries	423	387	36	20	16	21.8	0.0	2
Public Protection Unit	78	68	10	(5)	14	3.0	0.0	0
Environmental Health	129	138	(9)	7	(16)	5.0	0.0	1
Licensing & Enforcement	69	63	6	3	3	5.0	0.0	0
Communities Team	68	40	28	14	14	2.8	0.0	1
Economic Development Directorate								
Planning Services	277	282	(5)	12	(17)	10.6	0.0	2
Building Control Services	71	68	3	1	2	3.0	0.0	0
Regeneration	187	228	(41)	(6)	(36)	8.5	0.0	0
Property Services	86	53	33	21	11	4.0	0.0	0
Housing	199	162	37	13	23	8.5	0.0	1
Corporate Services								
Corporate Management	225	150	75	35	40	3.0	0.0	0
Legal Services	93	88	5	3	3	3.0	0.0	0
Local Land Charges	27	28	(1)	1	(2)	1.2	0.0	0
Democratic Services	139	113	26	13	13	6.4	0.0	0
Financial Services	250	234	17	0	16	10.5	0.0	0
People & Policy	390	335	56	39	16	16.4	0.0	1
Leisure Services	31	29	2	1	1	1.0	0.0	0
Empty Homes	35	33	2	1	1	1.8	0.0	0
Total	4,024	3,793	231	150	81	175.3	0.0	11.0
Adjust - Impact of the Pay award			(235)					
Additional Leave			25					
Total Staff Savings			21					
Original Savings Target			225					
Staff Variance			(204)					

The net employee underspend at Q2 is £231k excluding the pay award. Once the pay award (Estimated at £235k) is factored in, this has an adverse variance of £4k. Savings relating to additional leave of £25k makes the total staff saving of £21k. The target for the year is £225k leaving an estimated shortfall of £204k at Q2.

Whilst a saving against budget on salaries is beneficial from a financial perspective, there is a risk that this will have a negative impact on the workforce as workloads increase to cover the vacant posts.

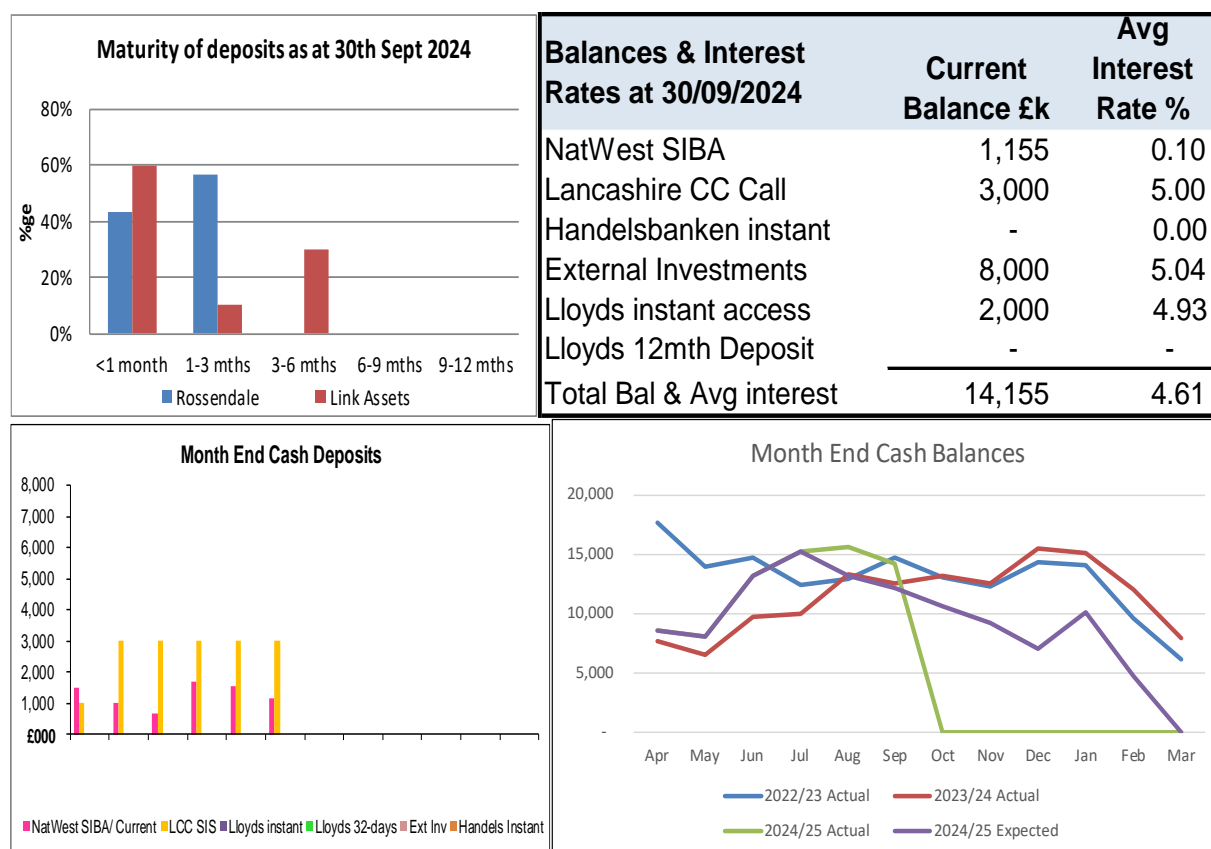
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Treasury Management & Cash Flow Monitoring

