

<b>Subject:</b>	Financial Monitoring Report 2019/20 Q3	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	12 <sup>th</sup> February 2020
<b>Report of:</b>	Finance Manager	<b>Portfolio Holder:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	Yes/No	Attached: Yes/No
<b>Biodiversity Impact Assessment</b>	Required:	Yes/No	Attached: Yes/No
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1.	<b>RECOMMENDATIONS</b>
1.1	That Members note the contents of the report.
1.2	That Members approve the application of surplus monies into the Transitional Reserve.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to update Members on the Q3 budget progress for 2019/20, compared to the original budget set back in February 2019.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A clean and green Rossendale:** our priority is to keep Rossendale clean and green for all of Rossendale's residents and visitors, and to take available opportunities to recycle and use energy from renewable sources more efficiently.
  - **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
  - **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues and opportunities and in particular service department net expenditure.
  - Budget setting for future years is now treated as an integral part of financial monitoring during the current year and the impact of variances being reported here will be considered by officers when preparing the detailed 2020/21 budgets.
  - The Council must explore ways of bridging its forecast annual funding gap. Amongst other things this may include becoming more commercially aware, aiming to grow its resources alongside the challenges to its cost base.
  - Any continued austerity planning by Central Government resulting in a further reduction of central government resources, plans for the local retention of 75% of the

business rates, the current Fair Funding review and any potential implications of Brexit. Both the Fair Funding review and a new national scheme for the local retention of business rates have been postponed until April 2021.

## **5. BACKGROUND AND OPTIONS**

### **5.1 2019/20 Q3 Monitoring Report as at the end of December 2019 (see Appendix 1)**

This Q3 monitoring report for the financial year 2019/20 is showing an expected favourable variance of £225k, compared to the original budget of £9,931k. Officers recommend that this variance is used to reduce reliance on the Transitional Reserve for 2019/20 from £512k to £287k.

The most notable changes so far are shown in the table on page 5 of the report. The main changes in Q3 being:

#### **5.1.1 Favourable one-off variances**

- Housing Benefits subsidy is showing a favourable variance of £113k.
- The CEO and Director of Communities posts being vacant are contributing £90k towards an overall predicted staffing cost variance of £305k compared to the target vacancy savings of £150k.
- Favourable grant income on the Service Assurance Team is already at £80k but most of this will be used to fund service / systems changes required by central government changes.
- A combination of higher balances and rising interest rates looks set to improve this year's interest income by £45k.

#### **5.1.2 Adverse one-off variances**

- Court Costs recovered have returned an adverse variance overall of £20k, but this is mainly due to improvements in the annual collection rates.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £72k mainly due to expected works to older fleet vehicles. There is however a forecast saving of £15k on MRP due to some delayed investment. The Operations staff are in the process of trying to obtain replacement vehicles so in time maintenance costs should reduce.

#### **5.1.3 Favourable recurring variances which will impact upon the MTFS**

- Housing overpaid benefits recovered (net of bailiff costs) are showing £76k.
- Cemeteries are now projecting a favourable forecast variance of £2.2k which is a favourable change of £24.9k from Q2 as the income has been reviewed and re-forecasted. During Q3 the position has improved with burial figures from Q2.
- Pension costs are set to reduce by £58k, £19k of which relates to historic pension costs, which will definitely recur, and £39k is the final element of savings on the 3-year pension prepayment, which will recur in some form as the Council makes the next 3 year prepayment in April 2020.

#### **5.1.4 Adverse recurring variances which will impact upon the MTFS**

- Hackney and Licensing income is projected to be down by £47k and this adverse variance is likely to continue.

## 5.2 Earmarked Reserves

The total cash-backed Earmarked Reserves brought forward at 1st April 2019 were £6,018k. The opening balance on the Transitional Reserve was £2,320k, to which £485k of New Homes Bonus grant will be added. The draft favourable variance on the General Fund of £225k will be transferred back into the Transitional Reserve, along with the predicted £70k surplus on the Council Tax Collection Fund, leaving a net balance of £2,033k at the end of 20/21.

The Business Rates Retention Reserve reflects the in-year variances discussed in detail on page 28, including the renewable energy income of £168k and the Business Rates Surplus of £1,420k after the contributions to the LCC and Fire preceptors. Funding for the 2019/20 budget included the application of £1,200k from this reserve.

The Planning Reserve is expected to be required to support £189.7k of costs in relation to the current Local Plan, leaving £50k to fund further costs beyond 2021/22.

The closing balance at the 31st March 2020 is now predicted to be £5,412k, but planned usage, particularly of the Transitional Reserve through the life of the MTFs, will reduce this to £4,971k by March 2024.

## 5.3 Government Grants

The opening value of Government Grants Unapplied at the 1st April 2019 was £882k, including Disabled Facilities Grant carried forward into 2019/20. In addition to the £882k of unspent DFG grant brought forward, the 2019/20 allocation is £1,022k, giving total DFG resources of £1,904k. Total expenditure in 2018/19 has been £890k, just over half of the funds available. Early indications are that 2019/20 allocations will be at a similar level.

The Homelessness grant of £53k and the Domestic Abuse and Hoarding Grants are due to be spent in 2019/20.

## 5.4 Staff Monitoring

The table on page 20 shows the cash saved on salaries between April and Dec was £234k. This is made up of around £210k from general staff turnover and vacancies, plus £24k from additional leave purchased by staff in the first 9 months of the year. This means of the £305k of staff savings predicted for the year in 5.1.1 above and page 17 of the Appendix 1, £234k has been achieved in cash terms by the end of Q3, leaving £71k predicted in Q4.

## 5.5 Treasury and Cash Management

At the end of December the bank balances were £13,218k, down from £15,354k at the end of Q2, following the expected cash flow pattern for the year. These balances include £2m borrowed from the PWLB for 20 years on the 15/08/2019 at a rate of 1.34% to facilitate the construction of Futures Park Plot 5. This, the balance of Spinning Point Phase1 costs, DFG grants and repayment of the HCA grant will all see these balances reduce over the coming months.

In early October the PWLB interest rates were all increased by 1% for new loans this has not affected the loan taken out in August but will affect any future loans. Officers and members may have to review any business case details to take account of this for new projects.

## 5.6 Debt Monitoring

Invoices raised in 2019/20 totalled £1,728k to the end of Q3, of which £301k is still outstanding and £67k of that balance is due in instalments over the coming months. That means that the real outstanding figure for the current year is £234k, or 13.5%, and £143k of that is not 30 days old yet.

The provision for doubtful debt at the 1st of April was £183.6k, plus a further £5.4k set aside for licensing debt. Officers have considered both the general impairment rate and some specific older debts which are being pursued through the courts. (see page 23 and 17).

## 5.7 Capital Resources and the Capital Programme

The Usable Capital Receipts brought forward at the 1st April totalled £2,480k. New projects during the year have added £6,730k, mainly the increase in Whitaker and the DFG's and in Q3 the approval of the Rossendale Leisure Trust Haslingden Gym refurb project, to give a revised capital programme of £13,337k

The original Capital Programme for 2019/20 was £1,304k, including £500k for DFGs and £554k for replacement operational vehicles. The slippage from 2018/19 was £5,185k, the bulk relating to Spinning Point and the DFGs. Additions to the programme have mainly been the Whitaker project.

The revised capital programme for 2019/20 is £13,337k.

## 5.8 Section 106 Agreements

The tables on page 26 of Appendix 1 show the current S106 agreements in force which are available for Rossendale Council projects, with the balance of funds and any deadline dates. At Q3, the Council has received £12.8k from Scout Moor Wind Farm habitat fund. In the same period £1.5k was released for Scout Moor and £32.5k for Orama Mill. The annual £10k from the Douglas Road scheme has been released into the revenue account each year to support grounds maintenance costs. The remaining balance will be fed into revenue over the next 11 years.

There is also £519k for capital projects, including agreements from developments at Cowm Park Way and Oaklands/ Cribden Avenues.

## 5.9 Collection Funds

Collection rates for Council Tax and Business Rates are hovering around the same point as 2018/19.

The Council Tax account is showing an early predicted surplus of £70k for Rossendale whilst maintaining the expected doubtful debt contribution of £300k.

The Lancashire Pool is now one of the pilots retaining 75% of business rates locally (56% in Rossendale and 19% between Lancashire County Council and the Fire Authority. Business Rates forecast surplus is now expected to be around £1,746k under the new scheme, of which Rossendale will keep £1,420k. Of which £250k is coming from an expected reduction in the requirement for any contribution to the appeals provision.

The S31 Grants from the MHCLG to cover various reliefs have increased by £363k from the entitlement under the original 50% Pool and £364k due to an increase in the reliefs being offered. Therefore, once the Lancashire Pooling levy is taken into account, the net overall gain for RBC is currently expected to be £1,420k. This means that, after the budgeted withdrawal of £1,200k, the net retained business rate resources at the end of 2019/20 are

likely to be £2,378k.

**COMMENTS FROM STATUTORY OFFICERS:**

**6. SECTION 151 OFFICER**

6.1 Financial matters are noted in the report attached.

**7. MONITORING OFFICER**

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

**8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

8.1 Unless specifically commented upon within the report, there are no implications for consideration. Staffing issues have been discussed with colleagues in the People & Policy section.

**9. CONCLUSION**

9.1 Robust monitoring of the General Fund and MTFs is essential to control risks expressed in section 4 above.

9.2 Despite a continued cost reduction programme, the challenge remains for Council to continue its efficiency agenda in order to realise its medium term saving and efficiency targets. Members, collectively, continue to face difficult choices in order to balance expenditure with available resources over the medium term.

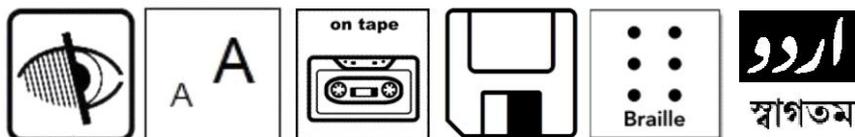
9.3 Council should not get complacent following this prediction for a £225k net favourable variance in 2019/20 as this simply reduces reliance on the planned use of the Transitional Reserve. We should also, remember the forthcoming significant reductions in external income sources: New Homes Bonus and an as yet any unknown adverse impact on the Council's share of Business Rates.

Background Papers	
Document	Place of Inspection
Service monitoring statements.	Financial Services.
2018/19 Corporate Priorities, Budget, Council Tax and The Medium Term Financial Strategy.	RBC website - Full Council 27/02/2019

# Financial Monitoring Report

**2019/20 Q3 as at end of December 2019**

*Including a Glossary of terms on page 29*



## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

### General Fund Revenue Operations – pages 4 to 17

This Q3 report on the General Fund for 2019/20 is showing a decrease in the favourable variance from £230k to £225k compared to the original budget of £9,931k. 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 1<sup>st</sup> April 2019 were £6,018k

The opening balance on the Transitional Reserve was £2,320k, to which £485k of New Homes Bonus grant will be added. The draft favourable variance on the General Fund of £225k will be transferred back into the Transitional Reserve, along with the predicted £70k surplus on the Council Tax Collection Fund.

