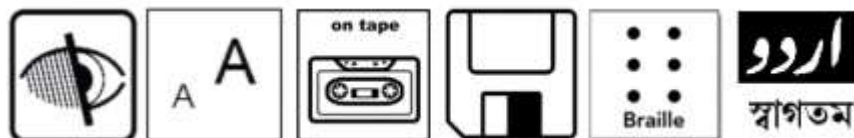


Financial Monitoring Report

2018/19 Q3 as at end of December 2018

Including a Glossary of terms on page 29



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General Fund Revenue Operations – pages 4 to 17

This third report on the General Fund for 2018/19 is showing a favourable variance of £270k compared to the original budget of £10,032k, a further improvement of £152k in Q3. This favourable variance will be netted off to the Transitional Reserve at the year-end.

Earmarked Revenue Reserves – page 18 to 19

The total cash-backed Earmarked Reserves brought forward at 1st April 2018 were £6,164k (excluding the Transport Reserve).

The opening balance on the Transitional Reserve was £2,767k, to which £684k of New Homes Bonus grant would be added and applied within the year. A further £795k general budgetary support was approved at February Full Council. At the moment the £270k favourable variance on the General Fund will be transferred back into the Transitional Reserve, leaving a net balance of £1,159k after the MTFs support planned in the current budget working papers.

The Business Rates Retention Reserve reflects the in-year variances discussed in detail on page 28, including the renewable energy income of £164k and the S31 Grant income of £843k. Funding for the 2018/19 budget included the application of £800k from this reserve.

The Planning Reserve has been called upon to support £156k of costs in relation to the Local Plan, but with the £35k contribution from the Brownfield & Custom Build Grants, there is expected to be £98k to fund further costs in 2019/20 onwards.

The closing balance at the 31st March 2019 is now predicted to be £5,312k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £3,837k by March 2022.

Government Grants Unapplied – page 20

The opening value of Government Grants Unapplied at the 1st April 2018 was £889k, including £708k of Disabled Facilities Grant carried forward into 2018/19. The original allocation of Better Care funding for DFGs in 2018/19 was £947k with a further £116k being received early in January 2019, giving total resources for 2018/19 of almost £1,772k of which c£750k is currently expected to be carried forward to 2019/20.

The Homelessness grant of £68k is the balance of funding received by Rossendale as administrator of the young persons homelessness grant, which will be distributed amongst the participating parties in 2018/19.

The Transforming Lives and Hoarding Grants are a joint project with the Police & Crime Commissioner to tackle problems early and the balance of funds received during 2016/17 have been spent in quarter 1 of 2018/19.

Staff Monitoring – page 20

The table on page 20 shows the cash saved on salaries by the end of Q3 has been £182k. However, the table on page 4 is a more complete picture of the net projected savings for the year across departments once external support has been taken into account, giving savings identified to date as £106.5k, plus £24.2k or additional leave purchased by staff. The target for staff savings built into the original budget was £150k, so there is still £13.3k to find.

Treasury & Cash Management - page 21 to 22

At the end of December the bank balances were £10,874k down from the Q2 balance of £13,315k. The Council's main bank account increased the interest rate as at the 1st October, but this is still below the current base rate and officers have been informed that the Lloyds

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accounts will be increasing again in Q4. While trying to keep funds liquid in order to manage the cash available for the ongoing capital commitments, the £1.5m which matured before Christmas was placed on deposit with Lloyds again for 364 days earning 1.1%. This means that the effective overall interest rate has risen from 0.48% in Q2 to 0.61% at Q3. The council's treasury management advisors are predicting another rise in base interest rates in summer of 2019 to 1.0%.

Of the £2,547k sundry debts raised to date in 2018/19, £2,415k has already been collected (94.8%) and a further £20k is due to be collected by instalments in Q4.

The provision for doubtful debt at the 1st of April was £87k, compared to a potential doubtful debt estimate at the end of Q3 of £152.3k. Officers have therefore anticipated an additional provision requirement of £20k for sundry debts and potentially £40k for Bacup THI owner contributions, see pages 16 & 13.

Capital Receipts – page 24

The Usable Capital Receipts brought forward at the 1st April totalled £2,480 of which £649k was required for projects carried over from 2017/18 as shown on page 25.

Capital Grants due for projects in 2018/19 are expected to total £7,495 now that a further £116k of Better Care Fund grant has been announced for DFGs in 2018/19, as noted in Government Grants Unapplied above.

Officers have implemented the Q1 decision to apply £657k of the unallocated capital receipts to make an additional Voluntary Revenue Payment (VRP). This has reduced the future annual MRP charge in the 2019/20 budgets by £150.5k.

Capital Programme and Funding – page 25 to 26

The original Capital Programme for 2018/19 was £1,443, including £500k for DFGs and £693k for replacement operational vehicles. The slippage from 2017/18 was £7,489k, the bulk relating to the ongoing Bacup THI, Spinning Point Phase 1 and the DFGs. Two capital projects approved by members in July and December 2018 have been included in the 2019/20 capital programme while due diligence exercises continue.

The revised capital programme for 2018/19 at the end of Q3 is £9,506k against which £6,992k has either been spent or committed to date, equating to 74%.

Collection Fund 2018/19 (Council Tax & NNDR) - page 27 to 28

Collection rates at the end Q3 are shown on page 27.

The Council Tax account is showing a predicted surplus of £205k, a £61k adverse movement in Q3, the main changes being banding reductions and a further drop of £59k in Council Tax Support. In addition, the expected Doubtful Debt provision has been put back up to £350k following a series of write off in Q3. Rossendale Borough Council will keep £30k of this

Business Rates forecast surplus at the end of Q3 has increased to £390k, of which RBC would keep £156k, up £66k on the Q2 forecast. The main features of the Q3 activity include a £300k reduction in the expected appeals provision and £123k reduction in net liability from banding reductions.

The S31 Grants from the MHCLG to cover various reliefs have dropped by £37k from the estimates back in the Q2 report. Once the Lancashire Pooling levy is taken into account, the net overall gain for RBC has increased to £1,063k, so the surplus going into Reserves are likely to be £263k above the MTFS target withdrawal of £800k.

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General Fund Summary - Period 9 (December)

Service Area (excluding internal recharges)	2018/19 Org Budget excl Int'l Market £000	2018/19 Forecast £000	2018/19 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,469.9	1,347.3	122.6	71.9	50.7
Operational Functions	2,100.7	2,135.9	(35.1)	(11.6)	(23.6)
Communities	719.8	682.2	37.6	39.9	(2.3)
Public Protection Unit	120.3	122.5	(2.2)	-	(2.2)
Environmental Health	256.3	196.6	59.7	50.9	8.8
Licensing & Enforcement	157.3	154.5	2.8	(13.3)	16.1
Housing	208.2	184.7	23.4	19.7	3.7
Economic Development Directorate					
Planning Services	293.9	227.9	66.0	33.9	32.1
Building Control Services	(31.8)	(18.0)	(13.8)	(8.2)	(5.5)
Regeneration	366.9	357.6	9.3	1.2	8.2
Property Services	741.7	787.9	(46.3)	(100.7)	54.4
Corporate Management Directorate					
Corporate Management	447.5	440.2	7.3	7.8	(0.5)
Legal Services	187.9	177.4	10.5	4.3	6.2
Local Land Charges	(26.5)	(18.5)	(8.0)	(7.7)	(0.3)
Democratic Services	552.0	542.7	9.4	7.5	1.9
Financial Services	488.7	481.6	7.1	6.9	0.2
People and Policy	506.6	480.4	26.2	20.2	6.0
Non Distributed Costs	1,086.4	1,104.4	(18.0)	(11.7)	(6.3)
Capital Financing and Interest	385.9	374.7	11.2	6.3	4.9
TOTAL Service Cost	10,031.6	9,761.9	269.6	117.3	152.4
LESS Use of Earmarked Reserves					
Retained Business Rates Reserve	(800.0)	(800.0)	-	-	-
Transitional Budgetary Reserve	(795.0)	(525.4)	(269.6)	(117.3)	(152.3)
Net Service Cost	8,436.6	8,436.6	-	-	0.1

This Q3 report for 2018/19 is showing an improvement of £152.4k in the favourable variance being forecast, net of a £139.2k adverse on the Knowsley Road depot in NNDR and rental income. This has been offset in Q3 by a refund of £95.2k in NNDR related to the ex-Liberal Club.

The original budget included a target of £150k for staff vacancy savings. Q3 staffing forecasts are showing a £112.6k favourable variance across departments, and £24.2k of additional purchased leave purchased, leaving £13.2k savings still to find.

The other main areas of movements during Q2 in the table opposite are:-

Staffing Variances	Q1	Cum Q2	Cum Q3
Customer Services	(2.3)	(1.6)	(1.6)
Operations	(58.2)	(69.0)	(69.0)
Public Protection	118.3	129.2	129.2
Economic Development	18.3	0.6	0.6
Corporate Management	36.2	33.3	53.4
Savings anticipated	112.3	92.5	112.6
Original savings target	(150.0)	(150.0)	(150.0)
Additional Leave	-	24.2	24.2
Savings to find	(37.7)	(33.3)	(13.2)

- Even a cautious view of the Housing Benefits Subsidy is forecasting a full year favourable variance of £61.6k and a further £15k recovery of overpaid benefits.
- Planning application fee income has risen again in Q3, bringing the estimated favourable variance for the year up to £102.4k. However, the Brownfield & Custom Build grants have been transferred to the Earmarked Reserve for future Local Plan costs.
- A refund of £84.7k has been received for NNDR costs at the former Liberal Club.