At the end of September the bank balances were £14.2m. This is lower than in previous years due to funds being used for internal borrowing for capital schemes and all residual Covid monies being returned to Government in the previous year.

Despite the recent drops in interest rates, over the last two years the Bank Rate has maintained consistently high levels. Given the high rate over the last two years, and the temporary cash balances available to invest, the Council has continued to take a more proactive approach to managing its cash balances in 2024/25 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.



The Bank of England voted to increase the 'Bank Rate' for the final time on 3rd August 2023, increasing from 5.0% to 5.25%. The Monetary Policy Committee (MPC) then decreased the bank rate in August 2024 by 0.25% back down to 5.0%. It is anticipated that the bank rate will decrease further in 2024. The full impact of the fall in rates is not likely to be felt until the second half of the year when cash balances are also anticipated to reduce.

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.

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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 30th September 2024, the Council's portfolio mix consists of £3m in an LCC call account, £2m in a Lloyds instant access account, £8m on deposit with the DMO for varying periods up to 3 months and liquid funds of £1.15m.

Interest Forecast	Budget 2024/25	Forecast 2024/25	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(109.0)	(109.0)	0.0	0.0
Other interest payable	(1.0)	(1.0)	0.0	0.0
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	120.0	300.0	180.0	180.0
Net Interest	10.0	190.0	180.0	180.0

The average effective interest rate at the end of Q2 was 4.61%.

Interest Paid/Received

The budget for interest in 2024/25 is a net income of £3k, current estimates are that the outturn will exceed budget. The current estimated interest income is based on falling interest rates and reduced levels of available cash.

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 2024/25 - 2026/27.

The increase to Bank Rate during the last financial year 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.

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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 Q, suggestions of future rate reductions in the short-term and corresponding falling inflation rates.

Link Group Interest Rate View		08.01.24											
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.80	4.30	3.80	3.30	3.20	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.60	4.10	3.70	3.20	3.20	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

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 clarity, the above table includes the Certainty Rate.

The Council completed the annual application for access to the Certainty rate for 2025/26 to support its Capital borrowing plans on the most favourable terms available.

Treasury Management Practices (TMPs) and Prudential Indicators

The Council's Treasury Management Strategy Statement 2024/25 was approved by Council on 28th February 2024.

Prudential Indicators

The updated Prudential Indicators – taking into account the Q2 Monitoring position are shown below.