The Business Rates Retention Reserve reflects the in-year variances discussed in detail on page 28, including the renewable energy income of £168k and the Business Rates Surplus of £1,420k after the contributions to the LCC and Fire preceptors. Funding for the 2019/20 budget included the application of £1,200k from this reserve.

The Planning Reserve is expected to be required to support £189.7k of costs in relation to the current Local Plan, leaving £50k to fund further costs beyond 2021/22.

### Government Grants Unapplied – page 20

The opening value of Government Grants Unapplied at the 1<sup>st</sup> April 2019 was £882k, including Disabled Facilities Grant carried forward into 2019/20. In addition to the £882k of unspent DFG grant brought forward, the 2019/20 allocation is £1,022k, giving total DFG resources of £1,904k. Total expenditure in 2018/19 has been £890k, just over half of the funds available. Early indications are that 2019/20 allocations will be at a similar level.

The Homelessness grant of £53k and the Domestic Abuse and Hoarding Grants are due to be spent in 2019/20.

### Staff Monitoring – page 20

The table on page 20 shows the cash saved on salaries between April and Dec was £234k. This is made up of around £210k from general staff turnover and vacancies, plus £24k from additional leave purchased by staff in the first 9 months of the year.

### Treasury & Cash Management - page 21 to 23

At the end of December the bank balances were £13,218k down from the Q2 balance of £15,354k. Officers continue to keep funds liquid throughout the year in order to manage the cash available for the ongoing capital commitments. These balances include £2m borrowed from the PWLB for 20 years on the 15/08/2019 at a rate of 1.34% to facilitate the construction of Futures Park Plot 5. In early October the PWLB interest rates were all increased by 1% for new loans this has not affected the loan taken out in August but will affect any future loans.

Invoices raised in 2019/20 totalled £1,728k to the end of Q3, of which £301k is still outstanding and £67k of that balance is due in instalments over the coming months. That means that the real outstanding figure for the current year is £234k, or 13.5%, and £143k of that is not 30 days old yet. The provision for doubtful debt at the 1<sup>st</sup> of April was £183.6k, plus a further £5.4k set aside for licensing debt. Officers have considered both the general impairment rate and some specific older debts which are being pursued through the courts. (see page 23 and 17).

### Capital Receipts – page 24

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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

The Usable Capital Receipts brought forward at the 1<sup>st</sup> April totalled £2,480k.

New projects during the year have added £6,730k, mainly the increase in Whitaker and the DFG's and in Q3 the approval of the Rossendale Leisure Trust Haslingden Gym refurb project, to give a revised capital programme of £13,337k

The total in the Useable Capital Receipts Reserve at the end of 2019/20 is currently expected to be £1,846k, of which £603k is still ring-fenced for housing schemes. Of the remaining £1,361k there is a receipt of £100k which has been ring-fenced for Whitworth projects.

### Capital Programme and Funding – page 25 to 26

The original Capital Programme for 2019/20 was £1,304k, including £500k for DFGs and £554k for replacement operational vehicles. The slippage from 2018/19 was £5,185k, the bulk relating to Spinning Point and the DFGs. Additions to the programme have mainly been the Whitaker project.

The revised capital programme for 2019/20 is £13,337k

### Collection Fund 2019/20 (Council Tax & NNDR) - page 27 to 28

Collection rates for Council Tax and Business Rates are hovering around the same point as 2018/19.

The Council Tax account is showing an early predicted surplus of £70k for Rossendale whilst maintaining the expected doubtful debt contribution of £300k.

The Lancashire Pool is now one of the pilots retaining 75% of business rates locally (56% in Rossendale and 19% between Lancashire County Council and the Fire Authority. Business Rates forecast surplus is now expected to be around £1,746k under the new scheme, of which Rossendale will keep £1,420k. Of which £250k is coming from an expected reduction in the requirement for any contribution to the appeals provision.

The S31 Grants from the MHCLG to cover various reliefs have increased by £363k from the entitlement under the original 50% Pool and £364k due to an increase in the reliefs being offered. Therefore, once the Lancashire Pooling levy is taken into account, the net overall gain for RBC is currently expected to be £1,420k. This means that, after the budgeted withdrawal of £1,200k, the net retained business rate resources at the end of 2019/20 are likely to be £2,378k.

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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

### General Fund Summary - Period 9 (Quarter 3)

Service Area (excluding internal recharges)	2019/20 Org Budget excl Int'l Market £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
<b>Communities Directorate</b>					
Customer Services and E-Government	1,459.5	1,352.6	106.9	81.8	25.1
Operational Functions	2,178.4	2,235.7	(57.3)	(38.3)	(19.0)
Communities	719.7	653.5	66.1	21.4	44.7
Public Protection Unit	132.5	130.2	2.2	2.2	0.0
Environmental Health	210.8	211.1	(0.3)	4.8	(5.1)
Licensing & Enforcement	62.5	97.6	(35.1)	(23.1)	(12.0)
Housing	192.0	166.1	25.9	18.4	7.6
<b>Economic Development Directorate</b>					
Planning Services	296.9	277.3	19.5	18.6	1.0
Building Control Services	(10.2)	(11.4)	1.2	(2.4)	3.6
Regeneration	349.9	375.3	(25.4)	(18.9)	(6.6)
Property Services	757.8	742.2	15.7	50.0	(34.3)
<b>Corporate Management Directorate</b>					
Corporate Management	452.0	365.6	86.4	81.7	4.7
Legal Services	193.6	143.0	50.6	31.7	18.9
Local Land Charges	(22.5)	(13.9)	(8.5)	(8.2)	(0.3)
Democratic Services	569.3	564.5	4.8	9.4	(4.6)
Financial Services	499.2	528.4	(29.2)	(0.3)	(28.9)
People and Policy	522.1	467.2	54.9	53.3	1.6
Non Distributed Costs	1,017.3	1,111.6	(94.3)	(92.6)	(1.7)
Capital Financing and Interest	350.5	309.9	40.6	40.6	-
<b>TOTAL Service Cost</b>	<b>9,931.3</b>	<b>9,706.5</b>	<b>224.7</b>	<b>230.0</b>	<b>(5.3)</b>
<b>LESS Use of Earmarked Reserves</b>					
Retained Business Rates Reserve	(1,200.0)	(1,200.0)	-	-	-
Transitional Budgetary Reserve	(997.0)	(772.3)	(224.7)	(230.0)	5.3
<b>Net Service Cost</b>	<b>7,734.3</b>	<b>7,734.3</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Q3 report for 2019/20 is showing a predicted favourable variance of £224.7k.

The main variances so far are shown in the table opposite and these include:-

- A further gain of £26.3k in Q3 in the expected recovery of overpaid benefits. However, this is partly netted off by the income from Court Costs raised for Council Tax and Business Rates.
- Staff cost reductions were already forecasting a favourable £292k and £20k additional purchased leave. In Q3 a reduction of £7k has been identified which makes a total saving of £305k against the savings target of £150k.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £72k mainly due to expected works to older fleet vehicles. There is however a forecast saving of £15k on MRP due to some delayed investment. The Operations staff are in the process of trying to obtain replacement vehicles so in time maintenance costs should reduce.
- Cemeteries are now projecting a favourable forecast variance of £2.2k which is a favourable change of £24.9k from Q2 as the income has been reviewed and re-forecasted. During Q3 the position has improved with burial figures from Q2.

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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

Annual Variances	Q1	Q2	Q3	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	
<b>Customer Services and e-Government</b>					
Staff costs	3.9	-	-	3.9	
Housing Benefits subsidy	37.5	80.3	(4.7)	113.1	
Other benefit grants (incl admin grant)	(2.0)	-	-	(2.0)	
Overpaid Benefits recovered (net of bailiff costs)	33.0	16.8	26.4	76.2	
Court costs recovered (net of bad debt provision)	(22.0)	(28.0)	30.0	(20.0)	
Revenue & Benefit Administration Contract - implementation	(8.4)	(30.2)	(8.5)	(47.1)	
Central IT Costs	-	-	(15.4)	(15.4)	
Pest control services (net of fee income)	(2.4)	-	-	(2.4)	
Other minor variances	3.5	(0.2)	(2.7)	0.6	106.9
<b>Operations</b>					
Staff costs (including agency and overtime)	46.6	(2.8)	14.2	58.0	
Fuel	2.0	(1.5)	2.0	2.5	
Vehicle maintenance incl hire of temporary vehicles	(39.3)	(2.9)	(31.9)	(74.1)	
MRP Savings on Vehicles	-	-	15.0	15.0	
General parks and street sweep running costs	(5.2)	-	(16.7)	(21.9)	
Garden Waste Income	-	-	13.8	13.8	
Markets Income & Running expenses	(26.1)	21.1	3.1	(1.9)	
Trade Waste & Bulks Net income	9.0	-	(1.2)	7.8	
Cemeteries Net income	(27.5)	4.7	25.0	2.2	
Other minor variances	(1.2)	(5.7)	2.4	(4.5)	8.8
<b>Public Protection</b>					
Staff costs	17.2	14.2	2.3	33.7	
Environmental Health administration expenses	7.1	(6.1)	3.5	4.5	
Safe Housing running costs	5.3	(0.7)	-	4.6	
Animal Licensing income	13.7	4.5	-	18.2	
Hackney income & expenditure	(34.8)	(10.3)	(2.2)	(47.3)	
Other Licensing income	(3.7)	(4.9)	(9.8)	(18.4)	
Other minor variances	4.9	(4.2)	(3.4)	(2.7)	(7.4)
<b>Economic Development</b>					
Staff costs (net of grant & fee income)	36.2	6.2	(19.5)	21.9	
Planning Application Fee Income	(39.2)	57.5	15.6	33.9	
Building Control Fee Income	(2.6)	0.9	3.5	1.8	
Knowsley Industrial Unit NNDR and income shortfall	(43.8)	-	(7.0)	(50.8)	
NNDR - Except Knowsley Unit	5.0	-	1.5	6.5	
Economic Development	(9.1)	(0.3)	7.0	(2.4)	
Rawtenstall Market	-	(24.4)	(3.0)	(27.4)	
Childrens Partnership Board Grant income	15.0	-	-	15.0	
Whittaker Park Museum running costs	10.6	(1.6)	(1.6)	7.4	
Other Property Running costs	29.9	(13.2)	(16.5)	0.2	
Estates Income (Excluding Town Hall)	2.0	17.5	0.9	20.4	
Other minor variances	7.9	(7.2)	(16.2)	(15.5)	11.0
<b>Corporate Management</b>					
Staff costs	112.5	57.6	(14.9)	155.2	
Professional Fees / Reference Books	5.5	-	-	5.5	
Land Charges income	(8.1)	-	0.1	(8.0)	
External Audit	-	(2.9)	-	(2.9)	
Other minor variances	6.3	(3.2)	6.1	9.2	159.0
<b>Non-Distributed Costs &amp; Capital Financing</b>					
Original staff savings target (see net savings of £76.9k above)	(150.0)	-	-	(150.0)	
Purchase of additional leave	20.0	-	10.3	30.3	
Historical pension commitments	18.9	-	-	18.9	
Pensions pre-payment savings	39.1	-	-	39.1	
Interest	41.7	3.3	-	45.0	
Doubtful Debt Provision	-	(20.0)	-	(20.0)	
MMI Claim	-	-	(12.0)	(12.0)	
Other minor variances	(6.7)	1.7	-	(5.0)	(53.7)
<b>Favourable/(adverse) variance</b>	<b>114.1</b>	<b>116.0</b>	<b>-4.4</b>	<b>224.7</b>	<b>224.7</b>