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Annual Variances	Q1	Q2	Q3	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	
Customer Services and e-Government					
Staff costs	(2.3)	0.7	-	(1.6)	
Housing Benefits subsidy	(9.6)	29.4	41.8	61.6	
Other benefits grants	17.8	-	(1.7)	16.1	
Overpaid Benefits recovered (net of bailiff costs)	(11.7)	10.2	15.0	13.5	
Court costs recovered	21.0	19.0	-	40.0	
Service Assurance team grants (net of assoc costs)	7.3	2.9	(7.4)	2.8	
IT (incl GDPR & penetration testing)	(4.0)	(10.6)	3.4	(11.2)	
Pest control services (net of fee income)	(6.4)	1.0		(5.4)	
Other minor variances	10.8	(3.6)	(0.4)	6.8	122.6
Operations					
Staff costs (including agency and overtime)	(58.2)	(10.8)	(7.8)	(76.8)	
Fuel	(6.9)	(2.5)	(2.0)	(11.4)	
Vehicle maintenance incl hire of temporary vehicles	(77.6)	(6.4)	(3.4)	(87.4)	
MRP Savings on Fleet Investment	76.6	-	-	76.6	
Insurance costs	-	(11.9)	(1.2)	(13.1)	
Recycling income (due to contamination/ market rates drop)	(36.6)	-	(1.6)	(38.2)	
Refuse stock bins and sacks	10.8	(0.5)	(4.5)	5.8	
Garden Waste income	139.7	5.5	5.1	150.3	
General parks (including playgrounds) running costs	21.9	4.1	(5.9)	20.1	
Dog Warden costs	11.5	(0.6)	0.1	11.0	
Markets Income & Running expenses	(21.0)	(5.9)	(1.0)	(27.9)	
Bulks Net income	7.9	0.9	1.1	9.9	
Other minor variances	3.6	(15.4)	(4.7)	(16.5)	2.4
Public Protection					
Staff costs	118.3	10.9	11.9	141.1	
Environmental Health administration expenses	12.5	(2.2)	(3.6)	6.7	
Homelessness (additional costs net of grant)	36.8	(7.9)	5.8	34.7	
Private Hire income & expenditure	(16.5)	(22.6)	3.8	(35.3)	
Hackney income & expenditure	(58.4)	(16.1)	6.2	(68.3)	
Taxi misc income	4.0	-	2.2	6.2	
Other minor variances	1.7	(3.2)	0.1	(1.4)	83.7
Economic Development					
Staff costs (net of grant & fee income)	18.3	(17.7)	(10.2)	(9.6)	
Planning Application Fee Income	(2.2)	36.6	68.0	102.4	
Building Control Fee Income	23.2	(6.6)	(4.3)	12.3	
Knowsley Industrial Unit NNDR and income shortfall	(113.3)	(4.3)	(21.6)	(139.2)	
NNDR - Refund ex Liberal Club/ Costs	-	4.3	84.7	89.0	
Operational property running costs	-	(21.9)	(4.0)	(25.9)	
Brownfield Grant & Custom Build	-	35.4	(35.4)	-	
Other minor variances	10.9	(36.7)	12.0	(13.8)	15.2
Corporate Management					
Staff costs (including professional support)	36.2	(2.9)	20.1	53.4	
Professional Fees / Reference Books	-	(5.5)	6.1	0.6	
Mayoralty Savings	4.2	3.0	-	7.2	
Land Charges income	(8.2)	0.5	-	(7.7)	
Internal Audit Fees	2.0	9.0	-	11.0	
Research	3.4	-	-	3.4	
Other minor variances	(1.0)	(1.7)	(12.8)	(15.5)	52.4
Non-Distributed Costs & Capital Financing					
Original staff savings target (see net savings of £76.9k above)	(150.0)	24.2	-	(125.8)	
Budget for cost of one-off staff changes not required	-	100.0	-	100.0	
Historical pension commitments	(8.5)	35.3	-	26.8	
MMI Insurance Levy	-	-	(6.3)	(6.3)	
Pensions pre-payment savings	37.7	(30.3)	-	7.4	
Doubtful Debt Provision	(20.0)	-	-	(20.0)	
Interest	(2.5)	8.9	5.0	11.4	
Other minor variances	0.7	(0.9)	(0.1)	(0.3)	(6.8)
Favourable/(adverse) variance	23.9	93.1	152.6	269.6	269.6

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Communities Directorate

Period 9 (Dec)

Customer Services & ICT	2018/19 Org Budget £000	2018/19 Forecast £000	2018/19 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Customer Services					
Benefits Administration	(278.4)	(294.2)	15.8	16.5	(0.7)
Benefits Granted	(3.8)	(78.8)	75.0	18.3	56.7
Local Tax Collection	(360.3)	(399.8)	39.5	42.6	(3.1)
Revenues & Benefits Partnership	1,158.3	1,153.5	4.8	4.8	(0.0)
Strategic Functions					
Management and Support	69.8	69.9	(0.1)	-	(0.1)
Service Assurance Team	129.6	121.9	7.7	15.1	(7.4)
Central Telephones	5.1	4.8	0.3	0.3	-
Central Printing	-	0.2	(0.2)	(0.2)	-
ICT Support	617.0	633.0	(16.0)	(20.1)	4.1
Leisure Services	133.0	133.0	-	-	-
Pest Control	(0.4)	3.8	(4.2)	(5.4)	1.2
Total	1,469.9	1,347.3	122.6	71.9	50.7

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
Staff	(1.6)		(1.6)	O
Housing Benefit administration grant	3.9		3.9	G
Housing Benefit Subsidy (net grant position from Mid-yr Estimate)	19.8	41.8	61.6	G
Housing Benefit Local Council Tax support grant	13.9	(1.7)	12.2	G
Housing Benefit overpayments recovered	-	15.0	15.0	G
Housing Benefit bailiff fees	(1.5)		(1.5)	O
Revenues & Benefits administration contract	4.7		4.7	G
Council Tax & Business Rates - court costs recovered	40.0		40.0	G
Business Rates - net costs of collection	3.5		3.5	G
Business Rates received on Renewable Energy installations	163.9		163.9	G
Business Rates S31 Grants	880.5	(37.0)	843.5	G
Business Rates transfer to Retained Business Rates Reserve	(1,044.4)	37.0	(1,007.4)	O
IT - Introduction of GDPR	(5.0)	(2.6)	(7.6)	O
IT - external PSN testing	(9.6)	6.0	(3.6)	O
SAT Team counter fraud work	0.9		0.9	G
SAT Team Grants received (incl Universal Credit) net of costs	10.2	(7.4)	2.8	G
Pest Control services (net of income)	(5.4)		(5.4)	O
Other minor variances	(3.5)	(0.4)	(3.9)	O
TOTAL	71.9	50.7	122.6	G

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Customer Service & ICT Highlight Report – Q3 (end Dec 2018)

Historic Issues

- Officers have been informed that the DWP administration grant for the local Council Tax Support Scheme has been allocated at £13.9k more than expected in the original budget.
- Recovery of court costs related to both council tax and business rates continues to out-perform the original budget, increasing by a further £19k during Q2 to a prudent favourable variance forecast of £40k. There has been no further movement on this in Q3.

Current Quarter's Issues

At Q3 the favourable variance has improved from £71.9k to £122.6k, the main changes being:-

- Following the mid-year estimate the Housing Benefit Subsidy forecast is currently showing a net favourable variance of £61.6k which is a favourable movement of £41.8k in Q3, though this is a very volatile area. This forecast is a prudent view after 10 of the 13 4-weekly payment runs (on the 21st December) and includes a contingency of around £216k in the difference between the value of benefits paid in cash and the entitlement against which the subsidy is claimed.
- The costs of bailiffs fees to help recover overpaid benefits stabilised in Q2 at £1.7k, but since then overpayment recovery has continued to improve and a prudent assumption on recovered cash has increased to over £120k, ie. £15k favourable on the original budget.
- In terms of business rates, the renewable energy income of £163.9k and expected S31 grants will be transferred into the Retained Business Rates Earmarked Reserve - the drop of £37k in expected S31 grants will be similarly reflected in the transfer to the Reserve but that net transfer remains above £1m. Given that the original budget planned to take £800k from the Reserve to support the overall revenue costs, the net increase in the Reserve bodes well for meeting the future MTFs challenges, subject to the revised funding scheme for 2020/21 onwards.
- The introduction of the new General Data Protection Regulations (GDPR) in June has so far cost £7.6k in ICT-related costs which were not planned into the budget.
- Costs of ensuring that the Council's IT systems are secure, including penetration testing, have increased, though at Q3 the adverse variance has reduced by £6k to £3.6k.
- The Service Assurance Team has received new burdens and Universal Credit introduction grants of over £84k so far, but now almost all of these grants are expected to be used to fund additional work of software changes either in 2018/19 or the beginning of 2019/20, so the favourable net variance forecast at Q2 has been reduced to only £2.8k.

Future Issues

- At the time of writing this report officers are concluding their recommendations for the provision of Revenues and Benefits service as from 1st October 2019.