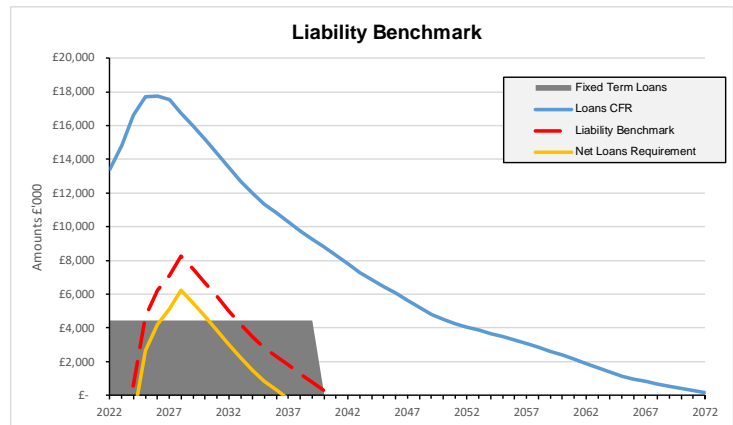
Capital Expenditure	Original 2024/25 £'000	Q2 Revised £'000	Financing of Capital Expenditure	Original 2024/25 £'000	Q2 Revised £'000
Climate Change	1,089	669	Capital Receipts	-	200
Corp Services & Buildings	700	1,152	Capital Grants	7,441	11,696
Housing	1,500	2,256	S106	-	274
Ops & Coms	2,544	3,390	Capital Reserves	-	-
Regeneration	5,576	7,121	Earmarked Reserves	-	-
Total	11,409	14,588	Total in-year resources	7,441	12,170
			Net Financing need for year	3,968	2,418

CFR	Original 2024/25 £'000	2024/25 Actual £'000	Operational Boundary & Authorised Limit	Original 2024/25 £'000	Revised 2024/25 £'000
Total CFR	20,040	19,820	Operational Boundary	21,000	21,000
			Authorised Limit	23,000	23,000

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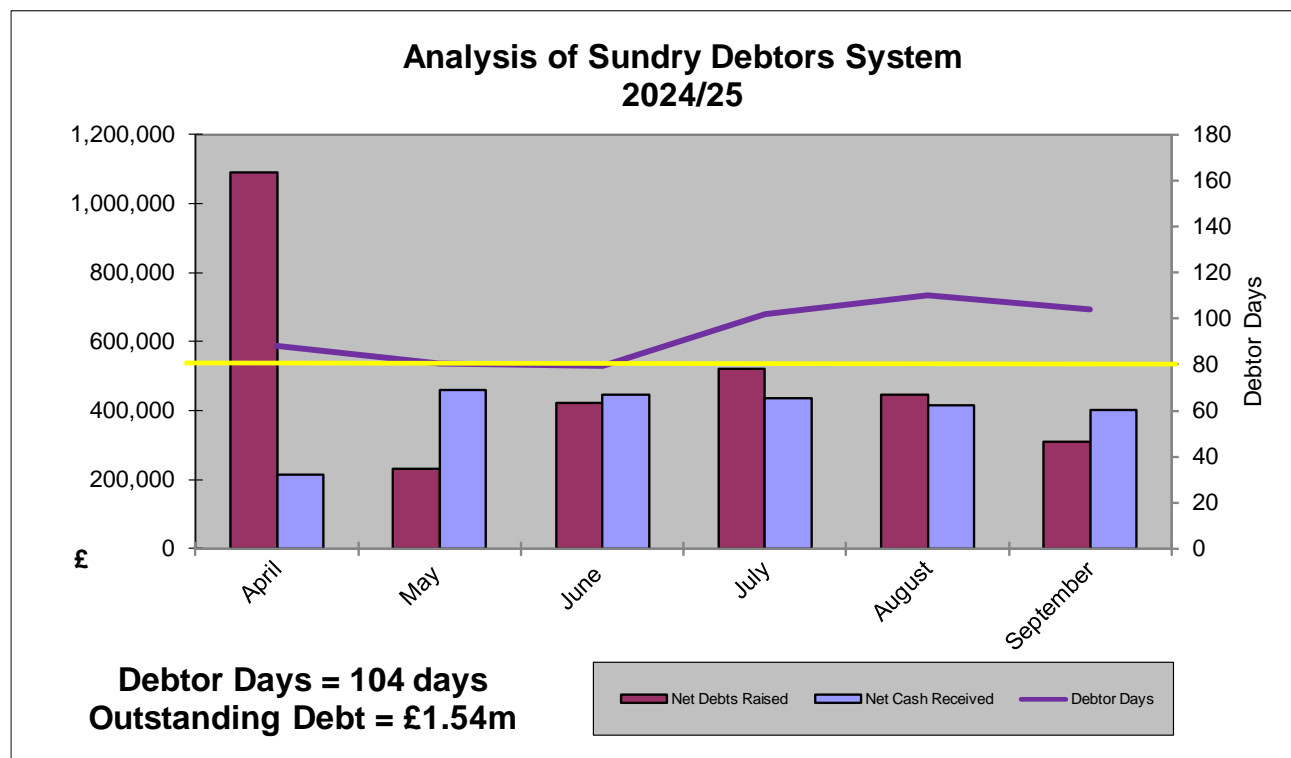
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Ratio of financing costs to net revenue stream	Original 2024/25 £'000	Revised 2024/25 £'000
Interest Payable - Services	109	109
Interest Receivable	(120)	(300)
Net cost of capital	(11)	(191)
Net Revenue Stream	10,256	9,361
Ratio of financing costs to net revenue stream	-0.11%	-2.04%