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Communities Directorate

Period 9 (Dec)

Customer Services & ICT	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr2 (Adv)/Fav £000
<b>Customer Services</b>					
Benefits Administration	(258.3)	(269.4)	11.1	12.3	(1.2)
Benefits Granted	(23.7)	(203.8)	180.1	148.4	31.7
Local Tax Collection	(378.6)	(350.8)	(27.8)	(46.6)	18.8
Revenues & Benefits Partnership	1,212.9	1,260.0	(47.1)	(38.6)	(8.5)
<b>Strategic Functions</b>					
Management and Support	72.0	71.5	0.5	0.5	-
Service Assurance Team	134.9	120.8	14.1	14.2	(0.1)
Central Telephones	5.0	5.5	(0.5)	(0.9)	0.4
Central Printing	3.9	4.0	(0.1)	(0.1)	-
<b>ICT Support</b>	611.0	632.0	(21.0)	(5.0)	(16.0)
<b>Leisure Services</b>	81.1	81.1	-	-	-
<b>Pest Control</b>	(0.7)	1.7	(2.4)	(2.4)	-
<b>Total</b>	<b>1,459.5</b>	<b>1,352.6</b>	<b>106.9</b>	<b>81.8</b>	<b>25.1</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000	R A G
Staff	3.9	-	3.9	
Housing Benefit administration grant	(4.0)	-	(4.0)	
Housing Benefit Subsidy (net grant position)	117.8	(4.7)	113.1	
Housing Benefit Local Council Tax support grant	(2.0)	-	(2.0)	
Housing Benefit overpayments recovered	31.5	26.4	57.9	
Housing Benefit bailiff fees	18.3	-	18.3	
Revenues & Benefits administration contract (Implementation Costs)	(38.6)	(8.5)	(47.1)	
CTax & BRates - court costs (net of bad debt provision)	(50.0)	30.0	(20.0)	
Business Rates - net costs of collection	5.1	-	5.1	
Renewable Energy Business Rates income	168.0	-	168.0	
Business Rates S31 Grants	1,478.0	-	1,478.0	
Business Rates transfer to Retained Business Rates Reserve	(1,646.0)	-	(1,646.0)	
SAT Team counter fraud work	0.2	-	0.2	
SAT Team Grants received (incl Universal Credit)	80.6	-	80.6	
SAT Team additional costs (incl Universal Credit) funded by grants	(80.6)	-	(80.6)	
Central IT Costs	-	(15.4)	(15.4)	
Pest Control services (net of income)	(2.4)	-	(2.4)	
Other minor variances	2.0	(2.7)	(0.7)	
<b>TOTAL</b>	<b>81.8</b>	<b>25.1</b>	<b>106.9</b>	

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Customer Service & ICT Highlight Report – Q3 (end Dec 2019)

### Historic Issues

- Updated below.

### Current Quarter's Issues

At Q3 the forecast favourable variance has improved from £81.8k to £107k favourable, the main changes being:-

- A favourable forecast of £113.1k on the benefit subsidy at Q3 however this has slightly reduced by £4.7k from Q2. Though this is still an early forecast, the original budget was set to follow the central government prediction of a drop in claims and values during 2019/20. This Q3 forecast is based upon the mid-year estimate returns and the payments made up to week 35.
- In terms of business rates, the renewable energy income of £168k and expected S31 grants will be transferred into the Retained Business Rates Earmarked Reserve - the S31 grants are currently £1,635k based upon the level of discounts and exemptions which have been allowed, especially the new Retail Relief of £275k. This means that the total being transferred to the Reserve in the year will be £1,646k.
- The Service Assurance Team has received new burdens and Universal Credit introduction grants of over £80.6k so far (including a correction of £21k in Q2), but officers are currently assuming that all of these grants will be used to fund additional work of software changes or administration either in 2019/20 or the beginning of 2020/21, so the net variance being predicted is £nil.
- The Central IT costs are predicted to be £15k unfavourable at the end of Q3, due to computer software costs exceeding the budget.
- At the end of Q3 the total value of court costs raised is leading officers to expect a drop in the overall recharges to customers of £20k. This should be compensated for by better collection rates than expected, but time will tell.

### Future Issues

- At the time of writing this report officers are concluding contract negotiations with Capita for the provision of Revenues and Benefits service as from 1<sup>st</sup> October 2019, following a lengthy tender process during 2018/19. During Q3 the implementation costs have risen to £47.1k, but there may yet be some further costs ahead of the go-live date in December.
- The 75% NNDR Pilot will cease at the end of 19/20. 20/21 will see the 'old' policy scheme in place, before the introduction of the new actioned scheme for 21/22.

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Communities Directorate

Period 9 (Dec)

Operations & Communities	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Operational Functions</b>					
Operations Admin & Vehicle Maintenance	355.9	358.3	(2.4)	11.4	(13.8)
Refuse & Recycling	1,475.3	1,533.8	(58.5)	(36.3)	(22.2)
Street Sweeping	363.1	361.4	1.7	(10.9)	12.6
Markets	(15.9)	(17.7)	1.9	(2.5)	4.4
<b>Communities</b>					
Parks & Open Spaces	918.1	863.9	54.2	34.9	19.3
Cemeteries	(222.7)	(224.9)	2.2	(22.8)	25.0
Dog Warden	24.2	14.6	9.6	9.3	0.3
<b>Total</b>	<b>2,898.1</b>	<b>2,889.2</b>	<b>8.8</b>	<b>(16.9)</b>	<b>25.7</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancies at Operations Admin Offices	4.7	1.1	5.7	
Parks Salary Variances (Including temporary gardeners)	63.1	19.0	82.1	
Street Sweeping Salaries	7.2	(3.4)	3.8	
Refuse Salaries and Agency	(40.5)	7.5	(33.0)	
Fleet Management Vacancy and Agency	6.8	(7.3)	(0.5)	
Markets Salary Vacancies	14.5	-	14.5	
Overtime Budgets	(12.0)	(2.6)	(14.6)	
Vehicle Maintenance (including tyres/ parts)	(15.9)	(35.5)	(51.5)	
Vehicle Hire	(26.2)	3.6	(22.6)	
Actions re variances - MRP Savings on Vehicles	11.9	3.1	15.0	
Fuel	0.5	2.0	2.5	
Trade Waste Net income	(3.8)	6.0	2.1	
Bulks Net income	9.0	(3.3)	5.6	
Garden Waste income	8.8	5.0	13.8	
General Garden Waste Expenditure	(5.0)	-	(5.0)	
Cemeteries Net income	(22.8)	25.0	2.2	
Markets Income & Running expenses	(5.0)	3.1	(1.9)	
Dog Warden costs	9.3	0.3	9.6	
General other Park Running Costs	(10.1)	(11.8)	(21.9)	
Other Variances	(11.3)	14.1	2.8	
<b>TOTAL</b>	<b>(16.9)</b>	<b>25.8</b>	<b>8.8</b>	

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Operations Highlight Report – Q3 (end of December 2019)

### Historic Issues

- Vehicle hire costs are projected to overspend by £20k in 2019/20. As in 2018/19, 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 is in progress with the purchase of two vehicles in Q2 and 6 x 5 Tonne Iveco Daily single Cab Caged Tippers in Q3. There are two outstanding replacements which are likely to take place in Q4. 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 £8.8k which is an improvement of £25.7k from Q2 with the main movements being:

- The Garden Waste service forecast from Q2 has been exceeded by £5k resulting in subscriptions totalling £248.8k for 19/20, leading to a favourable variance of £13.8k in 2019/20. Trade Waste has improved by £5.9k since Q2 resulting in a favourable variance of £2.1k for 19/20.
- Overall staffing costs including agency and overtime are projected to underspend by £57.9k. Within Fleet the agency costs ceased in Oct 19 as a new recruit has been appointed in Nov 19. Overall projected savings on Fleet are now £3.1k. The adverse variance on overtime is now a forecast of £13.7k being allocated to Markets as a result of a policy change in TOIL. During Q3 a member of staff has been seconded from Operations to People and Policy up to March 2020. Within Operations there have been 3 leavers and 1 new starter in Parks in Oct 2019. There has been a reduction in hours for Gardeners. Offset by increased costs for the Apprentice who has come of age for an increased rate. There is one member of staff on Maternity Leave.
- Vehicle Maintenance costs and temporary vehicle hires are projected to overspend by £74k mainly due to expected works to older fleet vehicles. There is however a forecast saving of £15k on MRP due to some delayed investment. The Operations staff are in the process of trying to obtain replacement vehicles so in time maintenance costs should reduce.
- Cemeteries are now projecting a favourable forecast variance of £2.2k which is a favourable change of £24.9k from Q2 as the income has been reviewed and re-forecasted. During Q3 the position has improved from Q2. Cemeteries fees did increase considerably in 2018 and this should now be reflected by the end of Q4.

### 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.
- Recycling income is virtually non-existent at the moment, due to the market downturn and contamination issues. Rossendale are working together with LCC to reduce the significant ongoing costs of recycling to RBC. However there could be a pressure in 2019/20.

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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

### Communities Directorate

Period 9 (Dec)

Public Protection & Housing	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
Public Protection Unit	132.5	130.2	2.2	2.2	0.0
Environmental Health	210.8	211.1	(0.3)	4.8	(5.1)
Licensing & Enforcement	62.5	97.6	(35.1)	(23.1)	(12.0)
<b>Strategic Housing</b>					
Housing Strategy	89.2	78.3	10.9	8.7	2.2
Private Sector Housing Renewals	(0.4)	0.0	(0.4)	(0.0)	(0.4)
Homelessness	103.2	87.8	15.5	9.7	5.7
Empty Homes Scheme	-	-	-	-	-
<b>Total</b>	<b>597.8</b>	<b>605.1</b>	<b>(7.3)</b>	<b>2.2</b>	<b>(9.5)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Environmental Health - staffing and consultant	(1.9)	-	(1.9)	Yellow
Public Protection Unit - staffing	3.9	-	3.9	Green
Housing Strategy - staffing	7.2	2.3	9.5	Green
Homelessness - staffing	4.4	-	4.4	Green
Licensing & Enforcement - staffing	17.8	-	17.8	Green
Environmental Health administration	1.0	3.5	4.5	Green
Homelessness - Direct Costs	-	2.4	2.4	Green
Safe Housing running costs	4.6	-	4.6	Green
Private Hire income & expenditure	(6.7)	(9.8)	(16.5)	Red
Hackney income & expenditure	(44.7)	(2.2)	(46.9)	Red
Taxi misc income	(1.1)	-	(1.1)	Yellow
Animal Licensing income	18.2	-	18.2	Green
Skills Test	(7.5)	-	(7.5)	Yellow
Other Variances	7.0	(5.7)	1.3	Green
<b>TOTAL</b>	<b>2.2</b>	<b>(9.5)</b>	<b>(7.3)</b>	<b>Yellow</b>

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Public Protection and Housing Highlight Report – Q3 (end Dec 2019)

### Historic Issues

- Nothing reported

### Current Quarter Issues

At the end of Q3 the Public Protection Unit and Housing Services budgets shows an adverse variance of £7.3k, with the main movements being:-

- Taxi Licencing income and expenditure has shown an under achievement of £63.4k. This is an adverse movement of £12k. The budgets were set on the basis of reduced licenses being renewed; they have reduced more rapidly than expected and are continuing to do so.
- 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 £3.5k in Q3 to give a full year predicted forecast of £4.5k savings.
- The Licensing Salary costs are projecting an underspend of £17.8k, this is partly due to long term absences and a member of staff leaving. The post will not be filled.
- Animal Licensing income is projected to forecast a favourable variance of £18.2k; no budget was set for 2019/20. This is a favourable variance of £4.5k from Quarter 1.
- The Skill test is showing a projected overspend of £7.5K. Only new drivers pay to take the test.