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Communities Directorate			Period 9 (Dec)			
Operations & Communities	2018/19 Org Budget £000	2018/19 Forecast £000	2018/19 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000	
Operational Functions						
Operations Admin & Vehicle Maintenance	345.9	406.3	(60.4)	(60.0)	(0.4)	
Refuse & Recycling	1,479.0	1,436.4	42.7	58.0	(15.3)	
Street Sweeping	354.2	348.1	6.1	12.2	(6.1)	
Markets	(78.4)	(54.9)	(23.4)	(21.7)	(1.7)	
Communities						
Parks & Open Spaces	917.5	883.8	33.7	35.5	(1.8)	
Cemeteries	(222.0)	(214.8)	(7.1)	(6.5)	(0.6)	
Dog Warden	24.2	13.2	11.0	10.9	0.1	
Total	2,820.5	2,818.0	2.5	28.4	(25.9)	
Key changes made during the period to the full year forecast			Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancies at Operations Admin Offices			4.3	1.0	5.3	
Parks Salary Variances (Including temporary gardeners)			3.0	3.2	6.1	
Street Sweeping Salaries			6.1	(4.3)	1.8	
Refuse Salaries and Agency			(54.8)	(3.9)	(58.7)	
Fleet Management Vacancy and Agency			(24.6)	(0.2)	(24.8)	
Markets Salary Vacancies			24.0	-	24.0	
Overtime Budgets			(27.0)	(3.5)	(30.5)	
Vehicle Maintenance (including tyres/ parts)			(37.2)	(3.7)	(40.8)	
Vehicle Hire			(46.8)	0.3	(46.5)	
Actions re variances - MRP Savings on Vehicles			76.6	-	76.6	
Fuel			(9.4)	-	(9.4)	
Insurance Related Costs			(11.8)	(1.3)	(13.1)	
Trade Waste Net income			0.5	(0.8)	(0.3)	
Bulks Net income			8.8	1.1	9.8	
Refuse Sacks			6.4	(6.1)	0.2	
Sale of Green Bins			4.0	1.7	5.6	
Recycling Papers and Plastics			(36.6)	(1.6)	(38.2)	
Garden Waste income			145.3	5.1	150.4	
Cemeteries Net income			(6.6)	(0.5)	(7.1)	
Markets Income & Running expenses			(26.9)	(1.0)	(27.9)	
Dog Warden costs			10.9	0.1	11.0	
General other Park Running Costs			26.0	(5.9)	20.1	
Street Sweeping other Running Costs			0.1	(3.2)	(3.1)	
Other Variances			(5.8)	(2.3)	(8.1)	
TOTAL			28.4	(25.9)	2.4	

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Operations Highlight Report – Q3 (end of Dec 2018)

Historic Issues

- Vehicle hire costs are projected to overspend by £47k in 2018/19. As in 2017/18, the main reason for this is that a revised vehicle replacement plan has been delayed, leading to additional maintenance and hire costs in the interim to keep services running. The vehicle replacement plan has now begun with the purchase of three refuse vehicles, but the majority will take place around 2019/20 due to bespoke design. As a result, external vehicles continue to be hired under temporary arrangements.

Current Quarter Issues

At the end of Q3 the Operations and Communities forecast shows a favourable variance of £2.4k with the main movements being:

- The Garden Waste service has now become a charged service with an original budget for income of £87.5k based upon 2,500 subscriptions. To date officers have taken around 6,800 applications which will result in £238k in income for 2018/19, leading to a favourable variance of £150.5k in 2018/19.
- Overall staffing costs including agency and overtime are projected to overspend by £77k. The adverse variance on Fleet Management was due to a long term sickness absence of a garage fitter with costly agency backfill now being extended into 2018/19. A large adverse variance on overtime being allocated to Markets as a result of a policy change in TOIL. The cost of agency has also increased due to “parity rate” increases.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £87k mainly due to reactive works to older fleet vehicles. There is an assumed saving of £77k on MRP due to delayed investment in fleet. The Operations staff are in the process of trying to obtain replacement vehicles so in time maintenance costs should reduce.
- Fuel is projected to overspend by £11.4k for the financial year; this is due to an increase in fuel prices since March 2018. A small contingency is in place in the Corporate budget for future year fuel increases.
- Recycling income is virtually non-existent at the moment, due to the market downturn and contamination issues. Unless things pick up again, this will result in an adverse variance of £38k for the financial year. Rossendale are working together with LCC to reduce the significant ongoing costs of recycling to RBC.
- Cemeteries income is projected to return an adverse variance of £7k. Cemeteries fees did increase considerably in 2018 and the income targets have also increased 2018/19.
- Markets income projected to be £28k below the set budget. The main reasons for this is the under occupancy of stalls with Rawtenstall seeing a 50% vacancy rate and Bacup being 55% empty. However, there is a projected saving on the Market Staffing costs of £4k.

Futures Issues

- The Bulky Waste service external contractor went into liquidation in 2017 and the service is being done in-house at the moment. This could be subject to a tendering process in due course which may lead to changes in the 2019/20 costs.

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Communities Directorate

Period 9 (Dec)

Public Protection & Housing	2018/19 Org Budget £000	2018/19 Forecast £000	2018/19 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Public Protection Unit	120.3	122.5	(2.2)	0.0	(2.2)
Environmental Health	256.3	196.6	59.7	50.9	8.8
Licensing & Enforcement	157.3	154.5	2.8	(13.3)	16.1
Strategic Housing					
Housing Strategy	87.0	85.3	1.7	2.0	(0.3)
Private Sector Housing Renewals	-	0.0	(0.0)	-	(0.0)
Homelessness	121.2	99.5	21.7	17.7	4.0
Empty Homes Scheme	-	-	-	-	-
Total	742.0	658.3	83.7	57.3	28.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	32.6	12.4	44.9	
Public Protection - staffing	9.2	(0.8)	8.4	
Housing Strategy - staffing	1.3	(1.3)	(0.0)	
Homelessness - staffing	(17.3)	2.5	(14.8)	
Licensing & Enforcement - staffing	103.4	(0.8)	102.6	
Environmental Health administration	10.3	(3.6)	6.7	
Flexible Homelessness Support Grant	64.9	-	64.9	
Homelessness Temporary Accommodation (B&B)	(25.7)	5.4	(20.2)	
Refund payments of Bonds	(7.8)	(0.2)	(8.0)	
Kay Street Safe Housing running costs	2.1	0.6	2.7	
Private Hire income & expenditure	(39.1)	3.8	(35.3)	
Hackney income & expenditure	(74.5)	6.2	(68.3)	
Taxi misc income	4.0	2.2	6.2	
Other Variances	(6.2)	0.2	(6.0)	
TOTAL	57.3	26.5	83.7	

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Public Protection and Housing Highlight Report – Q3 (end Dec 2018)

Historic Issues

- There are a number of favourable changes within the staffing of the new Public Protection Unit
 - There is now one Manager post for the combined Public Protection Unit, saving £53.3k between the Licensing and Environmental Health sections.
 - Salaries within Environmental Health were projected to save £32.6k following a retirement back in May.
 - Salaries within Licensing are showing a favourable variance of £102.6k. Following the drop in income levels, when 2 officers left the organisation they were not replaced.
 - Salaries within Homelessness service are showing an adverse variance of £15k due to a creation of a fixed term homeless officer post. However, this is being funded from the Flexible Homelessness grant from MCHLG.

Current Quarter Issues

At the end of Q3 the Public Protection Unit and Housing Services budgets shows a favourable variance of £83.7k, with the main movements being:-

- Salaries within Environmental Health are now projected to save an additional £12.4k given a 4 month vacancy for the Senior Environmental Health Officer role after the incumbent retired in December.
- Environmental Health administration expenditure and fees and charges income, such as the new charge for retesting of hygiene ratings for food businesses, are showing a combined favourable variance of £7k.
- Licencing income and expenditure is showing an under achievement of £97.4k. The budgets were set on the basis of reduced licenses being renewed, they have reduced more rapidly than expected, though there has been some improvement during Q3.

Future Issues

- The salary savings within the Licensing team and the new Public Protection Unit are part of the future MTFs savings plans. A Scheme of Delegation is currently being prepared to disestablish the two vacant posts.

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Economic Development Directorate

Period 9 (Dec)

Economic Development & Regeneration Services	2018/19 Org Budget	2018/19 Forecast	2018/19 Variance (Adv)/Fav	Variance last reported	Change in Qtr (Adv)/Fav
	£000	£000	£000	£000	£000
Planning					
Development Control	153.3	90.1	63.1	25.4	37.7
Forward Planning	140.6	137.8	2.9	8.5	(5.6)
Building Control					
Building Control - Fee Earning Account	(67.0)	(47.5)	(19.4)	(13.4)	(6.0)
Building Control - Statutory Function	29.7	30.0	(0.3)	(0.6)	0.3
Building Control - Street Signs	5.4	(0.5)	5.9	5.7	0.2
Regeneration					
Regeneration Mangement	138.8	123.9	14.9	7.5	7.4
Economic Regeneration	91.2	95.8	(4.6)	(5.0)	0.4
Whittaker Park Museum	81.9	82.9	(1.0)	(1.4)	0.4
Tourisms	40.0	40.0	0.0	-	0.0
Area Forums	15.0	15.0	-	-	-
Property Services					
Property Services Team	286.2	278.2	7.9	-	7.9
Corporate Estates	(56.3)	97.2	(153.4)	(123.0)	(30.4)
Non Domestic Estates	(109.1)	(130.9)	21.9	21.4	0.5
Office Accommodation	56.1	(34.4)	90.5	6.3	84.2
Operational Properties	366.2	373.9	(7.8)	(10.9)	3.1
Leisure Properties	51.8	52.0	(0.2)	(1.8)	1.6
Bus Shelters	11.0	9.2	1.8	1.4	0.4
Business Centre	135.8	142.8	(7.0)	5.9	(12.9)
Total	1,370.6	1,355.4	15.2	(74.0)	89.2

Key changes made during the period to the full year forecast	Variance Bfwd	Variance this Qtr	Full-Yr	R A G
	£000	£000	£000	
Regeneration staffing	2.9	(0.2)	2.7	
Economic Development staffing	5.5	(0.3)	5.2	
Planning / Forward Planning staffing	12.6	(2.2)	10.4	
Planning Agency	(79.8)	(10.6)	(90.4)	
Application of 20% additional income - Fixing our broken housing market	36.8	34.6	71.4	
Building Control staffing	(24.9)	(1.1)	(26.0)	
Property Services staffing	34.1		34.1	
Taylor Weaver Chartered Surveyors	(17.0)		(17.0)	
Economic development admin costs	(8.9)	1.6	(7.3)	
Whittaker Park Museum Utilities Costs	(1.4)	0.4	(1.0)	
Childrens Partnership Board Grant	5.5	7.5	13.0	
Brownfield Grant & Custom Build Grant - put aside for Local Plan	35.4	(35.4)	-	
Planning/Forward Planning Consultancy fees/ Legal fees	(5.2)	(17.5)	(22.7)	
Planning Application Fee Income (excluding additional 20% broken housing market)	32.7	69.7	102.4	
Building Control Fee Income	16.6	(4.3)	12.3	
Property Running Costs: Repairs & Maintenance	0.8	(0.7)	0.1	
Electricity & Gas	(2.3)	(2.1)	(4.4)	
Water	(2.2)	2.1	(0.1)	
Boilers / Alarms	(5.6)		(5.6)	
Kay St prop - refurb	(8.8)		(8.8)	
Japanese Knotweed	(5.1)	(2.0)	(7.1)	
NNDR - Knowsley Industrial Unit 12mths	(42.6)	(21.6)	(64.2)	
NNDR - Refund exLiberal Club £92.7k and others	4.3	95.2	99.5	
NNDR - cost to agent (GVA) re savings	-	(10.5)	(10.5)	
Knowsley Industrial Unit - income shortfall	(75.0)		(75.0)	
Business Centre rentals/running costs		(2.6)	(2.6)	
Estates Income	9.4	5.1	14.5	
Xmas Lights		(5.8)	(5.8)	
Other Miscellaneous Variances	8.2	(10.1)	(1.9)	
TOTAL	(74.0)	89.2	15.2	