Sundry Debts Monitoring

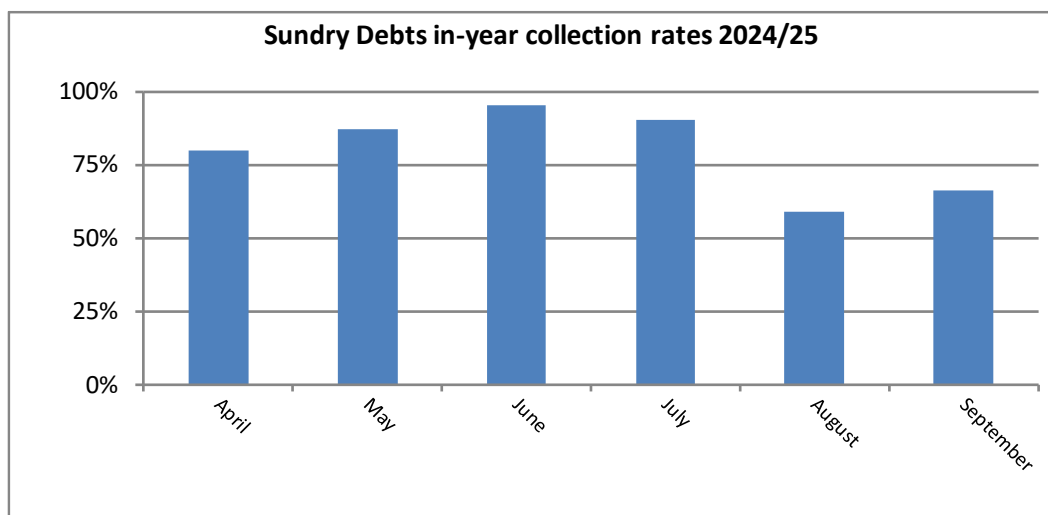
Invoices raised in the year, to the end of Q2 totalled £3,020k. As at September 2024, £606k (20%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 80%.



It should be noted that the high volume of Net Debts raised in April relates to the annual charges for Trade waste and rental of most industrial units.

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Doubtful debts

The debtor days in Q2, based on a rolling 12 month average has increased from 80 days to 104 days, for collection of sums due. The target average is 80 days.

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 had 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 2024/25, the current level of provision is therefore 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. An exercise is underway involving finance and legal to streamline debt recovery processes.

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 30th June 2024.