### Future Issues

- Taxi Vehicles within the borough are expected to fall from 381 in Q2 to 350 Vehicles which is expected to remain static. The number of drivers is expected to reduce a further 100 from Q2 to 400 by the end of year and should remain static going forward. The Q2 prediction has been revised after speaking to the Service Manager who has forecast the reduction due to less tests being passed.

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Economic Development Directorate

Period 9 (Dec)

Economic Development & Regeneration Services	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Planning</b>					
Development Control	150.7	130.4	20.2	18.6	1.6
Forward Planning	146.2	146.9	(0.7)	(0.0)	(0.6)
<b>Building Control</b>					
Building Control - Fee Earning Account	(44.8)	(42.9)	(1.9)	(5.2)	3.3
Building Control - Statutory Function	30.6	30.8	(0.2)	(0.1)	(0.0)
Building Control - Street Signs	4.0	0.7	3.3	3.0	0.4
<b>Regeneration</b>					
Regeneration Mangement	90.0	79.6	10.4	19.5	(9.1)
Economic Regeneration and Rawtenstall Market	70.5	114.2	(43.8)	(47.4)	3.6
Whittaker Park Museum	81.4	74.0	7.4	9.0	(1.6)
Tourisms	40.0	39.5	0.5	0.0	0.5
Area Forums	68.0	68.0	-	-	-
<b>Property Services</b>					
Property Services Team	269.0	251.7	17.3	18.7	(1.4)
Corporate Estates	11.5	35.5	(24.0)	4.2	(28.2)
Non Domestic Estates	(117.5)	(128.2)	10.7	7.1	3.6
Office Accommodation	34.8	27.7	7.2	10.0	(2.8)
Operational Properties	367.5	366.6	0.9	0.4	0.5
Leisure Properties	54.0	55.3	(1.4)	4.2	(5.6)
Bus Shelters	9.7	10.9	(1.2)	0.1	(1.3)
Business Centre	128.8	122.6	6.2	5.4	0.8
<b>Total</b>	<b>1,394.4</b>	<b>1,383.4</b>	<b>11.0</b>	<b>47.3</b>	<b>(36.3)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Communities Staffing	0.8	(10.3)	(9.5)	Yellow
Economic Development staffing	(14.1)	0.6	(13.5)	Red
Planning / Forward Planning staffing	22.9	(4.2)	18.7	Green
Planning Agency	(40.8)	-	(40.8)	Red
Application of 20% additional income - Fixing our broken housing market	17.9	4.2	22.1	Green
Building Control staffing	0.2	(0.8)	(0.6)	Yellow
Facilities Management staffing	6.5	-	6.5	Green
Property Services staffing	57.5	(9.0)	48.5	Green
Taylor Weaver Chartered Surveyors	(9.5)	-	(9.5)	Yellow
Economic development admin costs	(9.4)	7.0	(2.4)	Yellow
Whittaker Park Museum Utilities Costs	9.0	(1.6)	7.4	Green
Childrens Partnership Board Grant	15.0	-	15.0	Green
Planning/Forward Planning Consultancy fees/ Legal fees	(19.5)	(13.8)	(33.3)	Red
Planning court costs awarded - Developer failed to comply with notice served	18.5	-	18.5	Green
Planning Court Fees - ombudsman claim	(5.0)	-	(5.0)	Yellow
Planning Application Fee Income (excluding additional 20% broken housing market)	24.3	14.6	38.9	Green
Building Control Fees	-	1.8	1.8	Green
Property Running Costs: Repairs & Maintenance	-	-	-	Green
Electricity & Gas	5.8	(2.0)	3.8	Green
NNDR - Except Knowsley Unit	6.5	-	6.5	Green
Boilers / Alarms	2.0	(3.0)	(1.0)	Yellow
Security at Knowsley Depot	(1.3)	(1.3)	(2.6)	Yellow
NNDR - Knowsley Industrial Unit (assume Empty Relief for 5mths)	(42.9)	(7.9)	(50.8)	Red
Estates Income (Excluding Town Hall)	(5.3)	0.9	(4.4)	Yellow
Estates Income (old Town Hall)	24.8	-	24.8	Green
Business Centre rentals/running costs	3.2	0.9	4.1	Green
Rawtenstall Market	(24.4)	(3.0)	(27.4)	Green
Other Miscellaneous Variances	4.5	(9.3)	(4.8)	Yellow
<b>TOTAL</b>	<b>47.3</b>	<b>(36.2)</b>	<b>11.0</b>	

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## Economic Development & Regeneration Highlight Report – Q3 (end Dec 2019)

### Historic Issues

- The old Town Hall is occupied by Together Homes. The net variance is a favourable £24.8k
- The Children's Partnership grant of £15k was received in Q1 contributing to administration costs of the Communities team. Currently awaiting 2<sup>nd</sup> instalment £7.5k in Quarter 4.
- A planning enforcement case was taken to court costing the council c£20k for professional fees. Court costs awarded have now been received which will cover these costs

### Current Quarter Issues

Economic Development and Regeneration are currently forecasting an unfavourable variance of £25.4k and unfavourable movement of £6.6k from Q2, the movements being:-

- An adverse variance forecasted of £13.5k in salaries is mainly due to an Economic Development officer cover for Maternity.
- Some funding £6.6k has been received within Communities for the Hunger Holiday Programme.
- The Museum is forecast to underspend by £7.4k
- Rawtenstall Market has moved from Operations to Economic Development and is showing an adverse variance of £27.4k. Rawtenstall Market management has been transferred to a third party. From Q2 this has changed by an adverse variance of £3.0k on Income.

Property Services is currently showing a favourable variance of £15.7k.

- Salary costs are showing a favourable variance of £45.5k. The Property Services Managers is now in post on 29.6hrs and assuming £7.5k costs still needed for Taylor Weaver Chartered Surveyors Services.
- Property running costs are showing an adverse variance of £44.1k. This is net of NNDR for Knowsley Rd Depot of £50.8k. This has moved adversely due to the delay in the sale of the property.
- Estates income is showing an adverse variance of £4.4k. A minor favourable movement of £1k. A £20k income target was set in the budget to encourage new income streams.

Planning and Building Control are showing a favourable variance of £16.9k

- Professional fees have increase in the quarter by £13.8k. This is partly due to complex planning issues needing professional advise outside of the council and an increase in planning applications
- Planning / Building Control income is projecting a surplus of £40.7k A favourable movement of £16.4k

### Future Issues

- Officers are reviewing the Whittaker Museum utilities budget, working with the museum to draw up a commercial lease and separate funding agreement.
- As a result of the Local Plan hearing in September the Inspectorates have requested RBC commission further studies to support the evidence base. The cost of this is £125k.

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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

### Corporate Services Directorate

Period 9 (Dec)

Corporate Management	2019/20 Org Budget	2019/20 Forecast	2019/20 Variance (Adv)/Fav	Variance last reported	Change in Qtr (Adv)/Fav
	£000	£000	£000	£000	£000
<b>Corporate Management</b>					
Executive Office	338.9	248.7	90.2	85.5	4.7
Corporate Contingency	50.0	50.0	-	-	-
Exec Support & Corporate Subscriptions	63.1	66.9	(3.8)	(3.8)	(0.0)
Community Safety	-	-	-	-	-
<b>Legal Services</b>	193.6	143.0	50.6	31.7	18.9
<b>Land Charges</b>	(22.5)	(13.9)	(8.5)	(8.2)	(0.3)
<b>Democratic Services</b>					
Electoral Registration	68.6	68.6	(0.0)	0.0	(0.0)
Elections	77.6	76.1	1.5	1.5	0.0
Democratic Support	369.1	365.2	3.9	6.3	(2.4)
Mayoralty & Civic Events	51.4	52.0	(0.6)	1.6	(2.2)
Town Twinning	2.5	2.5	0.0	0.0	-
<b>Financial Services</b>					
Treasury Management	80.7	89.9	(9.2)	(7.3)	(1.9)
Insurance, Risk & Audit Fees	69.7	69.7	-	-	-
Financial Services Team	348.8	368.8	(20.0)	7.0	(27.0)
<b>People &amp; Policy</b>					
Human Resources	306.3	288.2	18.1	16.7	1.4
Corporate Support	211.8	175.0	36.8	36.6	0.2
Publicity	4.0	4.0	-	-	-
<b>Total</b>	<b>2,213.8</b>	<b>2,054.8</b>	<b>159.0</b>	<b>167.6</b>	<b>(8.6)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Staff Savings (incl vacant CEO and Director Post)	170.1	(14.9)	155.2	
Corporate Subscriptions - Local Govt Information Unit	(2.0)	(2.2)	(4.2)	
MHCLG Grant re exiting from the EU	35.0	-	35.0	
Transfer MHCLG Grant to Reserves	(35.0)	-	(35.0)	
Legal Reference Books (new contract)	5.5	1.6	7.1	
Legal - legal fees	(2.5)	2.8	0.3	
Legal income	4.7	14.6	19.3	
Members costs	4.9	(2.3)	2.6	
Democratic & Mayoralty savings	0.1	(2.2)	(2.1)	
Elections	1.5	-	1.5	
Land Charges Income	(8.6)	0.1	(8.5)	
External Audit - National Fraud Initiative	(2.9)	-	(2.9)	
Bank Charges	(3.8)	(4.0)	(7.8)	
Other Misc under / (over) spends	0.6	(2.1)	(1.5)	
<b>TOTAL</b>	<b>167.6</b>	<b>(8.5)</b>	<b>159.0</b>	

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Corporate Management Highlight Report – Q3 (end Dec 2019)

### Historic Issues

- The Legal section is showing a favourable movement of £7.3k, being the full-year saving on the new reference books contract.
- Local Land Charges income has seen a drop in recent years and this adverse £8.5k is consistent with the experience in 2018/19 and previous years. This change is likely to need to be reflected in the 2020/21 budgets going forward.

### Current Quarter Issues

The Corporate Management Q3 variance is currently standing at £159k, the main movements being:-

- Staff changes are £14.9k unfavourable in Q3.
  - Corporate Management - Director post still vacant leads to £7k further saving
  - Legal Services – there has been a restructure within Legal which has a nil effect on costs for 2019/20 but will create a saving in future years
  - Financial Services - Costs of temp cover in Finance and recruitment costs has led to costs of £25.6k
  - People & Policy - further £4k saving from vacant post (assumed filled from February)
  - Corporate Support - no change to the restructured 7FTEs
- A planning enforcement case was taken to court. Legal costs awarded for the council was £17.8k.
- There has been an adverse movement of £2.3k within the member cost budget. This is mainly due to members responsibilities changing, NI and Car Allowance costs.
- As the police were planned not to be present at the Remembrance Sunday Parades, an unexpected cost of £3.1k was incurred for traffic management of the parades around Rossendale.