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Economic Development & Regeneration Highlight Report – Q3 (end Dec 2018)

Historic Issues

- **39 Burnley Rd, Rawtenstall, collapsed culvert under property** – In 2017/18 the owner defaulted on a court order to either make the house safe or demolish within 52 days. The Council demolished the property at a cost of £23.8k, funded from the Emergency Capital budget. The Environment Agency are consulting on the future of this site, with an update expected in Q4.

Current Quarter Issues

Economic Development and Regeneration are currently forecasting a favourable variance of £15.2k, the movements being:-

- A saving of £5.5k in salaries is mainly due to an Economic Development officer being temporarily funded out of the Bacup THI grant.
- The Regeneration service salaries is showing a projected saving of £3k due to a member of staff reducing core hours with a job share covering the workloads.

Property Services is currently expecting an adverse variance of £46.2k.

- There are net savings in the staffing costs of £17.1k. The Property Manager left the authority in August and a Chartered Surveyor company has taken on part of the role.
- Knowsley Industrial Unit was purchased at the end of 2017/18. Costs incurred this year are NNDR costs of £64.3k and assumed 6mths rental income shortfall of £75k.
- An agent was commissioned to revalue properties for Business Rates. The ex Liberal Club has been re-valued and RBC received a refund of £91k
- Property running costs are showing an adverse variance of £18.8k
- Estates income is showing a favourable variance of £14.5k

Planning and Building Control is currently expecting a favourable variance of £51.1k

- Appointments to vacant posts are proving unsuccessful, therefore agency has been used to provide cover. This has resulted in a projected over spend of £80k, being funded from the additional income from the 20% broken housing market.
- Planning income has seen two exceptional months this quarter. The projected over achievement is £102k, excluding the additional 20% broken housing market income.
- Consultancy costs for the planning department is showing an over spend of £19.7k due to contentious planning appeals and enforcements.

Future Issues

- Officers are reviewing the Whittaker Museum utilities budget overspend, working with the museum to draw up a commercial lease and separate funding agreement.
- The acquisition of the Knowsley Road depot had been forecast to generate £150k net income for the MTFs. The Council maintains a flexible approach to either the sale or lease of the Knowsley Road depot, with a preference for lease to address this shortfall. Otherwise, the revenue will be derived from re-investing the capital receipt from the depot site.

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Corporate Services Directorate

Period 9 (Dec)

Corporate Management	2018/19 Org Budget £000	2018/19 Forecast £000	2018/19 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Corporate Management					
Executive Office	336.1	325.0	11.1	11.5	(0.4)
Corporate Contingency	50.0	50.0	-	-	-
Exec Support & Corporate Subscriptions	61.4	65.2	(3.8)	(3.7)	(0.1)
Community Safety	-	-	-	-	-
Legal Services	187.9	177.4	10.5	4.3	6.2
Land Charges	(26.5)	(18.5)	(8.0)	(7.7)	(0.3)
Democratic Services					
Electoral Registration	67.3	67.3	(0.0)	(0.0)	0.0
Elections	72.4	72.4	0.0	0.0	0.0
Democratic Support	360.1	356.6	3.5	1.5	2.0
Mayoralty & Civic Events	49.7	43.9	5.8	6.0	(0.2)
Town Twinning	2.5	2.5	0.0	0.0	-
Financial Services					
Treasury Management	80.6	80.5	0.1	0.1	-
Insurance, Risk & Audit Fees	71.7	60.5	11.2	11.2	-
Financial Services Team	336.4	340.6	(4.2)	(4.4)	0.2
People & Policy					
Human Resources	297.0	291.3	5.7	4.0	1.7
Corporate Support	205.6	188.5	17.1	12.8	4.3
Publicity	4.0	0.6	3.4	3.4	-
Total	2,156.2	2,103.8	52.4	39.0	13.4

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Staff Savings	55.3	20.1	75.4	G
Agency costs	(16.5)		(16.5)	R
Corporate Subscriptions - Local Govt Information Unit	(2.5)		(2.5)	A
Professional Fees / Reference books	(5.5)	6.1	0.6	G
LCC Audit Fees (balance of 2017/18 work)	11.0		11.0	G
Members costs - IC registration and Mobile Phones	(2.9)	2.6	(0.3)	A
Democratic & Mayoralty savings	9.6		9.6	G
Register of Electors	-		-	G
Land Charges Income	(8.0)	(1.3)	(9.3)	A
Research	3.4		3.4	G
Employee-related Insurance	(2.1)		(2.1)	A
Other Misc under / (over) spends	(2.8)	(14.1)	(16.9)	R
TOTAL	39.0	13.4	52.4	G

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Corporate Management Highlight Report – Q3 (end Dec 2018)

Historic Issues

- Local Land Charges income is down on previous years, leading officers to predict a full-year adverse variance of £8.2k.
- An additional subscription to the Local Government Information Unit (LGIU) has been approved at an annual cost of £2.5k.

Current Quarter Issues

The Corporate Management out-turn is now expected an under-spend of £52.4k, the main movements being:-

- Q3 Staff changes Q3 are £20.1k fav.
 - Staff underspends from vacancies and shared management cover in HR have added £17.6k to the favourable variance
 - Vacancies in Corporate Support have added a further £4.6k
- Now that the 2017/18 internal audit work has been concluded, the real favourable variance in the accrual brought forward has turned out to be £11k, an improvement of £9k on that predicted back at Q1.
- Following the end of agency support in the legal team some additional professional fees have been incurred at a cost of £5.5k, but these have been offset in Q3 by the savings made on the re-tender of legal reference materials.
- The Legal section is showing a favourable movement of £6.1k this quarter mainly due to re-negotiating the reference books contract and re-assessing the professional fees projected forecast.
- Democratic and mayoralty costs are showing a saving of £9.3k. This has moved favourably in the quarter due to partly to a councillor leaving and not being replaced.

Staff/Agency	Variance Bfwd	Variance this Qtr	change
Corp Mgt	12	10.7	-1.3
Legal	7.6	6.6	-1
Land chgs	0.1	0.1	0
Dem Serv	2.2	1.7	-0.5
Mayoralty	0.8	0.8	0
Finance	-0.5	0.2	0.7
HR	4.4	22	17.6
Corp Support	12.2	16.8	4.6
	38.8	58.9	20.1

Futures Issues

- The Elections budgets are showing a nil variance, but both the Registration budget and Local Election budget are being supported by provisions. In 2018/19 and 2019/20 the current understanding is that there will be no joint elections where the costs can be shared. The cost of a standalone Local Election is £62.7k against the original 2018/19 budget of £51k. There is enough in the provision to cover 2018/19 and 2019/20 but there will be a pressure at the next standalone election after that.
- To date £40k has been used from Corporate Contingency budget, including £10k to support the Revenues and Benefits service tender process. There is also now a potential call to cover the costs of tree clearance and site analysis at plot 5 of the Future Park site. Costs are likely to be recovered from any future development if an agreement can be reached quickly.
- In 2019 we will be hosting the delegates from Bocholt, this will incur costs for accommodation, transport and gifts which will be funded from the town twinning budget.

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Corporate Services Directorate

Period 9 (Dec)

Non-Distributed Costs & Capital Financing	2018/19 Org Budget £000	2018/19 Forecast £000	2018/19 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Non Distributed Costs					
Employee & Pension Costs	1,069.7	1,062.2	7.5	7.5	-
Other Non-distributed Costs	16.7	42.2	(25.5)	(19.2)	(6.3)
Capital Financing					
Minimum Revenue Provision	298.6	298.6	-	0.1	(0.1)
Interest (net)	87.3	76.1	11.2	6.2	5.0
Total	1,472.3	1,479.1	(6.8)	(5.4)	(1.4)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancy control savings target	(150.0)		(150.0)	R
Budget for costs of one-off staff changes not required	100.0		100.0	A
Purchased additional leave	24.2		24.2	G
Historical pension costs	26.8		26.8	G
Savings on pensions arising from payment in advance	7.4		7.4	G
MMI Insurance Levy	-	(6.3)	(6.3)	A
Interest expenditure	1.0		1.0	G
Interest income from bank accounts	5.4	5.0	10.4	G
Additional doubtful debt provision	(20.0)		(20.0)	R
Other minor variances	(0.2)	(0.1)	(0.3)	A
TOTAL	(5.4)	(1.4)	(6.8)	A

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Non-Distributed Costs & Capital Financing Highlight Report – Q3 (end Dec 2018)

Historic Issues

- The original budget included £100k to cover one-off costs of staff changes, particularly within Operations. Now that the restructure has been concluded the costs have been incorporated within the department's overall budget on pages 8 & 9, so this additional budget will no longer be required.
- The doubtful debt provision for sundry debts is expected to require a further £20k top-up in the year (see the explanation on page 23).
- Pension pre-payment savings has been revised to take into account the difference between pensionable pay projected almost 2 years ago and that now forecast. This has reduced the 2018/19 favourable variance forecast to £7.4k.
- A slow-down in the annual reduction in historical added year pension costs, leading to an adverse variance of £8.5k

Current Quarter Issues

This Q3 report in 2018/19 is forecasting a net adverse variance of £6.8k, a net adverse movement of £1.4k in Q3 with the main movements being:-

- The original budget staff savings target was £150k. At the moment a net £112.6k has been identified throughout the departments (as shown in the table on page 4). Added to this is around £24.2k of savings from current applications for additional leave. This leaves a net £13.3k to find. The salaries monitoring table on page 20 shows that £182k of savings have been achieved in cash terms by the end of Q3, though some of this is being used in departments to fund external contractor support for essential tasks.
- Interest income has now improved by £5k to a net favourable forecast of £10.4k.
- Municipal Mutual Insurance claims for long-term illness cases have added a further £6.3k to costs during Q3. Officers suspect that the insurance provision for mesothelioma cases will require a further top-up in 2018/19, as a result of these new cases.