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Debts Outstanding	Mar 2024	Jun 2024	Sept 2024	Doubtful Debts at 30 Sep 2024	
	£000	£000	£000	Rate	£000
Earlier Debt	54.5	54.4	54.4	100%	54.4
2017/18 Debt	63.6	63.4	63.4	100%	63.4
2018/19 Debt	57.5	39.6	39.7	100%	39.7
2019/20 Debt	19.8	19.6	19.4	100%	19.4
2020/21 Debt	111.7	112.1	111.3	100%	111.3
2021/22 Debt	41.5	46.9	45.6	75%	34.2
2022/23 Debt	92.7	102.1	98.6	50%	49.3
2023/24 Debt :	717.6	345.3	315.3	15%	47.3
2024/25 Debt :		520.9	270.9	15%	40.6
Q2 Jul			49.4	15%	7.4
Q2 Aug			182.0	15%	27.3
Q2 Sept			104.0	15%	15.6
Total Debt o/s	1,158.9	1,304.3	1,354.0		509.9

Capital

Capital Resources

Table 1 - 2024/25 receipts

Major Receipts:	Original Budget £000	Year to Date £000	Variance Fav/(Adv) £000
Capital Receipts			
Land & Property Sales	50	43	(7)
Obsolete vehicles and kit	50	4	(46)
Net receipts to table 2	100	47	(53)

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2024	2,503
Capital Grants in 2024/25	9,696
Capital Receipts in 2024/25	47
	12,246
Revenue Contributions	
from Earmarked Reserves	-
from Revenue Operations	-
Total Capital Resources 2024/25	12,246
Capital Prog funding applied	(9,696)
Total Capital Resources March 2025	2,550
Capital Receipts Reserve (housing)	-
Capital Receipts Reserve (Whitworth)	38
Capital Receipts Reserve (Haslingden)	213
Capital Receipts Reserve (unalloc)	2,299

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Capital Programme

The Capital Programme for 2024/25 approved in February 2024 was £11,409k

This includes:

- £5,375k for the Capital Regeneration Programme
- £1,066k for projects relating to the UK Shared Prosperity Fund
- £740k for the replacement of Vehicles and Equipment
- £739k for the Food Waste Collection programme
- £627k for projects included in the Carbon Reduction Fund
- A provisional estimate of £1,000k for DFGs.

A further £7,166k (£2,529k DFG's) of slippage has been included in the year, relating to projects which were ongoing at the end of 2023/24 and prior year allocations not yet spent.

The following are Capital projects that have been approved in the current year (2024/25)

- £240k increase relating to the Whitaker Park improvements project, with additional funding from Lancashire Environmental Fund, FCC Community Action fund and Valencia to cover the additional spend.
- £136k relating to Victoria Park Improvements, with additional funding from Lancashire Environment Fund and FCC Community Action fund.
- £130k relating to Fairview Recreation Ground with a contribution from Section 106 monies received.
- £99k relating to Edgeside Wheeled Sports Facility, with additional funding from FCC Community Action fund.

The original 2024/25 estimate for DFGs included in the programme was £1,000k. The actual grant received in the year is £1,265k, so an additional £265k has been added to the base programme.

Items of estimated slippage and the associated funding arrangements are shown in the table below.

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

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 2024 is £2,506k. This represents the most effective method of financing the planned Capital spend in 2024/25. This figure is still subject to any effects of post-audit amendments to the 2018/19 accounts and their impact on subsequent years.

The total grant income expected for the approved capital programme is £8,812k (including DFGs). Current funding for the slippage carried forward into the 2024/25 capital programme and the additional projects in 2024/25 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.

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Current issues

The costs of maintaining and repairing council buildings and of specialised Fleet vehicles continuing to rise, putting increased pressure on the budget.