### 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.
- Traffic Management of Remembrance Sunday Parades and the role of the Police.

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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

### Corporate Services Directorate

Period 9 (Dec)

Non-Distributed Costs & Capital Financing	2019/20 Org Budget £000	2019/20 Forecast £000	2019/20 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr (Adv)/Fav £000
<b>Non Distributed Costs</b>					
Employee & Pension Costs	1,003.8	1,065.6	(61.8)	(72.0)	10.2
Other Non-distributed Costs	13.5	46.0	(32.5)	(20.6)	(11.9)
<b>Capital Financing</b>					
Minimum Revenue Provision	271.3	275.7	(4.4)	(4.4)	-
Interest (net)	79.2	34.2	45.0	45.0	-
<b>Total</b>	<b>1,367.8</b>	<b>1,421.5</b>	<b>(53.7)</b>	<b>(52.0)</b>	<b>(1.7)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000	R A G
Vacancy control savings target	(150.0)	-	(150.0)	Red
Purchased additional leave	20.0	10.3	30.3	Green
Historical pension costs	18.9	-	18.9	Green
Savings on pensions arising from payment in advance	39.1	-	39.1	Green
Doubtful Debts Provision	(20.0)	-	(20.0)	Red
MRP Charge	(4.4)	-	(4.4)	Yellow
Interest expenditure/income from bank accounts	45.0	-	45.0	Green
MMI Claim	-	(12.0)	(12.0)	Green
Other minor variances	(0.6)	-	(0.6)	Yellow
<b>TOTAL</b>	<b>(52.0)</b>	<b>(1.7)</b>	<b>(53.7)</b>	Red

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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

### Non-Distributed Costs & Capital Financing Highlight Report – Q3 (end Dec 2019)

#### Historic Issues

- Savings on the pension costs fall into two areas, savings on historical pension costs of £18.9k as former employees pass away and the advance payment of pension costs which saved the authority £39.1k

#### Current Quarter Issues

This Q3 report is forecasting a net adverse variance of £54k, with the main movements being:-

- The original budget staff savings target was £150k. Total savings in staff costs being predicted at Q2 were £292k across the other departments and £20k savings from employees purchasing additional leave, giving a total £312k favourable variance. At the end of Q3 this forecast has decreased slightly to £275k + £30k, giving a net favourable variance in term of staff costs of £155k over and above the total original budget.

<b>Staffing Variances</b>	<b>Q1</b>	<b>Cum Q2</b>	<b>Cum Q3</b>
Customer Services	3.9	3.9	3.9
Operations	46.6	43.8	58.0
Public Protection	17.2	31.4	33.7
Economic Development	36.2	42.4	21.9
Corporate Management	38.6	85.3	92.2
Legal & Democratic	25.7	24.8	26.5
Financial Services	(1.0)	4.9	(21.0)
People & Policy	22.0	55.1	59.4
<b>Savings in staff costs</b>	<b>189.2</b>	<b>291.6</b>	<b>274.6</b>
Additional Leave	20.0	20.0	30.3
<b>Total staff savings</b>	<b>209.2</b>	<b>311.6</b>	<b>304.9</b>
Original savings target	(150.0)	(150.0)	(150.0)
<b>Staff Variance</b>	<b>59.2</b>	<b>161.6</b>	<b>154.9</b>

- Interest income is expected to exceed the budget by £45k, which is a combination of the higher balances than expected through delays in spending, additional grant income and the £2m PWLB borrowing during August and a gradual improvement in the interest rate returns being achieved.
- The Sundry Debt analysis on page 23 is forecasting a doubtful debt level of £229k, though £41k of this is still being pursued through the courts. The current doubtful debt provision level is currently at £188k

#### Future Issues

During Q2 officers have received the first draft triennial report on the Pension Fund. Following representations from Council officers, the term of repayment of the deficit on the fund has been revised upwards to more closely match those of neighbouring authorities. Future service rates are expected to increase to 17.6% (currently 15.6%). However, overall a net cash saving of c£800k pa is now expected.

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention Reserve	Transitional Budgetary Support	Planning Reserve
	AN060103	AN060123	AN060144	AN060129	AN060109 / AN060145
<b>Balance at 01/04/2019</b>	<b>1,071.5</b>	<b>21.4</b>	<b>1,340.1</b>	<b>2,319.9</b>	<b>243.1</b>
<b>Funds Received 2019/20</b>					
Collection Fund - Surplus 2019/20			111.0		
Collection Fund - S31 Grants			1,479.0		
Collection Fund - Renewable Energy			168.0		
New Homes Bonus				485.0	
Other Revenue income received		17.4			
General Fund Surplus Contribution				225.0	
<b>Total Funds Available</b>	<b>1,071.5</b>	<b>38.8</b>	<b>3,098.1</b>	<b>3,029.9</b>	<b>243.1</b>
<b>2019-20 Published Budget Utilisation</b>					
Retained Business Rates			(1,200.0)		
New Homes Bonus				(485.0)	
General budget support				(512.0)	
<b>2019-20 Other Utilisation Plans</b>					
Transfers between Reserves					
Bacup THI Support					
Civica receipting software upgrade					
Counter Fraud & RV Analysis					
Support Forward Plan					(189.7)
Business Rates Pooling Levy for 2018/19			(69.0)		
Economic Development Projects	(523.6)				
Cost Share Shortfall					
Legionella Risk Assessment					
Living Well, Living Better Project					
Spinning Point Phase 1					
Spinning Point Phase 2 development					
Haslingden Task Force					
Homelessness Projects					
Operational Vehicle Maintenance					
Tourism and special events					
Property-related projects					
<b>Reserve Estimates 31/3/2020</b>	<b>547.9</b>	<b>38.8</b>	<b>1,829.1</b>	<b>2,032.9</b>	<b>53.4</b>
<b>Future Contributions/Utilisation Plans</b>					
2020/21 Plans		(22.5)	tbc	tbc	(20.0)
2021/22 Plans				tbc	
2022/23 Plans				tbc	
2023/24 Plans				tbc	
<b>Potential Reserve Balances</b>	<b>547.9</b>	<b>16.3</b>	<b>1,829.1</b>	<b>2,032.9</b>	<b>33.4</b>

## Current issues

As noted on page 2, officers expect to contribute £225k back to the Transitional Reserve in 2019/20 from the General Fund favourable variance.

Employment & Transport Reserve usage	2018/19 £k	2019/20 £k
Whitaker HLF	10.0	0.0
Whitaker HLF Business Consultant and Plan	9.8	0.0
Whitaker HLF RIBA design process	0.4	29.5
Whitaker HLF Project Manager	10.2	9.8
Invest in Rossendale Webpage	8.8	3.3
Futures Park, Bacup – Masterplan and Greenbook	3.5	6.5
Rossendale Works- Employability - April 2018	25.0	25.0
Invest in Rossendale launch event	4.0	0.0
Rossendale Works employability and skills event	1.5	0.0
Rawtenstall Market tender exercise	7.1	0.9
Haslingden Town Centre- external funding bid	0.0	160.0
Technical solution report Rawtenstall- Bury Interchange Tram	0.0	1.2
Bacup Future High Street Project	0.0	250.0
Love Parks	0.0	10.0
Invest in Rossendale (Schools)	0.0	4.0
Drawings for Bacup 2020 Heritage Action Zone Match	0.0	5.5
Whitaker Phase 2 as per budget by CS	0.0	8.8
Economic Development Officer - Extra Staff	0.0	9.1
Rail Studies – Rawtenstall and Bacup	14.6	0.0
<b>Unallocated</b>	<b>1,071.5</b>	<b>547.9</b>

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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	
<b>Balance at 01/04/2019</b>	<b>230.5</b>	<b>64.2</b>	<b>24.8</b>	<b>702.0</b>	<b>6,017.5</b>
<b>Funds Received 2019/20</b>					
Collection Fund - Surplus 2019/20				0.0	111.0
Collection Fund - S31 Grants				0.0	1,479.0
Collection Fund - Renewable Energy				0.0	168.0
New Homes Bonus				0.0	485.0
Other Revenue income received				0.0	17.4
General Fund Surplus Contribution				0.0	225.0
<b>Total Funds Available</b>	<b>230.5</b>	<b>64.2</b>	<b>24.8</b>	<b>702.0</b>	<b>8,502.9</b>
<b>2019-20 Published Budget Utilisation</b>					
Retained Business Rates				0.0	(1,200.0)
New Homes Bonus				0.0	(485.0)
General budget support				0.0	(512.0)
<b>2019-20 Other Utilisation Plans</b>					
Transfers between Reserves				0.0	0.0
Bacup THI Support			(24.8)	0.0	(24.8)
Civica receipting software upgrade				0.0	0.0
Counter Fraud & RV Analysis				(9.0)	(9.0)
Support Forward Plan				(28.5)	(218.2)
Business Rates Pooling Levy for 2018/19				0.0	(69.0)
Economic Development Projects				0.0	(523.6)
Cost Share Shortfall				0.0	0.0
Legionella Risk Assessment				0.0	0.0
Living Well, Living Better Project				(26.4)	(26.4)
Spinning Point Phase 1				0.0	0.0
Spinning Point Phase 2 development				0.0	0.0
Haslingden Task Force				(15.0)	(15.0)
Homelessness Projects				0.0	0.0
Operational Vehicle Maintenance				0.0	0.0
Tourism and special events				0.0	0.0
Property-related projects				(7.5)	(7.5)
<b>Reserve Estimates 31/3/2020</b>	<b>230.5</b>	<b>64.2</b>	<b>0.0</b>	<b>615.6</b>	<b>5,412.4</b>
<b>Future Contributions/Utilisation Plans</b>					
2020/21 Plans	(50.0)			(95.2)	5,224.7
2021/22 Plans	(52.0)			(48.0)	5,124.7
2022/23 Plans	(62.0)			(45.0)	5,017.7
2022/23 Plans	0.0			(47.0)	4,970.7
<b>Potential Reserve Balances</b>	<b>66.5</b>	<b>64.2</b>	<b>0.0</b>	<b>380.4</b>	<b>4,970.7</b>

Local Plan costs in 2019/20 have increased to £178.9k as some studies were re-profiled from the previous year.

Officers reviewed the requirements from the Vehicle Maintenance Reserve during 2018/19 clarifying the replacement costs, MRP funding and maintenance costs over the life of the MTFS. This has led to the above plans to utilise £164k from the Reserve over the next four years and leave £66.5k to support any additional maintenance requirements in future years.