Future Issues

- The Council incurs c£1m per annum on pension deficit contributions. Officers are currently engaged with the Pension Fund to explore options to reduce this annual cost.
- There may be an additional contribution required to the doubtful debt provision dependent upon the outcome of current legal recovery action.

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention	Transitional Budgetary Support	Planning Reserve
	AN060103	AN060123	AN060144	AN060129	AN060109 / AN060145
Balance at 01/04/2018	1,156.2	5.1	1,082.4	2,766.7	194.1
Funds Received 2018/19					
Collection Fund - Surplus 2018/19					
Collection Fund - S31 Grants			843.5		
Collection Fund - Renewable Energy			163.9		
New Homes Bonus				684.0	
Other Revenue income received					35.4
General Fund Surplus Contribution				269.6	
Total Funds Available	1,156.2	5.1	2,089.8	3,720.3	229.5
2018-19 Published Budget Utilisation					
Retained Business Rates			(800.0)		
New Homes Bonus				(684.0)	
General budget support				(795.0)	
2018-19 Other Utilisation Plans					
Transfers between Reserves	(25.2)			64.2	25.2
Bacup THI Support					
Civica receipting software upgrade					
Counter Fraud & RV Analysis					
Support Forward Plan					(156.4)
Business Rates Pooling Levy for 2017/18			(52.0)		
Economic Development Projects	(169.8)				
Living Well, Living Better Project					
Haslingden Task Force					
Tourism and special events					
Reserve Estimates 31/3/2019	961.2	5.1	1,237.8	2,305.5	98.3
Future Contributions/Utilisation Plans					
2018/19 Plans		(5.1)			
2019/20 Plans	(25.0)			(511.0)	(27.5)
2020/21 Plans				(469.0)	
2021/22 Plans				(183.0)	
Potential Reserve Balances	936.2	0.0	1,237.8	1,142.5	70.8

Current issues

Funding for the original revenue budget included the use of £800k from the Retained Business Rates Reserve as well as £684k of New Homes Bonus Grant and £795k from the balance on the Transitional Budget Reserve, as reflected in the above table.

As noted on page 2, officers expect to contribute £269.6k back to the Transitional Reserve in 2018/19 from the General Fund projected favourable variance.

Agreed usage of the Employment & Transport Reserve for Economic Development projects can be seen opposite, with £961.2k unallocated at the moment.

Employment & Transport Reserve usage	£k
Whitaker HLF	10.0
Whitaker HLF Business Consultant and Plan	9.8
Whitaker HLF RIBA design process	29.9
Whitaker HLF Project Manager	20.0
Invest in Rossendale Webpage	12.0
Futures Park, Bacup – Masterplan and Greenbook	10.0
Rossendale Works- Employability - April 2018	25.0
Rossendale Works- Employability - April 2019	25.0
Invest in Rossendale launch event	4.0
Rossendale Works employability and skills event	1.5
Rawtenstall Market tender exercise	8.0
Rail Studies – Rawtenstall and Bacup	14.6
Unallocated	936.2

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Vehicle Reserve	Leisure Reserve	Bacup THI	Operational Reserves	Total
	AN060130	AN060118	AN060142	AN060121	
Balance at 01/04/2018	230.5	64.2	72.2	592.6	6,164.1
Funds Received 2018/19					
Collection Fund - Surplus 2018/19				0.0	0.0
Collection Fund - S31 Grants				0.0	843.5
Collection Fund - Renewable Energy				0.0	163.9
New Homes Bonus				0.0	684.0
Other Revenue income received				0.0	35.4
General Fund Surplus Contribution				0.0	269.6
Total Funds Available	230.5	64.2	72.2	592.6	8,160.5
2018-19 Published Budget Utilisation					
Retained Business Rates				0.0	(800.0)
New Homes Bonus				0.0	(684.0)
General budget support				0.0	(795.0)
2018-19 Other Utilisation Plans					
Transfers between Reserves		(64.2)		0.0	0.0
Bacup THI Support			(72.2)	0.0	(72.2)
Civica receipting software upgrade				(10.0)	(10.0)
Counter Fraud & RV Analysis				(10.0)	(10.0)
Support Forward Plan				0.0	(156.4)
Business Rates Pooling Levy for 2017/18				0.0	(52.0)
Economic Development Projects				(9.3)	(179.1)
Living Well, Living Better Project				(60.0)	(60.0)
Haslingden Task Force				(20.0)	(20.0)
Tourism and special events				(10.0)	(10.0)
Reserve Estimates 31/3/2019	230.5	0.0	0.0	473.3	5,311.8
Future Contributions/Utilisation Plans					
2018/19 Plans				(7.5)	5,299.2
2019/20 Plans	(16.0)			(71.5)	4,648.2
2020/21 Plans	(70.0)			(22.4)	4,086.8
2021/22 Plans	(67.0)			0.0	3,836.8
Potential Reserve Balances	77.5	0.0	0.0	371.9	3,836.8

Officers have reviewed the requirements fleet requirements over the life of the MTFs, clarifying the replacement costs, MRP funding and maintenance costs. The above plans to utilise £153k from the Reserve will leave £77.5k to support any additional maintenance needs.

Since the Leisure Reserve was used to clear the accumulated Balance Sheet retained loss for the Leisure Trust back in 2016/17 there have been no further demands on the Leisure Reserve. Officers now recommend transferring the balance into the Transitional Reserve.

Officers recommend the application of £25.2k Communities for Habitat grant received back in 2009/10 to the Earmarked Planning Reserve, and then using this to reverse part of the £200k taken from the Employment and Transport Reserve back in 2016/17. This will still leave £62.9k to support Local Plan costs in 2019/20.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Commun' for Habitats	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Transform' Lives Grant	Hoarding Grant	Total
Balance at 01/04/2018	25.2	708.4	68.7	35.9	40.9	10.5	889.6
New Funds Received 2018/19							
Grant due/received		1,063.5		49.6			1,113.1
Total Funds Available	25.2	1,771.9	68.7	85.5	40.9	10.5	2,002.7
Utilisation in 2018/19							
DFGs planned in Capital Programme		(500.0)					(500.0)
DFGs Additional Grant allocation		186.5					186.5
DFGs slippage from 2017/18		(708.4)					(708.4)
Transfer to Planning Reserve	(25.2)						(25.2)
Transforming Lives/Hoarding Projects					(40.9)	(10.5)	(51.4)
Homelessness Project			(68.7)				(68.7)
Domestic Abuse Projects				(85.5)			(85.5)
Anticipated Balance 31/03/2019	0.0	750.0	0.0	0.0	0.0	0.0	750.0
Future Utilisation Plans							
2019/20 plans		(750.0)					0.0
2020/21 plans							0.0
Potential Reserve Balances	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The Communities for Habitats grant has been transferred to the Earmarked Planning Reserve.

There was an additional grant during Q4 of 2017/18 and in April of 2018 from the Ministry for Housing, Communities and Local Government (MHCLG, formerly the DCLG) for work on domestic abuse projects in the borough which are continuing into 2018/19.

There was £705k of unspent DFG grant brought forward at the year-end. The original allocation for 2018/19 is £947.5k with a further £116k allocation received in January 2019, a 22% increase on that received in 2017/18. Despite LCC improvements to occupational therapy referrals during 2018/19, officers expect a slippage of c£750k to carry forward to 2019/20.