Capital Programme Spending

Capital Programme 2024/25	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	-	35	4	39	(4)	(4)	-	-	-	-	39
Operations	890	890	1,214	1,110	(220)	(220)	-	-	200	-	910
Communities	356	1,288	223	1,283	5	5	-	967	-	201	115
Housing	1,500	4,359	1,230	2,261	2,098	2,098	-	2,000	-	56	205
Stubbylee Hall	-	-	-	-	-	-	-	-	-	-	-
Henrietta Street Depot Improvements	-	97	137	137	(40)	(40)	-	-	-	-	137
Futures Park	-	33	-	-	33	33	-	-	-	-	-
Town Square	-	20	-	-	20	20	-	-	-	-	-
Property Repairs & Maint	100	114	35	114	-	-	-	-	-	-	114
Environ Improvement Programme (PRIDE)	-	-	-	-	-	-	-	-	-	-	-
Car Parks General 22-26 MTFS	30	131	17	39	92	92	-	-	-	-	39
The Ashworth, Civic Hall Whitworth	-	-	-	-	-	-	-	-	-	-	-
Stubbylee Skate Park	-	-	-	-	-	-	-	-	-	-	-
Bacup Historic England	-	-	(6)	9	(9)	(9)	-	-	-	-	9
Haslingden 2040 NLHF	-	1,762	300	300	1,462	1,462	-	300	-	-	-
Rawtenstall Town Square Public Realm	-	-	-	-	-	-	-	-	-	-	-
Museum Improvements	-	-	4	4	(4)	(4)	-	-	-	-	4
Mechanics Hall, Bacup	-	-	36	36	(36)	(36)	-	-	-	-	36
Haslingden Market (UKSPF)	450	490	499	499	(9)	(9)	-	290	-	-	209
Waterfoot (UKSPF)	300	300	30	270	30	30	-	270	-	-	-
Rawtenstall Market Electrical Works	101	101	-	20	81	81	-	20	-	-	-
Rawtenstall Market External Cabins	-	-	-	-	-	-	-	-	-	-	-
Stubbylee Tennis Courts	-	-	-	-	-	-	-	-	-	-	-
Whitaker Park Tennis Courts	-	-	-	-	-	-	-	-	-	-	-
Hareholme Viaduct	-	110	144	144	(34)	(34)	-	25	-	-	119
Carbon Reduction Fund	627	1,000	190	250	750	750	-	250	-	-	-
Christmas Lighting Catenary	-	-	-	-	-	-	-	-	-	-	-
Marl Pits - Running Track	-	-	-	-	-	-	-	-	-	-	-
Whitaker Park Drainage	-	100	96	100	-	-	-	-	-	-	100
Stubbylee Park Drainage	40	40	-	40	-	-	-	-	-	-	40
Edgeside Pump Track	-	-	-	-	-	-	-	-	-	-	-
Trickett's Memorial Ground	129	129	118	129	-	-	-	112	-	17	-
Electric Vehicle Charge Points	172	172	-	129	43	43	-	129	-	-	-
Food Waste Collections	739	739	-	421	318	318	-	421	-	-	-
Waste Transfer Station	130	225	107	225	-	-	-	-	-	-	225
Leisure Various	370	478	47	407	71	71	-	290	-	-	117
Legacy Liabilities	100	265	-	-	265	265	-	-	-	-	-
Capital Regeneration Projects (LUF)	5,375	6,622	1,540	6,622	-	-	-	6,622	-	-	-
	11,409	19,500	5,966	14,588	4,912	4,912	-	11,696	200	274	2,418

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Slippage items bfwd at end of 2023/24	Costs '£000	Indicative Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
Playgrounds Improvements	3				3
Pathways Improvements	18				18
Victoria Park Improvements	59				59
Edgeside Park	34				34
UKSPF	198	198			
Sub-total Communities	312	198	-	0	114
Economic Development Directorate					
Carbon Reduction Fund	373	373			
Hareholme Viaduct	110	25			85
Leisure Facilities upgrade 22-23	108				108
Spinning Point - Build Phase 1 (Bus St	20				20
Haslingden 2040 NLHF	1,762	1,762			
Car Parks General 22-26 MTFS	71				71
Whitaker Parking (Includes Stubblee	30				30
Whitaker Park (Drainage Project)	100				100
General Building Renovations & Mainte	14				14
Henrietta Street Depot Improvements	97				97
Waste Transfer Station	95				95
Futures Park Infrastructure	33				33
Legacy Liabilities (Various Schemes)	200				200
Sub-total Econ Devmt	3,013	2,160	-	-	853
Housing					
DFG'S - Mandatory Grants	2,529	2,529			
Clare House, Rawtenstall (1 Queen St)	9				9
Supported Accommodation	56			56	
Sub-total Housing	2,594	2,529	-	56	9
Levelling Up Fund					
Bacup Market	183	183			
Union Street	185	185			
Rawtenstall Market	210	210			
Gyratory	219	219			
Rawtenstall Connected	250	250			
The Bridge	200	200			
Sub-total Levelling Up Fund	1,247	1,247	-	-	-
Total	7,166	6,134	-	56	976

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Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2024/25	MRP Required 2024/25	(Additions) / Underspend 2024/25
	£000	£000	£000
Corporate	644	644	0
	644	644	0

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

The MRP cost is currently estimated to be on budget.