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### Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Transform' Lives Grant	Hoarding Grant	Total
	AL030132	AL030127	AL030130	AL030128	AL030129	
<b>Balance at 01/04/2019</b>	<b>882.0</b>	<b>52.9</b>	<b>6.8</b>	<b>0.0</b>	<b>3.4</b>	<b>945.1</b>
<b>New Funds Received 2019/20</b>						
Grant due/received	1,022.4					<b>1,022.4</b>
<b>Total Funds Available</b>	<b>1,904.4</b>	<b>52.9</b>	<b>6.8</b>	<b>0.0</b>	<b>3.4</b>	<b>1,967.5</b>
<b>Utilisation in 2019/20</b>						
DFGs slippage from 2018/19	(882.0)					<b>(882.0)</b>
DFGs Main allocation 2019/20	(100.0)					<b>(100.0)</b>
Transforming Lives/Hoarding Projects					(3.4)	<b>(3.4)</b>
Homelessness Project		(52.9)				<b>(52.9)</b>
Domestic Abuse Projects			(6.8)			<b>(6.8)</b>
<b>Anticipated Balance 31/03/2020</b>	<b>922.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>922.4</b>
<b>Future Utilisation Plans</b>						
2020/21 plans	(272.4)					<b>(272.4)</b>
2021/22 plans	(250.0)					<b>(250.0)</b>
<b>Potential Reserve Balances</b>	<b>400.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>400.0</b>

The Communities for Habitats grant has been transferred to the Earmarked Planning Reserve to support work on the Local Plan (see page 18)

In addition to the £882k of unspent DFG grant brought forward, the 2019/20 allocation is £1,022k, giving total DFG resources of almost £1,904k. Total expenditure in 2018/19 has been £890k, just over half of the funds available. Early indications are that 2019/20 allocations will be at a similar level.

### Staff Costs, including agency

Employment Costs 2019/20 to end Sept	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 2019/20	FTE Changes during 2019/20	Current Vacant Posts
<b>Communities Directorate</b>								
Customer Services	248	241	8	5	3	8.1	0.0	0
Operations Service	1,219	1,196	23	50	(27)	52.1	-1.0	4
Communities	518	465	53	40	13	25.2	1.0	1
Environmental Health	133	133	0	5	(5)	7.0	0.0	0
Licensing & Enforcement	241	228	13	6	7	7.0	0.0	1
Housing	202	214	(12)	(9)	(3)	7.0	0.0	0
<b>Economic Development Directorate</b>								
Planning Services	337	356	(19)	(17)	(2)	12.5	0.0	1
Building Control Services	86	86	0	-	0	3.0	0.0	0
Regeneration	146	184	(38)	(18)	(20)	4.0	1.0	0
Property Services	116	74	43	34	9	4.4	0.0	0
<b>Corporate Services</b>								
Corporate Management	268	170	98	41	57	4.0	0.0	2
Legal Services	120	103	17	12	5	4.0	0.0	0
Local Land Charges	27	27	0	-	-	1.0	0.0	0
Democratic Services	191	187	4	3	1	7.6	0.0	0
Financial Services	242	251	(10)	(1)	(9)	7.7	0.0	0
People & Policy	351	297	54	30	24	15.6	0.0	2
<b>Total</b>	<b>4,445</b>	<b>4,211</b>	<b>234</b>	<b>181</b>	<b>53</b>	<b>170.2</b>	<b>1.0</b>	<b>11.0</b>

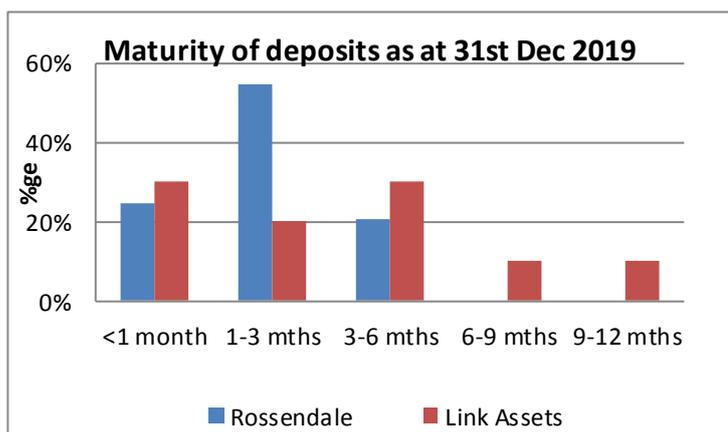
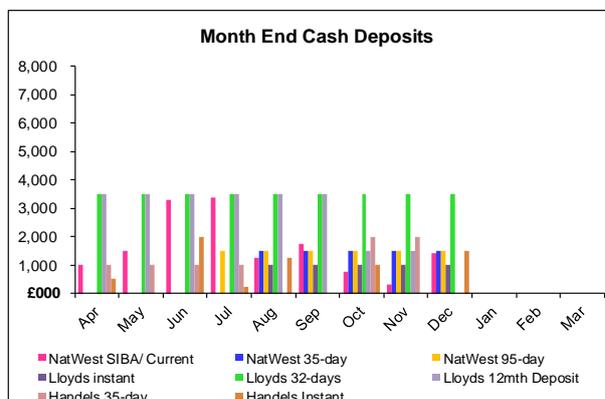
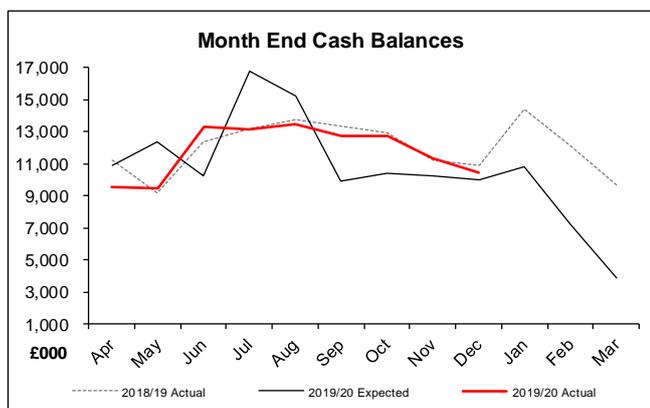
Movements in Q3 staff include 3 leavers, 2 new starters, a reduction in hours for gardeners and slight increase in pay for apprentices for Operations. 1 new starter in Communities and 1 new starter in Regeneration.

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Treasury Management & Cash Flow Monitoring

At the end of December the bank balances were £13,218k, down from £15,354k at the end of Q2, following the expected cash flow pattern for the year. These balances include £2m borrowed from the PWLB for 20 years on the 15/08/2019 at a rate of 1.34% to facilitate the construction of Futures Park Plot 5. This, the balance of Spinning Point Phase1 costs, DFG grants and repayment of the HCA grant will all see these balances reduce over the coming months.



Balances & Interest Rates at 30/09/2019	Current Balance £k	Interest Rate %
NatWest SIBA	3,379	0.30
NatWest 35 day account	1,500	0.75
NatWest 95 day account	1,500	0.85
Handelsbanken instant	250	0.20
Handelsbanken 35-day	1,000	0.25
Lloyds instant access	-	0.65
Lloyds 32-day notice	3,500	0.95
Lloyds 6mth Deposit	2,000	1.00
Lloyds 12mth Deposit	1,500	1.10
<b>Total Bal &amp; Avg interest</b>	<b>14,629</b>	<b>0.73</b>

The Handelsbanken rates have been announced as increasing from October to 0.55% on the 35-day Notice account and 0.25% on the Instant access first £1m and 0.45% on balances over that. This has prompted officers to place £2m with Handelsbanken between October and Christmas. Consequently the interest income forecast below has risen slightly since the Q1 forecast.

The average effective interest rate at the end of Q3 is 0.73%.

### Interest Paid/Received

The budget for interest in 2019/20 is a net cost of £79.6k. At Q3, the forecast is now showing a favourable variance of £45k, thanks to the higher balances at table 1 above and the increasing rates.

Interest Forecast	Budget 2019/20	Forecast 2019/20	Variance Fav/(Adv)	Change Fav/(Adv)
<b>Revenue</b>				
Interest payable (PWLB)	(130.0)	(130.0)	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	51.4	96.4	45.0	3.3
<b>Net Interest</b>	<b>(79.6)</b>	<b>(34.6)</b>	<b>45.0</b>	<b>3.3</b>

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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

### Economic Outlook

(issued 18<sup>th</sup> December)

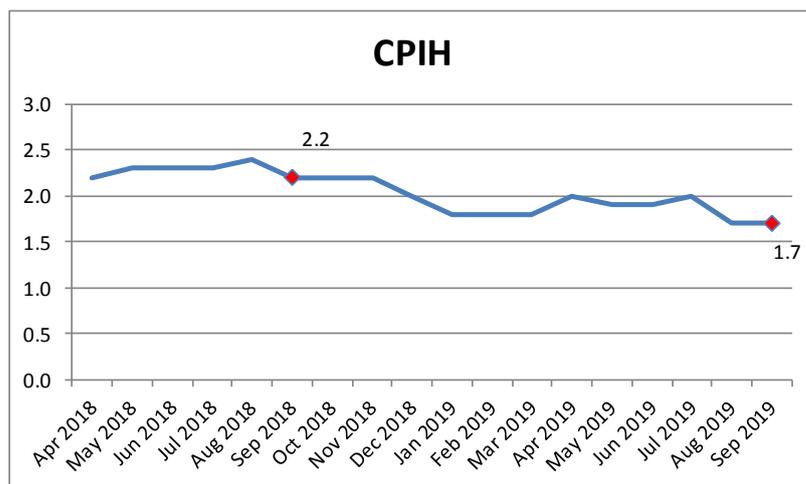
The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 1.5% in November 2019, unchanged from October 2019 and its lowest point since April 2018.

The largest contribution to the CPIH 12 month inflation rate in November 2019 came from housing, water, electricity, gas and other fuels.

The largest downward contributions to change in the CPIH 12-month inflation rate, between October and November 2019, came from accommodation services and tobacco.

The largest offsetting upward contribution came from food, and recreation and culture, where prices rose this year by more than a year ago.

The Retail Prices Index (RPI) 12-month inflation rate was 2.2% in November 2019, down from 3.3% in September 2018 and 3% at the beginning of this financial year. Many of the Council's annual contracts, such as IT licenses rise based on the RPI rate at November, so this drop to 2.2% is good news for the MTFS.



### 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 2019	Current Rates	Dec 2019	Mar 2020	June 2020	Sept 2020	Dec 2020	March 2021
<b>Base Rate est</b>	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%
<b>25yr PWLB est</b>	2.18%	2.30%	2.40%	2.50%	2.60%	2.70%	2.70%
<b>25yr PWLB Rev</b>	3.22%	3.22%	3.30%	3.40%	3.40%	3.50%	3.60%

In early October the government added 1% to all the PWLB interest rates. As per the Link Asset Services report dated 11<sup>th</sup> November 2019 the revised forecast above has another line in this report to show the predictions based on the Certainty Rate.

The PWLB loan that officers arranged in August has locked in £2m at 1.34% for 20 years to facilitate the building project on Plot 5 Futures Park.