Staff Costs, including agency

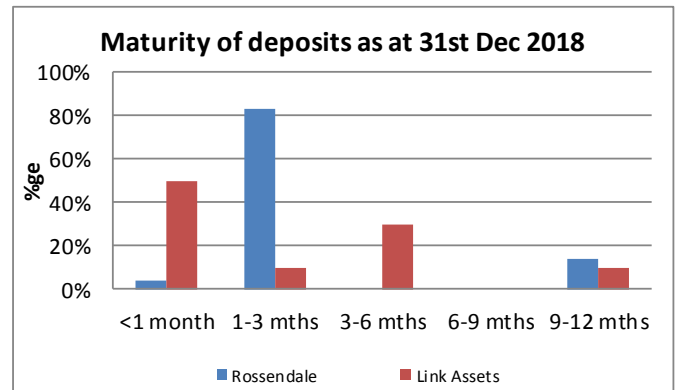
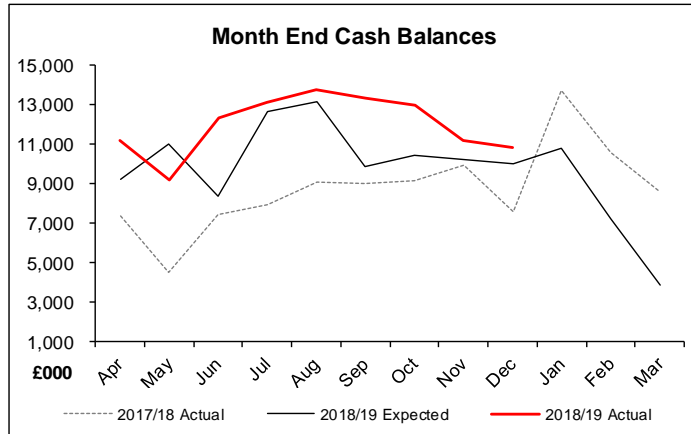
Employment Costs 2018/19 to end December	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2018/19	FTE Changes during 2018/19	Current Vacant Posts
Communities Directorate								
Customer Services	241	233	8	6	2	8.1	0.0	0.5
Operations Service	1,130	1,151	(20)	(8)	(13)	52.1	0.0	1
Communities	478	483	(5)	(15)	10	25.2	0.0	1
Environmental Health	163	130	33	21	12	7.4	0.0	0
Licensing & Enforcement	313	232	81	46	35	11.0	0.0	1
Housing	172	208	(37)	(21)	(16)	6.0	1.0	0
Economic Development Directorate								
Planning Services	326	357	(31)	(22)	(9)	11.3	0.0	1
Building Control Services	65	84	(19)	(13)	(6)	2.0	0.0	0
Regeneration	170	71	99	66	33	4.0	0.0	0
Property Services	113	85	28	13	15	4.4	0.0	1
Corporate Services								
Corporate Management	265	259	7	5	1	4.0	0.0	0
Legal Services	115	114	2	(4)	5	4.0	0.0	1
Local Land Charges	26	26	-	-	-	1.0	0.0	0
Democratic Services	184	181	3	3	1	7.9	0.0	0
Financial Services	235	235	(1)	7	(8)	7.7	0.0	0
People & Policy	340	307	33	19	13	16.2	0.0	1
Total	4,337	4,155	182	106	76	172.3	1.0	7.5

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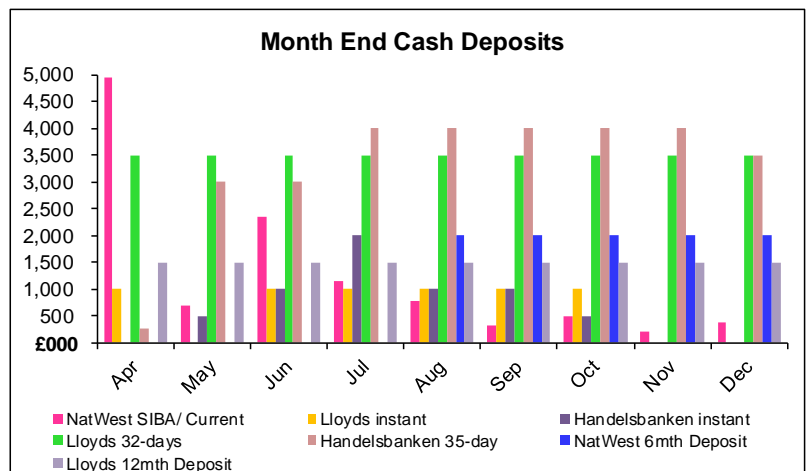
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Treasury Management & Cash Flow Monitoring

At the end of December the bank balances were £10,874k, down from £13,315k at the end of Q2. The balances remain above those projected originally as the net of two factors - the return of around £1.25m Empty Homes Grant has yet to be claimed by the Homes and Communities Agency but the reclaim of around £900k of Flood Resilience Grants is still being held up by MHCLG.



Balances & Interest Rates at 31/12/2018	Current Balance £k	Interest Rate %
NatWest SIBA	374	0.30
NatWest 6mth Deposit	2,000	0.71
Handelsbanken instant	-	0.20
Handelsbanken 35-day	3,500	0.25
Lloyds instant access	-	0.40
Lloyds 32-day notice	3,500	0.75
Lloyds 12mth Deposit	1,500	1.10
Total Bal & Avg interest	10,874	0.61



Officers have been keeping funds comparatively liquid again during 2018/19 to support the costs of the Spinning Point development and the potential requirement to repay the Empty Homes Grant, and this is having an impact upon the average interest earnings.

The average effective interest rate has increased from 0.48% at the end of Q2 to 0.61% at the end of Q3 thanks to the new 364-day deposit of £1.5m made just before Christmas to earn 1.1% interest, compared to the 0.85% interest being earned on the previous 365-day deposit.

Interest Paid/Received

The budget for interest in 2018/19 is a net cost of £87.5k.

At Q3, the forecast is now showing a favourable variance of £9.5k, which is an improvement of £4.1k since Q2 thanks to the higher balances at table 1 above.

Interest Forecast	Budget 2018/19	Forecast 2018/19	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLb)	(137.9)	(137.9)	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	51.4	60.9	9.5	4.1
Net Interest	(87.5)	(78.0)	9.5	4.1

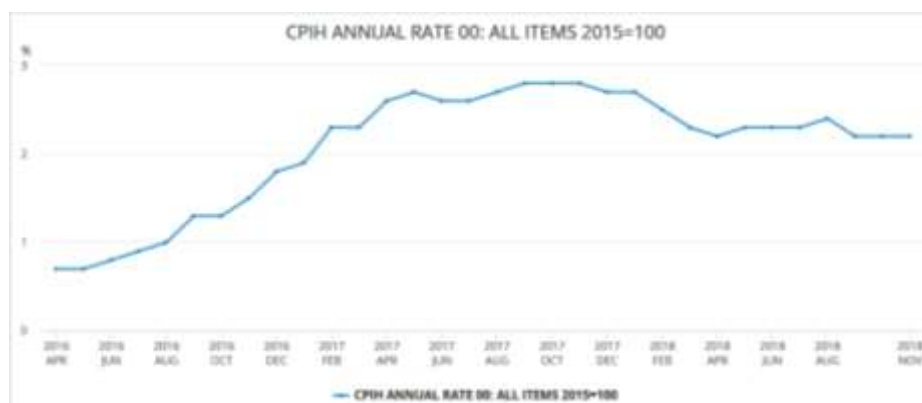
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Economic Outlook

(issued 19th December)

The Consumer Prices Index including owner occupier's housing costs (CPIH) 12-month rate was 2.2% in November 2018, unchanged from October 2018.



Price movements for most of the broad categories of goods and services had an upward effect on the Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month rate in November 2018. The exception was clothing and footwear, which had a small downward pull on the rate, with prices falling by 0.8% in the year to November 2018.

Unfortunately the IT industry looks more to RPI as a marker of inflation when setting the prices for future years. Hence, recent notifications indicate that IT licenses are going up by 3.4% from April 2019, based upon the RPI rate at September 2018.

Interest rate forward predictions

The Council's treasury management advisors, Link Asset Services, have released the following statement covering their interest rate predictions for the future:

at 31st Dec 2018	Current Rates	Mar 2019	Jun 2019	Sept 2019	Dec 2019	Mar 2020	June 2020	Sept 2020
Base Rate est	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
25yr PWLB est	2.82%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

Treasury Management Practices (TMPs) and Prudential Indicators

During Q3 the average bank resources were £14.5m, up from £13.4m during Q2, so officers have kept the Lloyds banking group investments at a maximum of £6m, including a maximum of £1m in the instant access account earning 0.4%.

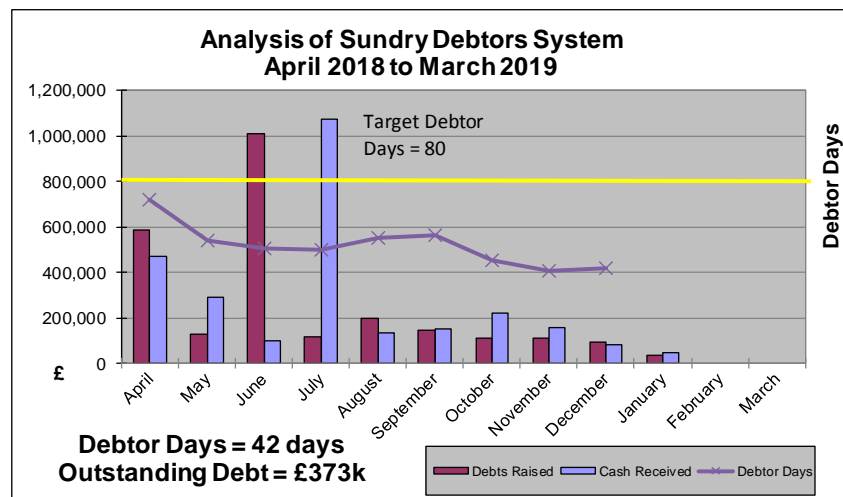
In Q3 there was one breach in the TMPs maximum of £5m in any one account when the Natwest current account was just over £5.3m on the 18th December in readiness to pay £3.9m precept payments, the £0.5m pre-Christmas creditor payment run on the 21st December and the December 4-weekly benefit run of £1.3m on the 27th December. Total resources on the 18th December were £15.8m. The highest that the total resources reached in Q3 was £18m back on the 18th October when the Handelsbank and Lloyds instant access accounts were held at £1m each, so the Natwest instant access accounts were held at the £5m TMP limit.

The lowest the Council's instant access cash resources reached in Q3 was £131k on the 27th November when the £1.3m benefits run went out of the bank before the December council tax and business rates income came in on the 3rd December, raising the cash levels by £2.5m.

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Sundry Debts Monitoring



Invoices raised in 2018/19 have reached £2,547k, of which £2,415k has already been collected. The biggest invoice was £947k DFGs invoice to LCC in June which was received in July.

Almost all the £20k outstanding from April is being paid by direct debit instalments and £19k of the remaining 2018/19 debts relate to S106 agreements.