Section 106 Receipts Monitoring

The value of S106 agreements brought forward on the 1st April was £868.7k. To the end of September 2024, there have been no new S106 deposits and £83.9k of monies held have been applied to fund expenditure.

<u>Section 106 Agreements 2023/24</u>	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance bfwd at 1st April 2024	290.8	74.9	503.1	868.7
Deposits received in 2024/25				0.0
Deposits applied in 2024/25	(56.9)	(10.0)	(17.0)	(83.9)
Current Balance	233.9	64.9	486.1	784.8

<u>Section 106 Agreements in detail</u>	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
Balance bfwd at 1st April 2024	290.8	74.9	503.1	868.7
Douglas Rd		(10.0)		(10.0)
Croft End Mill	(56.9)			(56.9)
Land off Oaklands Dr, Rawtenstall			(4.7)	(4.7)
Land at Station Rd, Whitworth			(12.3)	(12.3)
	233.9	64.9	486.1	784.8

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Council Tax & NNDR Collection Rates

Cumulative Collection	Council Tax						Business Rates					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
April	10.51	10.04	10.90	10.44	10.11	10.09	12.22	10.24	8.60	12.78	12.79	12.17
May	19.70	18.96	19.70	19.44	19.48	19.04	21.07	18.89	16.20	31.81	21.29	20.42
June	28.63	27.62	28.70	28.35	28.19	27.89	28.68	25.62	24.30	28.16	28.19	28.00
July	37.86	36.56	37.66	37.21	37.09	36.96	37.37	33.92	33.96	35.83	36.52	36.83
August	46.90	45.24	46.71	46.21	46.01	45.05	50.82	48.55	47.63	47.86	51.19	49.1
September	56.01	54.29	55.43	55.64	54.92	54.93	58.34	57.84	56.05	55.54	58.11	58.14
October	65.23	63.29	71.16	64.55	64.03		67.52	68.97	64.90	64.73	65.99	
November	74.78	72.30	78.43	73.49	72.93		74.26	77.15	73.09	74.88	74.92	
December	83.33	80.90	82.12	82.25	81.50		82.70	85.92	81.41	81.91	81.93	
January	92.48	89.90	90.96	91.22	91.05		90.91	90.17	89.30	94.79	90.27	
February	94.60	92.37	93.43	93.85	93.37		95.00	93.66	95.13	94.73	94.23	
March	96.32	95.72	95.59	95.95	95.75		97.78	94.19	98.15	98.85	98.60	

Collection rates for Council Tax are recovering but are not yet back at pre-pandemic levels with collection performance for 2024/25 slightly below that of 2021/22 (-1.49%). This remains an area of focus into 2024/25 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 were also distorted by the transitional reliefs given to businesses due to the Business Rates revaluation, which kicked in from April 2023. As at end September 2024 the collection rates in 2024/25 are broadly in line with previous years which is positive.

Council Tax Collection Fund

At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £1,800k. This includes a £500k contribution for doubtful debts. It must be noted, we are only halfway through the year and based on the current economic climate this position could change significantly as the year progresses. This year RBC's share of the Council Tax is 13.56%, equating to £240k of the forecast surplus.

Council Tax Forecast 2024/25	Q1 £'000	Q2 £'000
Council Tax Collectable (after Discounts & Exemptions)	50,996	50,626
less Doubtful Debt Provision	(500)	(500)
	50,496	50,126
less Precepts for 2023/24		
Lancashire County Council	(34,539)	(34,539)
Police	(5,503)	(5,503)
Fire	(1,770)	(1,770)
Rossendale Borough Council	(6,444)	(6,444)
Whitworth Town Council	(70)	(70)
	(48,325)	(48,325)
Surplus / (Deficit)	2,171	1,800
RBC Share = 13.56%	294	240

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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.