### Treasury Management Practices (TMPs) and Prudential Indicators

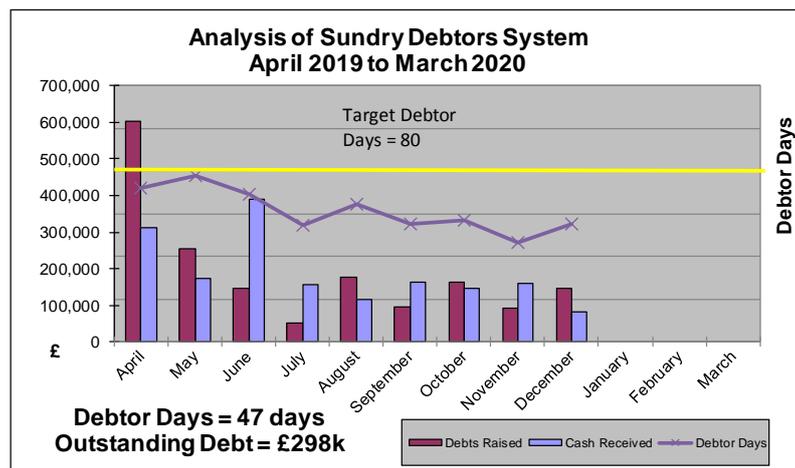
During Q3 the average bank resources were £11.5m, down from £13.6m during Q2 as expected at this time of year. There were no breaches in the TMPs maximum of £8m with any one institution.

The lowest the Council's instant access cash resources have reached since April is £0.7m on the 12<sup>th</sup> July, just before Benefits Subsidy and Direct Debit incomes totalling £2.6m came in. The highest that the instant access resources have reached was £7.9m on the 3<sup>rd</sup> July in advance of the £3.8m Precepts going out, and £7.8m on the 20<sup>th</sup> August just after the Council had borrowed the £2m from the PWLB.

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# Monthly Financial Monitoring Report 2019/20 Q3 December 2019

## Sundry Debts Monitoring



Invoices raised in 2019/20 totalled £1,728k to the end of Q3, of which £301k is still outstanding and £67k of that balance is due in instalments over the coming months. That means that the real outstanding figure for the current year is £234k, or 13.5%, and £143k of that is not 30 days old yet.

Another £13.9k of earlier debt has been collected in Q3.

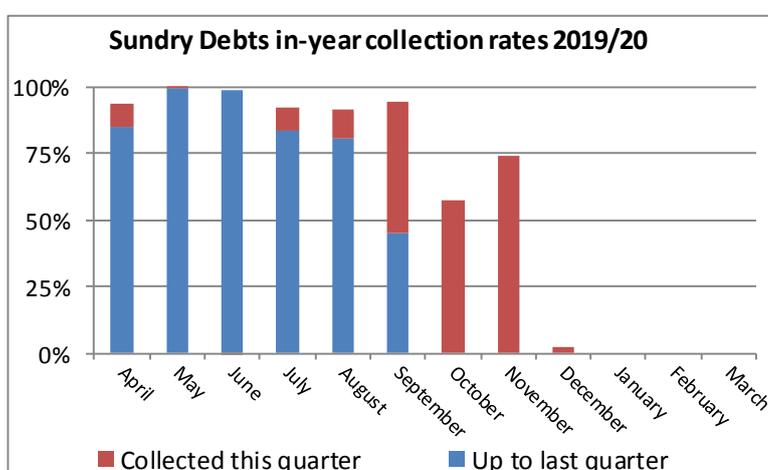
### Housing Rent Debts

Of the £327k of housing rent debts brought forward in April 2019 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 not moved from 55 days in Q2 as it is still 55 days at the end of Q3, against a target of 80 days.

Of the £530k outstanding at Q3, the doubtful element of the total debt is now £229k of which £41k is owner contributions due from Bacup THI property owners.



The general impairment provision brought forward in April 2019 was £163k, with an additional £5k for Licensing debts. At Q3 recommendations from Q2 remain the same for a provision of £20k be set aside in 2019/20 and this is included on page 20.

Debts Outstanding	Mar 2018	Mar 2019	30 Sept 2019		31 Dec 2019		Doubtful Debts	
	£k	£k	£k	£k	£k	£k	rate	value
Earlier Debt	79.1	60.5		60.2		46.3	100%	60.1
2016/17 Debt	36.0	32.2		20.0		20.2	100%	20.2
2017/18 Debt	517.9	73.5		72.1		73.6	100%	46.8
2018/19 Q1		56.8		32.1		38.9	100%	38.9
2018/19 Q2		3.2		2.1		1.9	100%	1.9
2018/19 Q3		9.1		5.4		4.6	75%	3.5
2018/19 Q4		167.2		43.8		42.9	75%	32.2
<b>2019/20 Debt</b>								
Q1 Apr			91.3		38.6		50%	-1.5
Q1 May			0.8		0.4		50%	0.2
Q1 Jun			1.7	93.8	2.3	41.3	50%	1.2
Q2 Jul			8.7		4.0		10%	0.4
Q2 Aug			34.5		15.1		10%	1.5
Q2 Sept			52.9	96.1	5.3	24.4	10%	0.5
Q3 Oct			44.9		69.0		10%	6.9
Q3 Nov			0.0		23.5		10%	2.4
Q3 Dec			0.0	44.9	143.4	235.9	10%	14.3
<b>Total Debt o/s</b>	<b>633.0</b>	<b>402.5</b>		<b>470.5</b>		<b>530.0</b>		<b>229.5</b>

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## Capital Resources

**Table 1 - 2019/20 receipts**

Major Receipts:	Original Budget £000	Year to Date £000	Forecast £000
<b>Capital Receipts</b>			
Land & Property Sales	50	263	263
Obsolete refuse vehicles	54	98	98
<b>Net receipts to table 2</b>	<b>104</b>	<b>360</b>	<b>360</b>

### Current issues

There has been one sale of Land so far this year. The council has received a payment of £236k relating to the sale of the Haslingden Baths during Q3 and further vehicle/equipment sales of £1k

**Table 2 - Useable Capital Resources**

Useable Capital Resources	£ 000
Balance at April 2019	2,480
Capital Grants in 2019/20	6,397
Capital Receipts in 2019/20	147
	<b>9,024</b>
Revenue Contributions	
from Earmarked Reserves	107
from S106 agreements	17
from Revenue Operations	103
<b>Total Capital Resources 2019/20</b>	<b>9,251</b>
Capital Prog funding applied	(7,405)
<b>Total Capital Resources March 2019</b>	<b>1,846</b>
Capital Receipts Reserve (housing)	369
Capital Receipts Reserve (unalloc)	1,477

## 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 1<sup>st</sup> April 2019 was £2,480k.

The original capital programme for 2019/20 approved in February was £1,304k, to which £5,303k of slippage was added from ongoing projects at the end of March 2019. This included £3,163k for Spinning Point Phase 1 building works, £882k for DFG's and £406k for replacement vehicles.

New projects during the year have added £6,730k, mainly the increase in Whitaker and the DFG's and in Q3 the approval of the Rossendale Leisure Trust Haslingden Gym refurb project, to give a revised capital programme of £13,337k

The total in the Useable Capital Receipts Reserve at the end of 2019/20 is currently expected to be £1,846k, of which £603k is still ring-fenced for housing schemes. Of the remaining £1,361k there is a receipt of £100k which has been ring-fenced for Whitworth projects.

### Future issues

Spinning Point Phase 2 – The assessment of business case and financial appraisals, for the current design, have yet to be completed.

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### Capital Programme Spending

Capital Programme 2019/20	Original Cap Prog	Revised Cap Prog	Spent/ Ordered	Full-Year Forecast	Forecast Funding Arrangements				
	£000	£000	£000	£000	Grants/ Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	MRP Impact
<b>Communities Directorate</b>									
IT Software & Equipment	0	0	0	0	0	0	0	0	0
Operations	554	960	605	960	0	97	0	863	173
Communities	30	724	180	724	355	369	0	0	0
Housing	620	2,026	764	2,026	1,904	122	0	0	0
<b>Economic Dev Directorate</b>									
Bacup THI	0	76	76	76	51	0	25	0	0
Whitaker	0	1,899	67	1,899	1,709	0	190	0	0
Ski Rossendale	0	13	8	13	13	0	0	0	0
Plot 5 Futures Park	0	3,898	3,691	3,898	0	0	98	3,800	152
Spinning Point Ph1 & 2	0	3,163	3,021	3,163	3,163	0	0	0	0
Property Repairs & Maint	100	453	395	453	55	98	100	200	40
Other minor projects	0	125	95	125	73	0	52	0	0
	<b>1,304</b>	<b>13,337</b>	<b>8,902</b>	<b>13,337</b>	<b>7,323</b>	<b>686</b>	<b>465</b>	<b>4,863</b>	<b>365</b>

### Capital Programme

The original Capital Programme was £1,304k, including £554k of vehicles and £500k of DFGs. To this was added £5,303k of slippage, including the balances of Spinning Point Phase 1 & DFG's.

Capital Programme 2019/20	£000	Funded by
<b>Original Capital Programme</b>	<b>1,304</b>	
<b>Slippage from 2018/19</b>	<b>5,303</b>	see list
<b>New capital projects in 2019/20</b>		
Additional DFGs Grant	522	Extra 2019/20 DFG Grant
CPO enforced sales b/wd	-118	duplicated within 2019/20
Moorlands Park, Weir play are	80	from external grants
Wier play area	97	from external grants
Rising Bridge play area	25	from external grants
Staghills play area	102	from external grants
Whitaker	1,899	from external grants
Bacup THI fountain	25	RBC Reserve
Plot 5 Futures Park building	3,843	construction £3.8m internal
RLT Haslingden Gym Refurb	255	RLT and Internal Borrowing
<b>Revised Capital Programme</b>	<b>13,337</b>	

Further DFG grant of £552k was announced at the end of Q1, bringing the revised capital programme up to £13,337k.

A further £1,899k was announced for the Whitaker enhancement phase 2, funded by the Heritage Lottery Fund.

Members approved the Futures Park Plot 5 Capital project of £3.8m at full Council in July.

### Capital project activity

- Total DFG spend to the end of Q3 was £682k (36% of the revised programme)
- Bacup THI project has now ended and the final balance of £76k has been spent on the fountain works
- Parks projects ongoing include, Mullards at Waterfoot and Moorland Park
- At Spinning Point Phase 1 work is almost complete on the new bus terminal.
- The CCTV upgrade spend to date is £95k
- Officers have commissioned the construction project on Futures Park Plot 5, which is now under way with £3,691k being spent so far.

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### Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	Revised	Potential	Capital Financing Requirement	Net Additions 2019/20	MRP 2019/20	CFR 2019/20
	MRP Budget 2019/20	MRP Required 2019/20				
Refuse Collection	315	300	15	0	-29	844
Street Sweeping	8	16	-8	0	-66	2,052
Parks	20	12	8	0	-60	805
IT	0	0	0	0	-22	968
Facilities/Property	0	10	-10	0	-31	1,523
Leisure Investment	126	126	0	527	-330	1,170
Corporate Services	204	200	4	0	0	37
Non-distributed Costs	71	71	0	0	-200	1,481
	744	735	9	0	1	1
				<b>527</b>	<b>-737</b>	<b>8,880</b>

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

Delays in purchasing operational vehicles in 2018/19 should lead to MRP savings of around £9k in 2019/20 (see page 8 & 9).

### Section 106 Receipts Monitoring

Section 106 Agreements 2019/20	Third Party Projects	RBC Revenue Projects	RBC Capital projects	RBC Total Held
Balance b/wd at 1st April 2019	£000	£000	£000	£000
Deposits received in 2019/20	298.2	128.9	385.5	<b>812.7</b>
Deposits applied in 2019/20	12.8		165.9	<b>178.7</b>
	(30.8)	(11.2)	(32.5)	<b>(43.7)</b>
<b>Current Balance</b>	<b>280.2</b>	<b>117.7</b>	<b>518.9</b>	<b>916.9</b>

The only change in Q3 is a £13k deposit received on third party projects. The other change is £32.5k RBC Capital Project deposit applied.