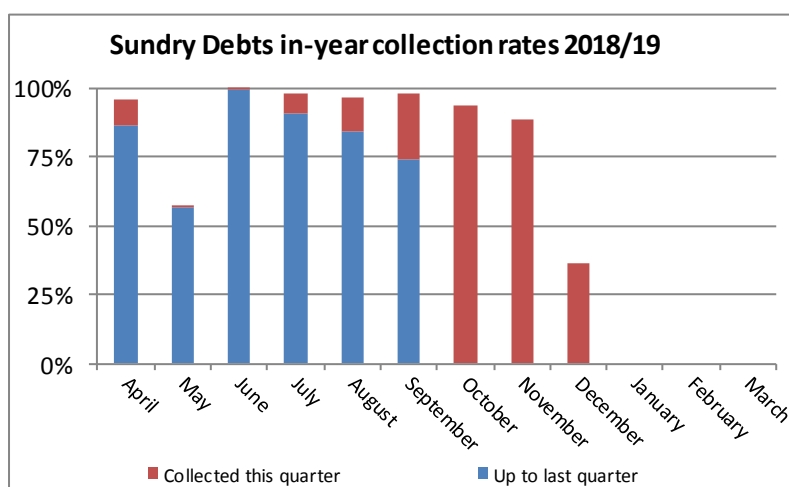
Housing Rent Debts

Of the £327k of housing rent debts brought forward in April 2018 the Council has a provision of £288.5k brought forward for doubtful debts, leaving a net £39k debt still to chase.

Doubtful debts

Debtor Days collection performance for sundry debts has moved from 57 days in September 2018 to 42 days at the end of December, against a target of 80 days.

Of the £373k outstanding, £20k is being collected by instalments. Ignoring these invoices, the doubtful element of the total debt is now £152.3k.



Debts Outstanding	Mar 2017	Mar 2018	30 Sept 2018		31 Dec 2018		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	45.5	34.0		33.7		33.4	100%	21.0
2014/15 Debt	38.5	37.3		37.3		37.3	100%	21.5
2015/16 Debt	12.8	7.8		6.9		6.8	100%	2.3
2016/17 Debt	418.0	36.0		34.9		33.1	100%	33.1
2017/18 Debt		517.9		80.9		77.0	100%	50.2
2018/19 Debt								
Q1 Apr			80.7		25.1		50%	2.6
Q1 May			57.3		55.8		50%	18.9
Q1 Jun			0.7	138.7	0.6	81.5	50%	0.3
Q2 Jul			12.3		2.6		10%	0.3
Q2 Aug			30.5		6.4		10%	0.6
Q2 Sept			136.5	179.3	3.2	12.2	10%	-7.7
Q3 Oct			11.8		8.0		10%	0.8
Q3 Nov					13.0		10%	1.3
Q3 Dec				11.8	60.1	81.1	10%	6.0
Q4 Jan					10.5		10%	1.1
Q4 Feb							10%	0.0
Q4 Mar				0.0		10.5	10%	0.0
Total Debt o/s	514.8	633.0		523.5		372.9		152.3

The impairment provision brought forward in April 2018 was £87k. Officers assume that a further provision of £20k will be required in 2018/19 to cover sundry debts and this is included on page 20.

There may be a need for further provision at year-end depending on the outcome of current legal debt recovery actions, as noted on page 17.

Of the sundry debts opposite £47k are held on the Local Land Charges Register.

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Capital Resources

Table 1 - 2018/19 receipts

Major Receipts:	Original Budget £000	Year to Date £000	Revised Forecast £000
Capital Receipts			
Land & Property Sales	50	152	150
Obsolete refuse vehicles	54	13	54
Net receipts to table 2	104	165	204

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2018	2,480
Capital Grants in 2018/19	7,495
Capital Receipts in 2018/19	206
	10,181
Revenue Contributions	
from Earmarked Reserves	221
from S106 agreements	28
from Revenue Operations	100
Total Capital Resources 2017/18	10,530
Capital Prog funding applied	(8,598)
Additional MRP payment (per Q1)	(657)
Total Capital Resources March 2018	1,275
Capital Receipts Reserve (housing)	381
Capital Receipts Reserve (unalloc)	894

Current issues

The council has received a final payment of £135k relating to the sale of the Rosso shares, and sold two obsolete vehicles. The above forecast above excludes any potential receipt from the sale of the Knowsley Road Rosso Depot as both sale and lease options are being considered.

Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of funds from the sale of Council assets the balance brought forward at the 1st April 2018 was £2,480k, though £649k of this is required to finance continuing projects, as shown in the slippage table reported opposite and £367k was ring-fenced for housing schemes like purchases under CPO powers.

The original capital programme for 2018/19 approved in February was £1,443k, to which £7,439k of slippage was added from ongoing projects at the end of March 2018. This included £874k for the Bacup THI project and £4,442k for the Spinning Point Phase 1 building works.

The total grant income expected for the revised capital programme is now £7,495k, of which £5,229k has already been received. This includes an original allocation of £947k from the Better Care Fund in 2018/19 for Disabled Facilities Grants. Given the increase in DFG grant funding Members approved revised DFG policies over the summer and this should help officers to release more grants in the coming months. The Council will receive a further £116k for the 2018/19 year for DFGs and indications are at least £947k will be repeated in 2019/20.

Revenue resources being applied in 2018/19 are expected to be £297k, of which £169k is coming from Earmarked Reserves, £28k is being funded from S106 agreements and £100k has been built into the 2018/19 revenue budget.

In Q1 members approved an additional repayment of MRP from the capital receipts of up to £660k. Officers completed that exercise in Q2 which reduced the 2019/20 MRP requirements by £150.5k.

The total in the Useable Capital Receipts Reserve at the end of 2018/19 is currently expected to be £1,275k, of which £381k is still ring-fenced for housing schemes. That leaves £894k of capital receipts unallocated at the present time.

Future issues

Full Council has approved 2 capital projects in July 2018 and December 2018 at Knowsley Road and Spinning Point Phase 2 which are being included in the 2019/20 capital programme, as it is unlikely that costs will be incurred in the current financial year while due diligence activities are ongoing.

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Capital Programme Spending

Capital Programme 2018/19	Original Cap Prog £000	Revised Cap Prog £000	Spent/ Ordered £000	Full-Year Forecast £000	Forecast Funding Arrangements				
					Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Impact
Communities Directorate									
IT Software & Equipment	0	0	0	0	0	0	0	0	0
Operations	693	871	465	871	0	54	0	817	163
Communities	30	490	100	490	82	380	28	0	0
Housing	620	1,888	749	1,888	1,768	120	0	0	0
Economic Dev Directorate									
Bacup THI	0	874	489	874	722	0	152	0	0
Ski Rossendale	0	464	430	464	464	0	0	0	0
Spinning Point	0	4,442	4,452	4,442	4,386	0	0	56	2
Property Repairs & Maint	100	300	208	335	0	200	100	0	0
Other minor projects	0	142	99	142	73	0	69	0	0
	1,443	9,471	6,992	9,506	7,495	754	349	873	165

Capital Programme 2018/19	£000
Original Capital Programme	1,443
Slippage from 2017/18	7,439
New capital projects in 2018/19	
Additional DFGs Grant	563
CPO enforced sales b/wd	-118
Stubbylee Dell	30
Ski Rossendale	64
CCTV	54
Other changes	-4
Revised Capital Programme	9,471

Slippage items c/wd at end of 2017/18	Costs '£000	Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
Operational Vehicles	178				178
Playgrounds (community projects)	103	93		10	
Cemeteries	96		96		
Pathways	28		28		
Sports Playing Fields	207		207		
DFGs	705	705			
CPOs	118		118		
	1,435	798	449	10	178
Economic Development Directorate					
Bacup THI	874	844		30	
Ski Slope Investment	400	400			
Spinning Point Phase 1	4,442	4,386			56
Emergency Works	100		100		
Building Maint (uncommitted)	100		100		
Whitworth land remediation	21	21			
CCTV	50	50			
Signage (fund from PRG Reserve)	17			17	
	6,004	5,701	200	47	56
	7,439	6,499	649	57	234

Capital Programme

The original Capital Programme was £1,443k, including £693k of vehicles and £500k of DFGs.

To this was added £7,439k of slippage from 2017/18 as shown opposite, including the balances of Spinning Point Phase 1 and the Bacup THI project.

Further DFG grant of £116k was announced at the end of Q3, bringing the revised capital programme up to £9,471k.

Capital project activity

- A further £254k of were DFGs paid in Q3 to bring the total activity to date up to £749k against the revised resources of £1,768k (including the extra £116k announced recently).
- Bacup THI has paid or committed £489k so far, almost 56% of the project balance. Owner contributions of £37k are outstanding from phase 1 and a further £136k is expected towards the Phase 2 works, which is included in the Grants & Contributions column above.
- Parks projects ongoing include Loveclough, Mullards at Waterfoot and the Stubbylee Dell, show progress of c40%.
- At Spinning Point Phase 1, Together Housing has now moved into the old Town Hall & work has begun on the new bus terminal.
- The CCTV upgrade was tendered in Q3 and the contract let just before the New Year.

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Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2018/19	Revised MRP Required 2018/19	Potential (Additions) / Savings 2018/19
Refuse Collection	290	236	54
Street Sweeping	44	8	36
Parks	54	30	24
IT	36	36	0
Facilities/Property	19	19	0
Leisure Investment	178	178	0
Corporate Services	9	4	5
Non-distributed Costs	298	326	-28
Additional MRP contribution as per Q1	0	657	0
	928	1,494	91

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

Delays in purchasing refuse and parks vehicles are expected to lead to MRP savings in 2018/19 of £83k (see notes on pages 8 & 9).

Following the Q1 report members approved an additional repayment of MRP from the capital receipts above of up to £660k. Officers completed that exercise in Q2, called a Voluntary Revenue Provision (VRP), which will reduce future MRP requirements in 2019/20 by c£150.5k.

Section 106 Receipts Monitoring

Section 106 Agreements 2018/19	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b/wd at 1st April 2018	407.5	141.6	193.1	742.2
Deposits received in 2018/19	71.8	1.1	29.8	102.7
Deposits applied in 2018/19	(134.5)	(13.8)	0.0	(148.3)
Current Balance	344.8	128.9	222.9	696.6

The value of S106 agreements brought forward on the 1st April was £742.3k. To the end of December £102.7k of new S106 contributions have been received, including £70k from the Croft End Mill development. The main disbursements have been £33.3k from the New Hall Hey development towards 3 years of bus service to the site and £75.5k from Holmeffield House, Holcombe to LCC for the cycleway route.