Business Rates Collection Fund 2024/25 (50% Pool)		NNDR1 £000	Q1 £000	Q2 £000
Net Liability Due		13,297	14,275	14,392
Use of Appeals Provision		0	0	0
Less Cost of Collection Allowance		(97)	(97)	(97)
Less Doubtful Debt Provision		(300)	(300)	(300)
Less Appeals Provision		(500)	(500)	(500)
Less Renewables 100% to RBC		(279)	(279)	(279)
Net NNDR due	A	12,120	13,099	13,216
Transitional reliefs	B	861	861	766
Less Precepts		(15,310)	(15,310)	(15,310)
Cash Surplus/(Deficit)	C	(2,329)	(1,350)	(1,328)
RBC Share = C x 40%	D	(932)	(540)	(531)
Central Government share 50%			(675)	(664)
LCC and Fire share 10%			(135)	(133)

The business rates collection fund is now predicting a deficit of £1,328k in 2024/25, 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 would be £540k. This is largely due to the rebasing exercise which took place in 2023/24. As a result of this, it is anticipated that there will be an increase in appeals. Whilst there is an appeals provision within the Collection fund to cover the cash refund due on any appeals, the rateable value reduction of any successful valuation appeals will adversely affect the Council's in-year cashflow, because although the net liability due from the businesses has decreased, under existing legislation, the Council is required to make good its payments to major preceptors as originally assumed, despite a reduction in Collection Fund income.

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000	Q2 £000
Business Rates Income	A+B	12,981	13,960	13,982
RBC Share = 40%		5,192	5,584	5,593
less tariff paid to Lancashire Pool		(3,459)	(3,459)	(3,459)
add S31 Grants (for Levy calculation)	E	2,943	997	997
Subtotal		4,676	3,122	3,131
RBC Baseline Funding Level used in Budget		2,261	2,261	2,261
Surplus for Levy Calculations	F	2,415	861	870
Levy due for non Pool membership 50%		(1,208)	(430)	(435)
Levy payable as Pool member 10% of above	G	(121)	(43)	(43)
Retained Levy through Pool membership		1,087	387	391

The Council, is part of the Lancashire Business Rates Pool, each year the Council is subject to a levy payment of 50% of calculated business rates growth, above its baseline funding level, as determined annually in the Local Government Finance Settlement. Membership of the Pool restricts this levy to 10% (of the 50% levy) and allows the Council to hold the balance as 'retained levy' thus reducing the total value of sums paid over to central Government, to apply

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locally. Therefore in addition to the anticipated deficit the Council will generate as above, a pooling gain is estimated of £870k. The February 2024 MTFS included a contribution of an estimated pooling gain of £500k, whilst we are still early in the year if the current forecast materialises it will result in a £370k surplus against that income budget.

Central government also gives authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the NNDR1 budget submission in January 2024 the estimate for those grants totalled £2,942k.

Business Rates Summary		NNDR1	Q1	Q2
		£000	£000	£000
Business Rates Surplus/(Deficit) 2023/24	F	2,415	861	870
less Lancashire Pooling Levy	G	(121)	(43)	(43)
Renewable Energy		279	279	279
Overall Gain/(loss)	H	2,574	1,097	1,106
Business Rates Retention Reserve Bfwd		1,028	1,028	1,028
Business Rates Cash Surplus/(Deficit) 2023/24		(804)	(804)	(804)
Business Rates Cash Surplus/(Deficit) 2023/24	H	2,574	1,097	1,106
Less Budgeted Utilisation		0	0	0
Total Retained Business Rates Resources Cfwd		2,798	1,321	1,330

The table shows the potential impact on the Business Rates Retention Reserve. At the end of Q2 it is anticipated that RBC will achieve an additional £532k (40% of £1,330k) in overall NNDR Gain. This is primarily due to government awards to cover inflationary pressures which had not been accounted for in the MTFS. This is net of the gain on net renewable energy which RBC have previously taken to the Energy reserve and it is anticipated the same will happen in 2024/25.

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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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