Planning Ref	Area	Site	Purpose	Time Period	Current Balance
<b>RBC Maintenance:-</b>					
2004/012	Crawshawbo	Former Chapel York St Crawshawbooth	Contribution to recreation area <b>selected by the council</b>	no time limit	0
2004/401	Bacup	Douglas Rd/ Tong Lane	Land Maintenance	no time limit	114,846
2006/696	Whitwell Bot	Edgeside Park / Millenium Steps	Edgeside Park / Millenium Steps	no time limit	1,968
2008/587	Borough	PCT, Bacup Rd, Rawtenstall	Irwell Sculpture Trail	no time limit	977
2015/334	Rawtenstall	Land off Oaklands Drive & Lower Cribdt	Refuse Bins	Exp March 2024	0
					<b>117,791</b>
<b>RBC Capital:-</b>					
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public Open Spaces	Exp July 2020 / May 2021	109,647
2010/0667	Whitworth	Cowm Park Way/ Hall St	Public Open Spaces	Exp Mar 2023	10,264
2011/0046	Helmshore	Holmefield House	Affordable housing (Deed of Variation)	Legal to determine poss Sept 2020	25,800
2013/0041	Cloughfold	Land at 449-457 Bacup Rd,	Play Space/Open Space and/or pedestrian/cycle way	no time limit	13,702
2015/0238	Edenfield	Horse & Jockey. 85 Market St, Edenfield	Local recreational/play facilities	Exp July 2023	14,759
2015/334	Rawtenstall	Land off Oaklands Drive & Lower Cribdt	Affordable Housing	Exp March 2024	162,893
2015/334	Rawtenstall	Land off Oaklands Drive & Lower Cribdt	Affordable Housing	Exp June 2024	165,886
2016/0228	Edenfield	Land at Croft End Mill, Stubbins	Public Open Spaces - Edenfield Play area	Exp Oct 2023	15,852
					<b>518,804</b>

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### Council Tax & NNDR Collection Rates

Collection rates for Council Tax and Business rates are around about the same position as last year.

Collection Rates	Council Tax					Business Rates				
	2015/16	2016/17	2017/18	2018/19	2019/20	2015/16	2016/17	2017/18	2018/19	2019/20
April	10.91	10.60	10.39	10.41	10.51	11.87	11.25	10.34	11.26	12.22
May	19.98	19.73	19.53	19.72	19.70	20.80	19.20	19.14	18.93	21.07
June	29.22	30.12	28.81	28.79	28.63	29.31	28.26	27.51	27.28	28.68
July	38.49	37.97	37.91	37.97	37.86	43.25	35.55	36.85	36.25	37.37
August	47.54	47.21	47.10	47.03	46.90	54.82	43.60	48.98	49.93	50.82
September	56.80	56.35	56.20	56.05	56.01	62.70	58.92	57.60	58.43	58.34
October	66.18	65.58	65.58	65.32	65.23	70.27	67.00	65.57	67.95	67.52
November	75.45	74.73	74.81	74.52	74.78	79.88	74.40	74.28	74.77	74.26
December	84.52	83.85	84.03	83.55	83.33	87.02	82.08	82.46	83.00	82.70
January	93.73	93.01	92.93	92.72		93.17	90.20	91.18	91.11	
February	95.41	94.84	94.90	94.90		96.85	94.06	95.10	95.73	
March	96.80	96.20	96.40	96.70		97.40	97.20	98.40	98.47	

### Council Tax Collection Fund

At this Q3 report the Council Tax collection fund looks to be heading towards a surplus of perhaps £477k. This year RBC's share is 14.61%, around £70k.

The changes in band decreases, increases and occupancy changes are showing a net favourable position of £58k at the end of December, but this is too early to expect that to continue at the moment the changes are anticipated to net to zero.

Council Tax Forecast 2019/20	Q1 £'000	Q2 £'000	Q3 £'000
Council Tax Collectable (after Discounts & Exemptions)	39,361	39,444	39,414
less Doubtful Debt Provision	(300)	(300)	(300)
	<b>39,061</b>	<b>39,144</b>	<b>39,114</b>
less Precepts for 2018/19			
Lancashire County Council	(27,465)	(27,465)	(27,465)
Police	(4,109)	(4,109)	(4,109)
Fire	(1,417)	(1,417)	(1,417)
Rossendale Borough Council	(5,645)	(5,645)	(5,645)
	<b>(38,636)</b>	<b>(38,636)</b>	<b>(38,636)</b>
<b>Surplus / (Deficit)</b>	<b>424</b>	<b>508</b>	<b>477</b>
<b>RBC Share = 14.61%</b>	<b>62</b>	<b>74</b>	<b>70</b>

There has been a £9k increase in the long-term empty premium since 2018/19 and an £7k decrease in the entitlement to Local Council Tax Support. In addition £573k has been received relating to prior year debts brought forward at the year-end.

### 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 2019/20 the Lancashire Business Rates Pool has been included in the national 75% local retention of business rates pilot, which means that 75% of the business rates collected stay within Lancashire, and Rossendale keeps 56% rather than the 40% retained previously.

Q3 band changes have changed very little from Q2, sitting at a net adverse of £62k, leading officers to predict perhaps £70k for the year in total. Small Business Relief is currently £3,283k, compared to the original estimate of £2,895k.

At the moment it is too early to expect much of a change in the Doubtful Debt and Appeals Provisions, but there should be at least £250k reduction in the Appeals Provision requirement if this year follows the pattern of 2018/19.

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Write-offs have totalled £125k so far, but these generally occur in Q4 and are covered by the doubtful debt provision set aside. The provision at the end of 2018/19 was £1,114k against net debts of £1,314k. At first glance this may seem a high provision ratio, but it prudently provides for 100% of debts over 6 yrs old, 95% of debts in 2016/17 and earlier and 45% of debts from the last two years.

Business Rates Collection Fund 2019/20		NNDR1 (50% Pool) £000	Q1 (75% Pilot) £000	Q2 (75% Pilot) £000	Q3 (75% Pilot) £000
Net Liability Due		13,231	13,199	12,946	13,048
Less Transitional Payments due to MHCLG		(28)	(28)	(28)	(28)
Less Cost of Collection Allowance		(97)	(97)	(97)	(97)
Less Doubtful Debt Provision		(300)	(300)	(270)	(270)
Less Appeals Provision		(500)	(400)	(250)	(250)
Less Renewables 100% to RBC		(168)	(168)	(168)	(168)
<b>Net NNDR due</b>	<b>A</b>	<b>12,138</b>	<b>12,206</b>	<b>12,133</b>	<b>12,235</b>
Less Trans surcharge	B	0	0	0	0
Less Precepts		(12,138)	(12,138)	(12,138)	(12,138)
Cash Surplus/(Deficit)	C	0	68	(5)	97
<b>RBC Share = C x 56%</b>	<b>D</b>	<b>0</b>	<b>38</b>	<b>(3)</b>	<b>54</b>
Central Government share 25%			17	(1)	24
LCC and Fire share 19%			13	(1)	18

The net effect is a cash surplus prediction of £97k, of which RBC would retain a liability for £54k

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.

RBC General Fund / Pooling gains		NNDR1 (50% Pool) £000	Q1 (75% Pilot) £000	Q2 (75% Pilot) £000	Q3 (75% Pilot) £000
Business Rates Income	A+B	12,138	12,206	12,133	12,235
RBC Share = 56%		4,882	6,835	6,794	6,852
less tariff paid to Lancashire Pool		(2,670)	(4,596)	(4,596)	(4,596)
add S31 Grants	E	908	1,584	1,479	1,635
Subtotal		3,120	3,823	3,677	3,891
RBC Baseline Funding Level used in Budget		2,145	2,145	2,145	2,145
<b>Surplus for Levy Calculations</b>	<b>F</b>	<b>975</b>	<b>1,678</b>	<b>1,532</b>	<b>1,746</b>
Levy due to Lancs Pool = F under 50% Pool	G <sup>1</sup>	(49)	(98)	(95)	(99)
Levy due to Lancs Pool = F under 75% Pilot	G <sup>2</sup>	(114)	(211)	(176)	(228)

In theory RBC now retains 56% of business rates, and the County and fire combined retain 19%.

Under the 2018/19 50% Pool the Council would have expected a surplus for Levy calculations of £975k (F), but with Q3 performance under the new 75% pilot that surplus is expected to increase to £1,746k, of which the County and Fire will receive £326k (G) and RBC will keep £1,420k. Therefore, the new 75% pilot looks to be resulting in an extra gain of £607k for Rossendale at the moment.

Central government also gives authorities Section 31 grants (E) to cover small business reliefs and other government-backed schemes. In the NNDR1 estimate those grants totalled £908k, but the 75% pilot and the level of reliefs so far have led officers to predict £1,635k income.

Business Rates Summary		NNDR1 (50% Pool) £000	Q1 (75% Pilot) £000	Q2 (75% Pilot) £000	Q3 (75% Pilot) £000
Business Rates Surplus/(Deficit) 2019/20	F	975	1,678	1,532	1,746
less Lancashire Pooling Levy	G <sup>1</sup>	(49)	(98)	(95)	(99)
less Lancashire Pooling Levy Additional	G <sup>2</sup>	(114)	(211)	(176)	(228)
Renewable Energy		168	168	168	168
<b>Overall Gain</b>	<b>H</b>	<b>981</b>	<b>1,538</b>	<b>1,430</b>	<b>1,587</b>
Business Rates Retention Reserve Bfwd		1,340	1,340	1,340	1,340
Business Rates Surplus/(Deficit) 2018/19		0	651	651	651
Business Rates Surplus/(Deficit) 2019/20	H	981	1,538	1,430	1,587
Less Budgeted Utilisation		(1,200)	(1,200)	(1,200)	(1,200)
<b>Total Retained Business Rates Resources Cfwd</b>		<b>1,121</b>	<b>2,329</b>	<b>2,221</b>	<b>2,378</b>

To summarise, this creates a total net gain (H) of £1,587k over RBC's baseline funding. When added to the Reserve balance brought forward of £1,340k and the £651k surplus from 2018/19 this gives £3,578k, of which £1,200k has been budgeted to support the General Fund in 2019/20, leaving predicted closing resources of £2,378k in March 2020.

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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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## Monthly Financial Monitoring Report 2019/20 Q3 December 2019

### 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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آپ کو ان معلومات کا خلاصہ سے حروف میں، ایک کیسٹ پر، یا انگریزی کے علاوہ کسی اور زبان میں درکار ہے تو براہ  
مہربانی ہمیں بتائیں، ہم خوشی آپ کے لئے اس کا انتظام کریں گے۔  
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آپانی যদি اسب تخواہ سار سٹفسپ بڈ ہر فہرہا خاپا، اڈیو کاسیٹے اٹھا یا اینگریجی ڈاڈا  
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انڈرہہ کرے 01706 217777 ای ڈاڈڈاڈاڈا اٹھا یا کمیونیکیشن سیکشن، ڈاڈن سڈڈار  
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Other formats available on request.

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