Planning Ref	Area	Site	Purpose	Time Period	Current Balance
RBC Revenue Maintenance:-					
2004/012	Crawbooth	Former Chapel at York St	For recreation area selected by the Council	used 2018/19	0
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	124,846
		Others		Exp Jan 2021	2,945
				Revenue	127,791
RBC Capital:-					
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public & Open Spaces	Exp Jul 2020	110,769
2010/0667	Whitworth	Cowm Park Way/ Hall St	Youth & Community	Exp Jul 2020	32,549
2010/0667	Whitworth	Cowm Park Way/ Hall St	Youth & Community	Exp Mar 2023	10,264
2011/0046	Helmshore	Holmeffield House	Affordable housing	Exp Sep 2020	25,800
2013/0041	Cloughfold	Land at 449 - 457 Bacup Rd	Play or Open Space and/or pedestrian/cycle way	no time limit	13,702
2015/0238	Edenfield	Hilbre Projects LLP	Local recreational/play facilities	Exp July 2023	14,759
				Capital	207,843

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Council Tax & NNDR Collection Rates

Collection Rates	Council Tax					Business rate				
	2014/15	2015/16	2016/17	2017/18	2018/19	2014/15	2015/16	2016/17	2017/18	2018/19
April	10.16	10.91	10.60	10.39	10.41	10.97	11.87	11.25	10.34	11.26
May	20.16	19.98	19.73	19.53	19.72	21.66	20.80	19.20	19.14	18.93
June	29.02	29.22	30.12	28.81	28.79	31.50	29.31	28.26	27.51	27.28
July	38.43	38.49	37.97	37.91	37.97	38.83	43.25	35.55	36.85	36.25
August	47.63	47.54	47.21	47.10	47.03	51.60	54.82	43.60	48.98	49.93
September	57.00	56.80	56.35	56.20	56.05	61.01	62.70	58.92	57.60	58.43
October	66.30	66.18	65.58	65.58	65.32	68.55	70.27	67.00	65.57	67.95
November	75.52	75.45	74.73	74.81	74.52	75.72	79.88	74.40	74.28	74.77
December	84.81	84.52	83.85	84.03	83.55	82.61	87.02	82.08	82.46	83.00
January	91.15	93.73	93.01	92.93		90.30	93.17	90.20	91.18	
February	95.69	95.41	94.84	94.90		94.46	96.85	94.06	95.10	
March	96.90	96.80	96.20	96.40		97.60	97.40	97.20	98.40	

Collection rates for Council Tax continue to be slightly behind last year's performance, but Business Rates are still a little ahead of last year.

Council Tax Collection Fund

Following some further downward revaluations this quarter, officers predict that the surplus on the Council Tax collection fund will reduce by £61k to £205k, of which RBC's share would be £30k.

By the end of Q3 the net value of banding changes in the year has levelled out at £33k adverse. Meanwhile, the level of Council Tax Support has dropped by a further £59k, making the current total £126.6k lower than the opening entitlement in April.

Council Tax Forecast 2018/19	Q1 £'000	Q2 £'000	Q3 £'000
Council Tax Collectable (after Discounts & Exemptions)	37,054	37,152	37,141
less Doubtful Debt Provision	(363)	(300)	(350)
	36,691	36,852	36,791
less Precepts for 2018/19			
Lancashire County Council	(26,195)	(26,195)	(26,195)
Police	(3,590)	(3,590)	(3,590)
Fire	(1,365)	(1,365)	(1,365)
Rosendale Borough Council	(5,437)	(5,437)	(5,437)
	(36,586)	(36,586)	(36,586)
Surplus / (Deficit)	105	266	205
RBC Share = 14.86%	16	40	30

Though no additional doubtful debt provision was required in 2017/18, current year write-offs have now exceeded £365k so officer are predicting a required provision of £350k for 2018/19. This accounts for £50k of the reduction in predicted surplus this quarter.

Local retention of Local Business Rates (NNDR)

Under the new 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.

In Q3 band decreases have reduced the net liability by a further £123k. This assumes that the doubtful debt provision of £250k remains a prudent level given that only £58k has been written off to date. The level of appeals is consistently low, so the provision expected has been halved to £300k. The net effect is an increase in the cash surplus prediction from £224k at Q2 to £390k at Q3, of which RBC would retain £156k.

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Business Rates Collection Fund 2018/19		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Net Liability Due		13,160	13,711	13,523	13,395
Less Transitional Payments due to MHCLG		(139)	(210)	(209)	(215)
Less Cost of Collection Allowance		(98)	(98)	(98)	(98)
Less Doubtful Debt Provision		(380)	(268)	(250)	(250)
Less Appeals Provision		(600)	(600)	(600)	(300)
Less Renewables 100% to RBC		(164)	(164)	(164)	(164)
Net NNDR due	A	11,779	12,371	12,202	12,368
Less Trans surcharge	B	(139)	(209)	(199)	(199)
Less Precepts		(11,779)	(11,779)	(11,779)	(11,779)
Cash Surplus/(Deficit)	C	(139)	383	224	390
RBC Share = C x 40%	D	(56)	153	90	156
Central Government share 50%			192	112	195
LCC and Fire share 10%			38	22	39

The second area of variance occurs within the Council's General Fund. Here we must compare the amounts received from the current business rates with the amount of funding that we would have received under the previous national scheme.

In theory RBC retains 40% of business rates, which has reduced to £4,788k in Q3, but this is still above the £4,712k in the NNDR1 initial budget. This is then reduced by the tariff

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Business Rates Income	A+B	11,640	12,162	12,003	12,169
RBC Share = 40%		4,712	4,865	4,801	4,868
less tariff paid to Lancashire Pool		(2,610)	(2,610)	(2,610)	(2,610)
add S31 Grants	E	747	818	880	843
Subtotal		2,849	3,073	3,071	3,101
RBC Baseline Funding Level used in Budget		2,097	2,097	2,097	2,097
Surplus for Levy Calculations	F	752	976	974	1,004
Levy due to the Lancashire Pool = F x 10%	G	(75)	(98)	(97)	(100)

of £2,610k and increased by the S31 Grants of £843k (see below), before being compared to the Baseline Funding Level of £2,097k, to give a Surplus for Levy calculations of £1,004k. This would result in a Levy due to the Lancashire Pool of £100k, which is £25k above NNDR1 prediction.

Central government also give authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the NNDR1 estimate those grants totalled

Business Rates Summary		NNDR1 £000	Q1 £000	Q2 £000	Q3 £000
Business Rates Surplus/(Deficit) 2018/19	D	(56)	153	94	162
Section 31 Grants & Localism Relief	E	747	818	880	843
less Lancashire Pooling Levy	G	(75)	(98)	(98)	(101)
Renewable Energy		164	164	164	164
Overall Gain		780	1,037	1,040	1,068
Business Rates Retention Bfwd		1,082	1,082	1,082	1,082
Less Budgeted Utilisation		(800)	(800)	(800)	(800)
Business Rates Retention Cfwd		1,062	1,319	1,322	1,350

£747k, but the level of reliefs at Q3 have led officers to predict £843k income. This creates a surplus of £1,063k over RBC's baseline funding which, due to new pooling arrangements, is now protected from any MHCLG levy.

To summarise, at Q3 the forecast for 2018/19 business rates shows an overall gain of £1,063k compared to the MTFs target of £800k.

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Glossary

Accrual

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

Capital expenditure

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

Capital Grants Received in Advance

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

Capital Receipts

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

Cash & Cash Equivalents

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

Collection Fund

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

Compulsory Purchase Order (CPO)

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

Consumer Price Index (CPI)

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

Earmarked Reserves

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

Full Time Equivalent (FTE)

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.

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General Fund

The main revenue fund of the Council.

Grants Unapplied

Unlike Capital Grants Received in Advance, there is no requirement to repayment of these grants. The unspent balance will be released into capital or revenue in the coming years as projects come online. These funds form part of the Council's Useable Reserves.

Homes and Communities Agency (HCA)

The Homes and Communities Agency (HCA) is the non-departmental public body which helps to fund new affordable housing in England. It was established by the Housing and Regeneration Act 2008 as one of the successor bodies to the Housing Corporation, and became operational on 1 December 2008. In 2012 the HCA approved the East Lancashire Empty Homes Scheme.

Investments

The Council invests surplus cash in short- and long-term deposits in accordance with the Treasury Management Strategy and Practices revised in February each year. In this context short-term includes anything up to 365 days, and long-term is for more than one year. Funds deposited in such investments are not accessible until the end of the agreed terms.

Link Asset Services (formerly Capita & Sector)

Link Asset Services (formerly Capita & Sector) is the company which provides the Council with Treasury Management advice, including daily market reports and predictions, credit rating updates, interest rate forecasts and annual reviews of our strategy and practices ahead of the February reports to Full Council.

Medium Term Financial Strategy (MTFS)

The Council's financial planning document for the foreseeable future.

Minimum Revenue Provision (MRP)

The minimum amount which must be charged to the Council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

Ministry of Housing, Communities and Local Government (MHCLG)

The former Department of Communities and Local Government (DCLG) has been redesignated as the Ministry of Housing, Communities and Local Government, or MHCLG.

National non-domestic rates - now Business Rates (NNDR)

National non-domestic rates for commercial premises are set annually by the government and collected by all local authorities. The localisation of business rates in April 2013 meant that the National pool no longer exists, but the acronym NNDR is still widely used in local government circles.

Provision

Cash 'put aside' for expenditure on an intended project which has not commenced or is not complete at the year-end, but which has been contractually committed.

Provisional

Best forecast given current knowledge.

Public Works Loans Board (PWLB)

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

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Reserve

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

Revenue account

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

Section 106 Agreement

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

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